

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525
(203) 397-4811

Dr. Charles Dumais
Superintendent of Schools

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AMITY REGIONAL BOARD OF EDUCATION


November 14, 2016

A regular meeting of the Amity Regional Board of Education will be held on Monday, November 14, 2016, at 6:30 p.m. in the Presentation Room at the District Offices.

Agenda

1. Call to Order
2. Pledge of Allegiance
3. Recognition of CAPSS Award Recipients pg . 3
4. Recognition of National Merit Scholar Program Semi-Finalists and Commended Students
5. Financial Award Presentation
6. Approval of Minutes
 - a. Regular BOE Meeting, October 17, 2016 (Enclosure) pg . 8
 - b. Special BOE Meeting, October 25, 2016 (Enclosure) pg . 12
7. Public Comment
8. Student Report – Ms. Ananya Kachru
9. Presentation by Kathleen Fuller-Cutler, Principal, Amity Middle School, Orange Campus
10. Discussion of CABA Delegate Assembly 2017 Proposed Resolutions (Enclosures) pg . 13
11. Discussion and Possible Action on 2017-2018 Calendar (Enclosure) pg . 54
12. Discussion and Possible Action on Funding of SRO
13. Correspondence
14. Superintendent's Report
 - a. Personnel Report (Enclosure) pg . 55
 - b. Superintendent's Monthly Report (Enclosure) pg . 56
 - c. Other

15. Chairman's Report
 - a. Committee Reports
 1. ACES
 2. CAGE (Enclosure) pg . 61
 3. Curriculum
 4. Facilities
 - a. Facilities Dept. Monthly Report, October, 2016 (Enclosure) pg . 63
 5. Finance
 - a. Discussion and Possible Action on Contracts of \$35,000 or More
 1. Copiers and Print Management pg . 64
 - b. Discussion and Possible Action to Authorize Superintendent to Sign a Contract to Procure Natural Gas pg . 66
 - c. Discussion of Monthly Financial Statements pg . 67
 - d. Director of Finance and Administration Approved Transfers Under \$3,000 pg . 92
 - e. Information on Second Quarter 2016 Executive Summary Review of Amity Pension Fund, Sick and Severance Account, and OPEB Trust pg . 93
 - f. Other
 1. Information on Health Insurance Collaborative pg . 242
 2. Update on Financial Audit
 3. Update on Budget Development
 6. Policy
 7. Personnel
16. Items for the Next Agenda
17. Adjournment



Charles Dumais, Ed.D.
Superintendent of Schools

CD/kfw
pc: Town Clerks: Bethany
Orange
Woodbridge

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Working to "enable every Amity student to become a lifelong learner and a literate, caring, creative and effective world citizen." District Mission statement

If you require accommodations to participate because of a disability, please contact the office of the Superintendent of Schools in advance at 397-4811.



CAPSS Certificate of Excellence
Student Award Recipients
2016

AMITY REGIONAL HIGH SCHOOL:

Andrew Hague

Jacob Hollander

Bailey MacNamara

Carly Mastrangelo

Alekya Menta

Jacob Okolo

- ***Andrew Hague***

Andy has been a consistent student, maintaining a 3.13 grade point average while moving into increasingly challenging classes during his time at Amity. Andy has served as a Link Crew Leader for multiple years and he has been active in the Community Action Club, Future Business Leaders of America, and Relay for Life. Outside of school, he has been a long-time member of the Northeast Baseball School Junior Leaders program. Currently, serving as a captain of the varsity baseball team, Andy set a school record for single-season hits as a junior and received local, regional, and statewide honors for his play as a middle infielder. He will attend the University of Connecticut—where he will also play varsity baseball—in the fall of 2017.

- ***Jacob Hollander***

Jacob is a student that has made a true impression at Amity. Jake is the kind of person who truly cares for others and always shows his gratitude, even for the littlest things. He is a determined young man who works hard to accomplish his goals. Jake has always been one to work to the best of his ability. He has taken a challenging course load throughout his time in high school including taking Advanced Placement and Honors courses. Jake's dedication to his school work has led to him being in the top 20% of his competitive class. His interests in high school have been mainly in the social science areas but in college he would like to study international affairs. To help learn more about his area of interest Jake applied to a competitive program called Yale Young Global Scholars International Affairs and Security Program. This two week intensive program helped to expose Jake to what he might be doing working in International Affairs such as foreign policy and strategy, and helped to solidify his interest in this area. Jake's demeanor and respectful nature are two qualities that make him a good fit for this career path. As an active member of the high school community Jake has been a long time member of the Junior State of America club. Through this organization Jake has been able to show his leadership skills, including speech and debate as well as his knowledge of United States Law, and political

philosophy. Jake is also a member of both the cross country and outdoor track teams that have helped him to learn what it takes to have mental toughness and to push himself through obstacles that he has not faced before. As a member of the greater community Jake is an Eagle Scout, who enjoys participating in civic engagement. In addition to those activities, Jake is also involved on the Amity Debate team, his BBYO youth group and he also participates in Krav Maga and Tang Soo Do. It is not only Jake's hard-working nature but his strength of character that makes him an ideal recipient for the Connecticut Association of Public School Superintendents. Jake is an outstanding individual who is always willing to help out others. He leads by example both in and out of the classroom. He has the skills needed to be a success at the college level, and will make significant contributions to the world throughout his future career.

- ***Bailey MacNamara***

Bailey MacNamara is a kind, hard-working, independent individual who has a very mature perspective on life. She leads by example within our community at Amity Regional High School. Bailey's leadership ability shines through in both athletics and clubs. A four-year member of our Lacrosse and Ice Hockey programs, Bailey will serve as captain of both teams this year. She sets a tone with her teammates that is both encouraging and positive. Bailey is also a Link Crew Leader for our freshman orientation program. In this position, Bailey conducts herself in a way that she hopes will rub off on those looking to her as a role model. In addition, she serves as a peer tutor, participates in Community Service with National Honor Societies, and volunteers her time to her church. In addition, Bailey has also taken the initiative to start a project to donate blankets, toys, and health supplies to children receiving cancer treatment at Yale New Haven Hospital. In the Academic realm, Bailey is a top student who takes her studies seriously and genuinely enjoys the learning process. At last year's Underclassmen Awards Night, she received awards for Excellence in Anatomy & Physiology, Physics, Precalculus, Spanish, and American Government. She was also selected as a Student of Distinction, an award given by the Counseling Department to recognize students who have demonstrated success in academics and activities. Bailey's hard work has also landed her in many of our Honor Society programs, including Spanish, Art, and National Honor Society. Bailey intends to pursue a career in Nursing. She is exactly the type of person that our society needs to have working in a helping profession. Her energy, kindness, and optimism are evident in everything she does and she is truly deserving of this honor.

- ***Carly Mastrangelo***

Carly Mastrangelo is a senior at Amity High School who is enrolled in a level one/two college preparation program and has earned a 3.485 grade point average. Carly has increased the rigor of her academic levels each year and has thoroughly enjoyed her social science and English courses. Carly is an energetic and dynamic young lady who is involved in a variety of activities such as Link Crew, Student Government, and Habitat for Humanity. She is also a three-season athlete and participates on the Amity Cross Country team, and is the captain of the Ski Racing and Track and Field teams. Outside of school Carly enjoys working as a ski instructor at Mohawk Mountain and is a certified life guard and is also a camp counselor. She is full of life and a friend to all.

- *Alekya Menta*

Alekya has excelled academically at Amity, posting a 4.11 grade point average in one of the most challenging programs of study taken by any member of her graduating class. She has been an active member of the Principal's Committee, serving as a link between her peers and our administration. She is currently preparing a weekly e-mail for her peers to strengthen the dissemination of information about building happenings. Alekya has been active with the Debate Team and the Trident Newspaper. She has served as a leader within the Hindu Cultural Center Youth Council outside of school, in addition to securing employment as a tutor and babysitter. This fall, Alekya is serving as the Vice President of our chapters of the National Honor and National Spanish Honor Societies. She is also a link leader, talented photographer, and will captain the varsity tennis squad this upcoming season.

- *Jacob Okolo*

Jacob Okolo is a detail oriented, ambitious, and passionate young man. Since his freshman year, Jake stood out as a conscientious student who actively engaged in Amity's community. Because of his involvement in our campus life, Jake is well known by many students and faculty. Academically, Jake consistently challenged himself in some of the most rigorous courses at Amity earning him a spot among the top of his peers. He comes to class prepared and offers insight to class discussions. He is respected by faculty and peers alike. Jake is a team player and works well in groups often assuming a leadership position. He was inducted into the National Honor Society not only due to his academic standing but also because of his character, strong leadership, and integrity. Because he is a strong student who relates well to others, he's been a reliable and effective Peer Tutor. Outside of the classroom, Jacob adds life to our campus with his involvement in extra-curricular activities. He's played an integral role in our theatre department spending countless hours on our theatrical productions. He's a four year member of Student Government serving as President this year. He's organized numerous fundraisers and social events such as homecoming and prom. Furthermore he is President of the Spanish Club and served as a Link Leader for the past two years. There is no doubt that Amity is a livelier campus because of Jake's involvement.



CAPSS Certificate of Excellence
Student Award Recipients
2016

AMITY MIDDLE SCHOOL-BETHANY CAMPUS:

Jonathan Fischman

Gabriella Urbano

- ***Jonathan Fischman***

Team Black nominates Jonathan Fischman for the CAPSS Award. He is a responsible and enthusiastic student who continually exhibits maturity and determination in all of his academic classes. Jonathan earns first honors in all advanced level courses. He is an insightful student who displays sensitivity towards his classmates. Jonathan acts as a role model for his peers, is helpful towards other students, and emerges as a leader both in and out of the classroom. Jonathan is an active member of various AMSB clubs, including the math team, the science club, the architecture and engineering club, and the social robotics and engineering program. Jonathan also enjoys playing alto sax in our school band. Jonathan has volunteered as a peer tutor this year and has been very helpful in working with other students. His enthusiasm for learning and helping his peers is a tremendous asset. Jonathan also volunteers at his synagogue, and is collecting winter clothing to donate to those in need for his bar mitzvah community service project.

- ***Gabriella Urbano***

Gold Team nominates Gabriella Urbano for the CAPSS Award. Gabriella excels academically, earning first honors in advanced level courses. She was among a small group of Amity students selected to participate in UCONN's STEM Conference for young women entitled, *Multiplying Your Options*, sponsored by the UCONN Engineering Department. In addition to her achievements in the classroom, Gabriella is also a leader in athletics as a member of the AMSB volleyball team and a member of the strings program. She volunteers to participate in what was *Best Buddies*, and is now called *Fabulous Friends*, a peer mentoring club to help students build positive friendships. According to her teachers and the adults who know her, it is Gabriella's character which stands out as the reason for her receiving this prestigious recognition. Her pleasant disposition, genuine and natural enthusiasm, spirit of helpfulness, and her leadership by example are all areas in which Gabriella consistently distinguishes herself.



CAPSS Certificate of Excellence
Student Award Recipients
2016

AMITY MIDDLE SCHOOL-ORANGE CAMPUS:

Abigail Ganun

Max Kruger

- ***Abigail Ganun***

Abigail Ganun is a kind, friendly and personable young woman. She is an extremely hard worker, who always works to her highest potential. She finished off her 7th grade year with an Academic Award for making honors during every marking period of the year. She is continuing to earn excellent grades in the 8th grade. She is extremely dedicated toward her academics, always striving to do her very best. Even when school work gets difficult, she perseveres and isn't afraid to put in extra time to get help when she needs it. She is an extremely dedicated basketball player, playing for Amity Middle School Orange as well as a travel league and a premier league outside of school. In addition to basketball, she played Softball for Amity Middle School last year and will be trying out again this year. Abby also devotes much of her time to volunteer work. As a member of her church she has volunteered to work with the "Midnight Runs", where she has helped to make and deliver sandwiches to the poor, she has volunteered with the scouts and volunteers with her church helping out with different events. Abby has recently showed interest in joining the Unified Sports team at Amity as well. Her personable and lively nature, make her approachable to others. She is always willing to help others and is helpful to her peers in the classroom and in the school community.

- ***Max Kruger***

Max Kruger a friendly, sweet, genuine young man who works hard in all aspects of his life. Max is dedicated to his academics. He earned an Academic Award at the end of 7th grade for earning honors all year. He has also continued to strive toward good grades in all advanced classes in 8th grade, working toward his highest potential. Max is a talented athlete who spent years playing baseball. He recently has taken a break to work on his passion of biking. He is involved with community service and recently for his Bar Mitzvah spent many hours raising money for cancer research. He has also become a leader in school. His helpful and approachable personality led him last spring to be chosen by teachers to do classroom talks and tours with the incoming 7th grade class. He is extremely respectful and helpful toward his peers in the classroom and teachers feel he is a role-model in the classroom.

MINUTES

BOARD MEMBERS PRESENT: Chairman William Blake, Ms. Robyn Berke, Mr. Christopher Browe, Ms. Patricia Cardozo, Ms. Sue Cohen, Ms. Amy Esposito, Mr. Thomas Hurley, Ms. Tracey Russo, Ms. Sheila McCreven and Ms. Diane Urbano.

BOARD MEMBERS ABSENT: Mr. John Belfonti, Mr. Steven DeMaio and Mr. James Stirling.

Staff members present: : Dr. Charles Dumais, Ms. Theresa Lumas, Mr. Scott Cleary, Dr. Richard Dellinger, Ms. Kathi Fuller-Cutler, Ms. Anna Mahon, Dr. Marie McPadden and Ms. Mary Raiola.

Also present: Ms. Ananya Kachru, Mr. Cornell Bialicki, Jason Benard, Riku Korenaga, and other members of the public.

A regular meeting of the Amity Regional Board of Education (BOE) was held on Monday, October 17, 2016 at 6:30 pm in the auditorium at Amity Middle School, Bethany Campus.

1. **Call to Order:** Chairman William Blake called the meeting to order at 6:40 pm.

2. **Pledge of Allegiance** was recited by those present.

3. **Approval of minutes.**

A. **Regular BOE meeting, September 12, 2016 (enclosure)**

Motion by Mr. Hurley, 2nd by Ms. Russo to accept the minutes as submitted

Ms. Cohen noted one typographical error, page 5, item 5.F.1., "Fun" should be "Fund"

Vote unanimous

Motion carried

Minutes from September 12, 2016 were corrected and re-submitted

B. **District Meeting/Public Hearing, September 26, 2016 (enclosure)**

Motion by Ms. Cohen, 2nd by Ms. Urbano to accept the minutes as submitted

Vote unanimous with Mr. Hurley and Ms. Berke abstaining

Motion carried

C. **Special BOE meeting, September 26, 2016 (enclosure)**

Motion by Ms. Russo, 2nd by Ms. Cardozo accept the minutes as submitted

Vote unanimous with Mr. Hurley abstaining

Motion carried

D. **Special BOE meeting, September 27, 2016 (enclosure)**

Motion by Mr. Hurley, 2nd by Ms. Russo to accept the minutes as submitted

Vote unanimous with Ms. Urbano abstaining

Motion carried

4. **Public Comment - none**

5. **Student Report**

Ms. Ananya Kachru gave the Board a report on events at Amity High School, Amity Middle School Bethany Campus and Amity Middle School Orange Campus over the past month, as well as informing the Board of upcoming events.

6. Presentation by Dr. Richard Dellinger, Principal, Amity Middle School, Bethany Campus (attachment)

Dr. Dellinger gave a brief history of the school and the organizational structure as well as information about staff structure and the team concept for students. Several Board members asked questions regarding the process of placing students on the teams and how the school works with the sending elementary schools. Mr. Blake asked Dr. Dellinger what would be on his wishlist for the school and he stated that additional technology would be a priority.

7. Presentation by Mr. Cornell Bialicki – piano performances by 8th grade students Jason Benard and Riku Korenaga.

Dr. Dellinger introduced Mr. Bialicki, who made it possible for Amity Middle School, Bethany Campus, to obtain a baby grand piano for the PTO-allotted budget of \$2,500 and also donated an upright Kawai piano to the school. Mr. Bialicki then introduced the students who would play. Jason Benard played The Entertainer by Scott Joplin on the baby grand and Riku Korenaga played English Suite No. 2 by J. S. Bach on the upright. The performances were excellent and the students and Mr. Bialicki were commended and thanked by the Board and all those present.

8. Discussion and possible action on the 2017 Board of Education meeting calendar

Motion by Mr. Hurley, 2nd by Ms. Russo to accept the calendar as presented.

Vote unanimous

Motion carried

9. Report on 2016 testing results (attachment) – Dr. McPadden presented the test results for 2016 for Grade 10 CAPT/CMT Science, SBA and SAT.

Board members asked questions and had discussion regarding the test results as compared to other towns in the DRG, what needs to improve and how any remedial help will be implemented. Dr. McPadden and Dr. Dumais answered all the questions in detail. Mr. Blake asked that the Curriculum Committee work with Dr. Dumais and Dr. McPadden to further digest this testing information and come back to the Board with further recommendations.

10. Correspondence – Dr. Dumais stated that he sent a note out to all of Amity regarding Amity policies and asked for feedback; he has received some responses.

11. Superintendent's Report**A. Personnel Report – (enclosure)****B. Superintendent's Monthly Report (enclosure)**

Dr. Dumais highlighted items in his monthly report. As an addendum to his report, he announced that Ms. Mahon received an award from the Connecticut Association of Schools for achievements of a First Year Principal. Ms. Mahon was recognized and thanked for all she has done at Amity High School in her first year as principal.

C. Other – none**12. Chairman's Report -****A. Committee Reports****1. ACES**

A. Draft, ACES calendar - Ms. Cohen noted the draft of the ACES calendar for 2017-2018 enclosed in the packet and asked for any feedback regarding, in particular, the start date of school. Dr. Dumais explained the requirements from the State of Connecticut as it pertains to regional school associations.

2. CABA - Ms. McCreven attended a legal session sponsored by CABA and reminded the Board of the CABA conference coming up in November. Ms. McCreven has notes from the legal meeting that she will submit to Dr. Dumais for review before making them part of the permanent record via attachment to the minutes.

3. Curriculum – The Curriculum Committee will meet on October 27th at 6:30 pm

4. Facilities – The Facilities Committee met in September and had a facility tour at the high school which included the fuel cell project; that project is ahead of schedule.

A. Facilities Department monthly report, September 2016 (enclosure)

5. Finance

A. October enrollment report – Dr. Dumais presented the enrollment report and highlighted the difference between enrollment versus average daily membership as well as detailing the changes in member allocation for each town.

B. ICMA-RC appointment as defined contribution retirement plan administrator. - International City Management Association Retirement Corporation (ICMA-RC) has been selected to administer the plan as noted on page 26 of the Board packet, memo from Ms. Lumas to Dr. Dumais.

C. Discussion of Monthly Financial Statements

D. Director of Finance and Administration Approved Transfers Under \$3,000

E. Discussion and possible action on new funding requests

Mr. Hurley recused himself from the discussion on this item.

Ms. Lumas noted that the name of account number 05-15-2512-5281 as noted in her memo should be Defined Contribution Retirement Plan rather than Defined Benefit Pension Plan.

Motion by Ms. Cohen, 2nd by Ms. Cardozo to make the following budget transfer into the Defined Contribution Retirement Plan account to cover the District's contribution on behalf of employees:

ACCOUNT NUMBER	ACCOUNT NAME	FROM	TO
05-00-0000-5850	Contingency	\$41,074	
05-15-2512-5281	Defined Contribution Retirement Plan		\$41,074

Vote unanimous with Mr. Hurley abstaining

Motion carried

F. Other

1. Audit update – Ms. Lumas stated that the audit is complete, there were no issues, and a draft of the report for Federal and State grants has been received. The draft of the full report should be received soon.

6. Policy – The Policy Committee will meet on October 24th. There will be a presentation by CAFE at that meeting regarding how to best attack policy changes. A memorandum of understanding will be addressed.

7. Personnel – The Personnel Committee will meet on November 7th.

9. Items for next agenda – please forward any items for the next agenda to Dr. Dumais or Mr. Blake.

10. Adjournment

Motion by Ms. Cohen , 2nd by Mr. Hurley to adjourn at 9:05 pm.

Vote unanimous

Motion carried

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

Thomas Hurley, Secretary

Attachments (2)

Presentation, Amity Middle School, Bethany Campus – Dr. Richard Dellinger

Presentation, Testing results – Dr. Marie McPadden

Special Meeting
October 25, 2016, 5:30 p.m.
MINUTES

Board Members Present: Mr. Browe [< 6:17], Mr. Blake, Mr. Hurley, Ms. McCreven, Ms. Cohen [< 7:05], Ms. Cardozo, Mr. Belfonti [> 5:45], Ms. Esposito [> 5:45], Ms. Urbano [> 5:48, < 7:30], Mr. DeMaio [> 6:12, < 7:30], Ms. Berke [> 6:17]

Also Present: Charles Dumais, Nick Caruso (CABE)

1. Call to Order: Chairman Blake called the meeting to order at 5:40 p.m.
2. Nick Caruso, CABE, facilitated a discussion on Board responsibilities and best practices
3. Motion to Adjourn: Tom Hurley, 2nd Pat Cardozo, Unanimous
4. Meeting was adjourned at 7:48 p.m.

Respectfully Submitted,

Charles Dumais, Ed.D.
Superintendent

Regular Calendar

Governance

Subject: II.1 STUDENT ACHIEVEMENT AND ASSESSMENT

Issue: The need to use student tests as teaching tools and part of the instructional program at the local level and to assure local school board involvement in assessment and accuracy and relevancy of data used to assess the condition of education in the State of Connecticut.

- Resolution:**
1. CABE urges all Connecticut boards of education to provide strong leadership to raise student achievement, and to create a school climate that fosters academic and personal development.
 2. CABE urges boards of education, the State Board of Education and the General Assembly to recognize the broad range of attributes that contribute to student success, including but not limited to academic achievement, critical thinking, community service and integrity.
 3. CABE urges the state and federal government to provide resources to support high quality professional development **RELATED TO ASSESSMENT** for all certified staff.
 4. CABE urges the Connecticut State Department of Education to increase support and funding for educational programs supporting arts.
 5. CABE urges the state to create and fund a system designed to share successful curricula and/or programs enhancing student achievement among school districts using the State Department of Education and Regional Education Service Centers.
 6. [CABE urges the State Department of Education to review the SAT testing requirements for 11th graders.]
 6. CABE urges the state and federal government to provide on-going funding resources and technical assistance to districts to evaluate assessment data and allow greater use of data-driven decision making in the adjustment of curriculum and instructional practice.
 7. CABE supports efforts to improve student assessment programs that enhance individual student achievement and are part of a planned program for meeting educational objectives. CABE is opposed to a federal testing program.
 8. CABE urges the State Department of Education to provide boards of education with explanatory and instructional materials one full year prior to implementing any new or revised statewide assessments.
 9. CABE urges school boards to affirm their commitment to the improvement of student learning and to:
 - Openly evaluate data on student achievement indicators;
 - Discuss processes that affect the instructional program;
 - Examine the impact of the district's course of study on learning;
 - Review/revise district goals to focus on student progress;
 - Strive to find methods to remove barriers to learning;
 - Inform district staff, students, parents, and the community about student achievement in the schools; and
 - Promote an excitement for learning.

From an existing resolution/The Government Relations Committee recommends adoption.

Explanation of change: Editorial change in 3rd paragraph. Deletion of 6th paragraph: There is a committee reviewing testing requirements.

Subject: **II.2 THE LEGISLATIVE – SCHOOL BOARD PARTNERSHIP**

Issue: The need for the Legislature and Local School boards to operate in predictable and mutually supportive manners, thus enabling the establishment of public policy that is both fiscally prudent and in the best interest of ALL of Connecticut’s children.

Resolution: [CABE urges the legislature to operate in a more predictable fashion in consultation with local boards of education, giving full airing to proposals impacting local communities prior to voting on them.]

CABE urges local school boards to provide legislators with objective analysis of proposed legislation.

CABE urges members of the Legislature to exercise restraint when addressing education issues that impact local operations. Overly prescriptive law or regulation inhibits local capacity to innovate and best serve its public.

CABE supports a requirement that a local impact study be conducted before any education laws/policies are enacted by the legislature or regulations are adopted by the Connecticut Department of Education. The local impact study shall include costs and benefits of such law/policy/regulation.

Rationale: Like members of the Connecticut Legislature, school board members are elected officials, charged by the State Constitution with responsibility for K-12 and, increasingly, early childhood education. The best public policy can be developed through a collaborate relationship.

From an existing resolution//The Government Relations Committee recommends adoption.

Explanation of change: Deletion of 1st paragraph and combines existing resolutions “Legislative Mandates” and parts of the “Impact of Law and Regulations” resolution.

Finance

Subject: **II.3 PUBLIC EDUCATION FUNDING**

Issue: Local Boards of Education are increasingly challenged to obtain adequate funding through the normal sources of State and federal grants and local property taxes.

Resolution: CABE urges the Legislature to take necessary steps to ensure that the primary sources of local district funding are protected from erosion through the development of biennial state budgets which maintain grant funding at least at existing levels and avoid imposition of mandates or state tax shifting which might result in the transfer of state obligations to local property taxes.

CABE supports the concept of full state and federal funding on a current basis for any mandated programs. CABE supports the passage of legislation making state mandates on local boards of education unenforceable unless said mandates are fully funded year to year by the state legislature.

From an existing resolution/The Government Relations Committee recommends adoption.

Explanation of change: Incorporated existing resolution “Funding Mandatory Programs”.

Subject: II.4 THE SCHOOL FINANCE SYSTEM

Resolution: The increased burden of the cost of public education, largely as a result of mandates imposed on public school systems by state government, requires a more equitable sharing by state and local funding sources. Therefore, state legislation should recognize:

1. the responsibility of the state government to provide an equitable share of total local school expenses;
2. the need for the state to distribute funds on an adequate basis with the primary responsibility for local expenditure determination to remain with the local school board;
3. that local school districts should develop, with state assistance, procedures to ensure fiscal accountability and efficiency and the most effective use of tax dollars;
4. the need to restructure the state spending cap so all federal education funds flow to school districts;
5. the state responsibility to fund court-ordered programs; and
6. the need for financial incentives to foster interdistrict and/or regional interdistrict cooperation.

CABE supports:

1. use of the most current audited data in any school finance formula;
2. continued exploration of more accurate methods of measuring the wealth of each town, the cost of appropriately educating each child - including those children who are economically disadvantaged or have other special needs, the costs associated with participation in public school choice programs, magnet schools and charter schools, and the unique cost burdens borne by poor rural and poor urban school districts;
3. monitoring of the effectiveness of school finance programs to ensure that towns spend an appropriate amount for the education of each student in order to provide substantially equal advantages taking into account differences in local costs based on relevant economic and educational factors and on course offerings of special interest in diverse Connecticut communities;
4. state funding for education provided directly to local and regional boards of education;
5. the creation of a more consistent manner of reporting and calculating per pupil expenditure;
6. reducing the cost of special education to LEAs and requiring the State to pay its fair share of the costs directly to boards of education;
7. funding for gifted and talented programs;
8. the differential in the cost of operating a secondary only regional school district be factored into the ECS Formula [and transportation formula] and that the MBR be applied separately to schools in K-6 or K-8 districts with designated or regional high schools;
9. full state funding for participation in regional vocational-agricultural programs, including transportation costs;
10. financial incentives for school districts operating extended day kindergarten programs, after school and summer remedial programs; [and]
11. adequate support for adult vocational education programs; **and**
- 12. RESTORATION OF THE TRANSPORTATION GRANT**

From an existing resolution/The Government Relations Committee recommends adoption.

Explanation of change: Deletes reference to transportation grant in #8 and adds #12

Subject: **II.5 PLACEMENTS BY THE DEPARTMENT OF CHILDREN AND FAMILIES**

Issue: The state does not adequately fund the cost of education for students that the Department of Children and Families places in educational facilities outside each student's home district.

Resolution: CAFE urges the [Connecticut State Department of Education] **STATE** to provide for the full cost for educating students placed in private and public educational programs through DCF for children in their custody.

CAFE urges the legislature to provide that the Department of Children and Families pay a percentage of the cost for special education for students attending local school districts.

Rationale: Districts have little or no control over educational placements of students in the custody of the Department of Children and Families. Such placements can be made once a district's budget has been approved. Such placements usually cause a district a financial hardship.

From an existing resolution/The Government Relations Committee recommends adoption.

Explanation of change: The resolution "DCF Special Education Students" was incorporated.

Subject: **II.6 HIGH STAKES TESTING**

Issue: Our nation's school systems have been spending growing amounts of time, money and energy on high-stakes standardized testing, in which student performance on standardized tests is used to make major decisions affecting individual students, educators and schools.

Resolution: CABE calls on the governor, state legislature and state education boards and administrators to reexamine public school accountability systems in this state, and to develop a system based on multiple forms of assessment which does not require extensive standardized testing, more accurately reflects the broad range of student learning, and is used to support students and improve schools.

Rationale: The use of high-stakes, standardized tests mandated by state and federal accountability systems, which haven't been validated as reliable measures of learning and educator effectiveness, undermines quality in public schools by hampering educators' ability to focus on the broad range of learning experiences that promote the innovation, problem solving, collaboration, and deep subject-matter knowledge that students will need to thrive in a democracy and an increasingly global society and economy.

Further Explanation: The over-emphasis on standardized testing has caused collateral damage including teaching to the test, reducing love of learning, pushing students out of school, driving excellent teachers out of the profession, and undermining school climate. Also, the Federal Elementary and Secondary Education Act's testing policies fail to appropriately assess the learning of students with disabilities and non-native English speaking students, resulting in test scores that do not accurately represent a true measure of the contributions of teachers and schools; resulting in further inequities due to perceptions and repercussions in lower resource schools.

Submitted by: New London Board of Education 9/16. The Government Relations Committee recommends rejection.

Statement of reason for recommendation: CABE's existing resolution "Student Achievement and Assessment" addresses these issues.

Subject: II.7 LEGISLATIVE MANDATES

Issue: The Connecticut General Assembly has continuously passed mandates that place a burden on Local Education Agencies (LEA).

Resolution: CABE urges the Connecticut General Assembly not to pass additional mandates concerning LEAs or municipalities without a thorough cost analysis of these mandates.

Rationale: The State of Connecticut continues to fund education below levels which allow for the adequate education of all students in Connecticut however the General Assembly continues to pass legislation which causes Local Education Agencies (LEA) to spend scarce resources on the implementation of these mandates.

Further Explanation: The General Assembly has continuously passed legislation that has placed a burden on Local Educational Agencies. In recent years, there has been an increase in such mandates. Presently, mandates require a LEA to use a majority if not all of their professional development time to satisfy mandated requirements. These training obligations include: dating violence, bullying, restraint and seclusion training for all school personnel, school safety plans as well as dyslexia training. Recent additions to mandates include cancer awareness instruction and student data privacy. Some mandates are placed in “Implementer Bills” and have not had significant legislative vetting. The General Assembly should prohibit the use of the “Implementer Bills” to pass significant legislation.

Submitted by: Putnam Board of Education 9/16. The Government Relations Committee recommends incorporation into the existing resolution “Legislative – School Board Partnership”.

Subject: **II.8 BURDEN OF PROOF**

Issue: Connecticut State Reg, 10-76h-15 places the burden of proof on the school district when there is a dispute concerning an educational setting for a student.

Resolution: CABA urges the State of Connecticut to make the burden of proof on the party that initiated a special education hearing.

Rationale: The State of Connecticut continues to fund education below levels which allow for the adequate education of all students in Connecticut. The special protection given to parents in hearings involving special education students has caused an escalation of special education costs for Local Education Agencies (LEA).

Further Explanation: Connecticut State Reg, 10-76h-15 gives parents of special education students a greater level of protection than federal law. Connecticut's current regulation plays a key role in determining the vast majority of cases favoring the student.

Submitted by: Putnam Board of Education 9/16. The Government Relations Committee recommends incorporation into the existing resolution "Special Education Due Process".

Subject: II.9 KINDERGARTEN SCHOOL AGED ENTRY

Issue: The entry date for kindergarten students to enroll in school at age five.

Resolution: CABE urges the State Legislators to adopt the date for Entry into Kindergarten to be five years old on or before September 1st.

Rationale: Students are entering kindergarten not ready for learning due to their developmental (age) progress. There are students who are 4 years 8 months in kindergarten classrooms with students who may be 5 years 8 months due to the state regulations. Academic, social and emotional development and preparedness for all students entering kindergarten is a must. The state achievement gap begins in kindergarten when students who are enrolled are not developmentally prepared (mostly due to their age.)

Further explanation: Connecticut is the only state in the nation with a Kindergarten start date of January 1st at age 5. All other states either have students begin when their birthday is from various dates from July 31st to October 1st. Five states in the nation allow the individual LEA to determine when a student begins kindergarten at age 5. District research shows that 90% of kindergarten retentions are students who are born in October, November or December. Preparing students for kindergarten is critical as long as they start on the same playing field. (i.e. their age.)

Submitted by: Vernon Board of Education 9/16. The Government Relations Committee recommends rejection.

Statement of reason for recommendation: Delay of kindergarten entry, in the absence of quality preschool opportunities, will put children most in need at an additional disadvantage.

Subject: II.10 STATE TESTING IN GRADES 4, 6, 8, and 10/11

Issue: The over-testing of high-stakes state assessments in local districts to determine school ratings.

Resolution: CABE urges the State Department of Education to mandate student testing in grades 4, 6, 8 and 10 or 11 in the areas of English language arts and mathematics.

Rationale: Currently, there is testing in grades 3, 4, 5, 6, 7, 8 and 11 in the areas of English language arts and mathematics for all students in public schools. Science is tested in grades 5, 8, and 10. Most of the data is used to rate schools on their educational effectiveness. The state testing is summative and not formative, so this data is not used to inform student progress or drive instruction in the classroom.

Further explanation: Testing students in 7 grades levels out of 13 is excessive. High stakes testing is not recommended for students under the age of 8, which half the students in grade 3 are enrolled – Intelligent (IQ) quotient testing is not administered for students under the age of 8. In an educational age, where there is a myriad of testing assessments used to measure student progress like SAT, PSAT, OLSAT, etc. a climate of over emphasis on testing has occurred. In a 180-day school year, there are more hours dedicated to student testing in the history of education. If the primary reason is to measure schools, then testing in only 4 grade levels will suffice.

Submitted by: Vernon Board of Education 9/16. The Government Relations Committee recommends rejection.

Statement of reason for recommendation: Federal law (ESSA) requires annual testing in grades 3-8.

Subject: II.11 CREATION OF AN SDE OFFICE OF SCHOOL SAFETY & SECURITY

Issue: The need to create a State Department of Education Office of School Safety & Security to support school districts and centralize resources.

Resolution: CABE urges the State Department of Education to create an Office of School Safety & Security to provide districts with the information, guidelines, and resources to adequately provide safe school environments for students and staff.

Rationale: Currently, there are no centralized resources (or office) that school districts can access to assist in this area of school safety and student security. School districts are forced to use other government agencies, like DAS, or local police for guidance and direction. There is no uniform standard or best practice that addresses safety and security.

Further explanation: In the wake of Sandy Hook and Columbine, school safety and student security is the top priority for all districts in Connecticut. Having the needed resources to provide adequate safeguards for children is a must in today's schools. Districts are struggling with the standards that are needed for schools and inundated from companies who want to sell their products to school districts. Just as there is a need for curriculum assistance, there should be for school security.

Submitted by: Vernon Board of Education 9/16. The Government Relations Committee recommends rejection.

Statement of reason for recommendation: Staffing constraints at the state level make creation of a new office unrealistic. Support should be coordinated through several state agencies, including Homeland Security.

Subject: **II.12 REPORTING OF IN-SCHOOL SUSPENSIONS**

Issue: In-school suspensions reported as an absence from school for students.

Resolution: CABE urges the State Department of Education to modify the guidance so in-school suspension is not considered an absence from school.

Rationale: The legislation that created in-school suspension was based on the premise that students on out-of-school suspension lose valuable instruction time. The in-school suspension law requires programming that provides students with instruction while serving in-school suspension. Designating in-school suspension as an absence is in direct conflict with the ISS statute and its purpose and penalizes both the student and district unfairly.

Submitted by: Waterbury Board of Education 9/16. The Government Relations Committee recommends adoption.

Subject: **II.13 REMOVAL OF VERMICULITE FIREPROOFING**

Issue: Removal of Vermiculite Fireproofing as Asbestos

Resolution: CABA urges the State Department of Education/State Department of Administrative Services to allow the opportunity for asbestos testing to be performed on vermiculite fireproofing prior to it automatically being considered asbestos.

Rationale: Vermiculite was widely used as fireproofing 40 years ago. In limited instances, vermiculite mining occurred in proximity to asbestos mining, creating cross contamination. There is one documented location where such cross contamination occurred. The state facilities unit has ruled that all vermiculite must be assumed as containing asbestos. The cost to districts can lead to millions in remediation costs. (For one Waterbury roof replacement project, added cost was just short of 4 million). Reliable asbestos testing exists, and districts should be allowed to test vermiculite and remove/remediate/dispose accordingly.

Submitted by: Waterbury Board of Education 9/16. The Government Relations Committee recommends adoption.

Subject:	III.1 THE NEW STATE DEPARTMENT OF EDUCATION DEFINITION OF “EXCUSED” ABSENCES
Issue:	The new State Department of Education definition of “excused” absences allows 9 absences based on a parent note. This delays triggering the truancy process, which can provide needed guidance and support to the family to improve attendance.
Resolution:	CABE urges the State Department of Education to allow boards of education to determine what constitutes an excused absence.
Rationale:	The message to parents is its okay for students to stay out for 9 days, which has a significant impact on their educational experience.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: This is unlikely to be achieved.

Subject: **III.2 LEGISLATIVE MANDATES**

Issue: Recent legislative actions such as the in-school suspension and bullying initiatives, while well-meaning, severely limit on site administrators' ability to use their own judgment in resolving disciplinary issues, and impose added bureaucratic process to local districts.

Resolution: CABE urges members of the Legislature to exercise restraint when addressing education issues that impact local operations. Overly prescriptive law or regulation inhibits local capacity to innovate and best serve its public.

Rationale: The assumption that one size fits all solutions imposed upon local districts, especially when applied to as individual a subject as student discipline trivializes the role of building supervisors, can be unfair to the students involved, and may contribute to future issues. Successful student discipline demands different approaches in small rural districts, urban centers, and mid-sized suburbs. Districts have discovered when applying the formal bullying process that often matters that were adjudicated informally by staff or in the school yard are used as a vehicle to address real or imagined problems in a formal and bureaucratic manner. We refer to people as "individuals". Connecticut public education policy must be crafted to allow our teachers and administrators to apply "individual" student discipline.

From an existing resolution/The Government Relations Committee recommends deletion.

Explanation of change: Resolution was incorporated into "The Legislative School Board Partnership".

Subject: **III.3 STUDENT TIME ON TASK**

Issue: The need to increase actual student learning time in academic subject areas.

Resolution: CABE urges all Connecticut school boards to study how available time is used and to explore a variety of options for increasing the amount of time that students are actively engaged in learning.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: Districts have addressed this issue.

Subject: III.4 IMPACT OF LAWS AND REGULATIONS

Issue: There is a need for better communication on the impact that laws and regulations have on schools and classrooms before they are passed. This communication needs to be between the legislature, Department of Education, and local Boards of Education. It should include a discussion of the intended outcomes as well as the potential for unintended impacts that affect student learning and costs.

Resolution: CABE supports a requirement that a local impact study be conducted before any education laws/policies are enacted by the legislature or regulations are adopted by the Connecticut Department of Education. The proposed laws/policies/regulations shall be subject to a public hearing with the results of the impact study available to the public prior to the scheduled hearing. The local impact study shall include costs and benefits of such law/policy/regulation. Board of education members and school administrators shall have the opportunity to provide input, and such input should be documented.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: These issues are now included in “The Legislative School Board Partnership” resolution.

Subject: III.5 FUNDING MANDATORY PROGRAMS

Resolution: CABE supports the concept of full state and federal funding on a current basis for any mandated programs. CABE supports the passage of legislation making state mandates on local boards of education unenforceable unless said mandates are fully funded year to year by the state legislature.

Discussion: There is an increase of state and federal intervention into local affairs particularly in the matter of education. Towns and cities can no longer bear the burden of the costs of mandate programs and must respectfully insist that they fund the programs that it directs the local governments to provide.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: This resolution was combined with “Public Education Funding”.

Special Education

Title: **III.6 CLARIFICATION AND SIMPLIFICATION OF THE STATE AND FEDERAL SPECIAL EDUCATION LAWS AND REGULATIONS**

Belief: CABE urges the simplification and clarification of state and federal special education laws and regulations in order to more efficiently and effectively deliver special education programs to those students who require them.

Discussion: The complexity and lack of clarity of federal and state special education laws and regulations create unnecessary confusion among school districts, state agencies and parents as to the roles and responsibilities of each. There is a need for safeguards in reference to the appropriateness of both the placement and the costs of the placement for students with disabilities. The ensuing disputes do not best serve the students with disabilities.

Simplification and clarification of laws and regulations including careful definition of terms would end disputes and create a more positive climate for cooperation in meeting the needs of students with disabilities.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: The issue is addressed in other specific resolutions.

Subject: III.7 DCF SPECIAL EDUCATION STUDENTS

Issue: DCF funding for special education students in the local school districts.

Resolution: CAFE urges the legislature to provide that the Department of Children and Families pay a percentage of the cost for special education for students attending local school districts.

Rationale: Establish state policy to require the Department of Children and Families to pay a portion of the cost for special education services provided by school districts to offset disparities in local budgets impacted by high special education costs. Students in DCF custody, including foster care, place an undue hardship on local school districts that often experience huge fluctuations in costs for special education. Understanding that all children are entitled to public education, the burden of cost should be divided between the state and local school district. This formula could be targeted to school districts with a high percentage of children in DCF custody. State funding for education does not take into consideration the increase in financial burden for children in DCF custody enrolled in education. This places a severe burden on local property tax and warrants a change in educational policy.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: This resolution was incorporated into “Placements by The Department of Children and Families”.

Certification

Subject: **III.8 CERTIFICATION RECIPROCITY**

Issue: To enhance the pool of qualified candidates, particularly in shortage areas, for teaching positions in Connecticut.

Resolution: CABE urges the Commissioner of Education to establish a committee to review certification reciprocity for certified candidates possessing appropriate certification from other states.

From an existing resolution/The Government Relations Committee recommends deletion.

Statement of reason for recommendation: This issue is addressed in “Certified Educator Shortages”.

CONSENT CALENDAR

Governance

Title: I.1 PUBLIC EDUCATION AS A PUBLIC POLICY PRIORITY

Belief: *CABE believes that all citizens, including board members, the Governor, the Connecticut General Assembly, and the State Board of Education, must make public education a matter of the highest priority of public policy. The state must heed its constitutional mandate to provide a free and appropriate public education for all of Connecticut's children.*

Discussion: Public education equally available to all of our citizens ensures the future of our society through the acts of an enlightened electorate. There is an over arching need to maintain high quality educational policies and programs, whatever the financial or other crises of our times.

The challenge to upgrade the quality of public education in Connecticut can only be met if the State of Connecticut will recognize education as a high state priority and its primary capital investment. Efforts at educational improvements should be promoted in all school districts throughout the State. The State Board of Education and the Connecticut General Assembly should pursue policies, programs, legislation, and fiscal plans which will ultimately benefit all Connecticut school children.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.2 LOCAL GOVERNANCE OF PUBLIC EDUCATION

Belief: *CABE believes that local governance of public education through locally elected or appointed community members strengthens the democratic process, provides accountability, and assures strong continuing public support for education.*

CABE supports:

- *a stronger linkage between local and regional boards of education, magnet schools and charter schools and the State Board of Education; and*

- *greater state flexibility encouraging interdistrict cooperation and regionalism enabling local and regional boards of education to pursue educational opportunities more expeditiously.*

CABE believes that the state and federal governments must recognize the wide differences among America's public school districts, including those that are rural or small, by funding the development of school improvement programs that reflect local needs and characteristics.

Discussion: One of the key strengths of high quality public education in Connecticut has been the emphasis on local decision making which has generated imaginative approaches to schooling tailored to meet the particular needs of students in their own communities. Since the establishment of the Connecticut Code in 1650, the citizens of our communities have governed their own schools. Over the last three hundred years the original concept of local control has constantly evolved; however, it remains the single most important factor in citizens' ability to influence public education and insure accountability of its quality and its purpose.

School reform efforts which attempt to narrow the scope of local governance reduce the ability of the public schools to respond to the varied educational and cultural values of their diverse communities, making public education vulnerable to the loss of its constituency clients and local public support. Locally controlled school districts can respond quickly to local needs and are more closely accountable to local citizens.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.3 EDUCATION AS THE FIRST PRIORITY FOR CHILDREN

Belief: *CABE believes that public policy must assist children and their families in maintaining education as the first priority for children amidst the continuing economic and social pressures of society.*

CABE supports the maintenance of the state's traditional labor laws protections for children in order to preserve education as a child's first priority and therefore believes it is undesirable to expand legal employment for children of compulsory school age.

Discussion: Society must make every effort to preserve education as the first priority for children. An increasingly difficult economic and social climate has left many families without adequate housing, food, and access to other necessary resources. Adequate supports to family and children must be available in order to assist children in meeting this first priority.

The major potential costs of student jobs is their negative impact on academic achievement. Most evidence indicates that high school students working more than 15 or 20 hours a week suffer academically: have lower grades, do less homework, more likely to drop out, or are less likely to complete post-secondary education.

US child labor laws allow 14 and 15 year olds to do some types of work—such as agricultural, retail, and food service jobs—but limit the hours they can work.¹

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **1.4 CREATING EDUCATIONAL EXCELLENCE THROUGH ECONOMIC, RACIAL AND ETHNIC INTEGRATION**

Belief: *CABE believes that each child must have equal access to effective free, public education and to the services of well-educated and skillful teachers.*

CABE supports efforts by the State of Connecticut:

- 1. to address and solve the issues of social and economic isolation in the areas of housing, transportation, employment, access to health care and social services; and*
- 2. to make the necessary funding available to urban, suburban and rural school districts across the state to develop and sustain integrated educational programs and exchanges that create educational excellence.*

CABE urges urban, suburban and rural school districts:

- 1. to affirm that all children can learn and accept the challenge to educate each child to his/her fullest potential;*
- 2. to enter into interdistrict partnerships which create integrated educational excellence and promote social, cultural, ethnic and racial exchange and interaction among diverse groups;*
- 3. to continue their efforts to increase the recruitment of qualified individuals who reflect this state's diversity to the teaching profession and administration;*
- 4. to make parents as well as the greater community full partners in the education of all children; and*
- 5. to recognize their critical role in creating policies, providing training, and maintaining oversight to ensure that students, regardless of gender, race, creed, national origin, or sexual orientation have equal educational opportunities and are treated equitably.*

Discussion: Schools are experiencing an increasing number of children whose academic achievement is profoundly impacted by poverty and its social effects as well as ethnic and racial discrimination. In order for Connecticut to meet the economic challenges that lie ahead and to increase our ability to compete in a global economy, each child must be able to make a contribution based upon the full development of their potential.

Changing demographics necessitate that each child will need to acquire skills that allow for communication and interaction with individuals of diverse cultural, ethnic and racial heritage.

Educational research indicates that the effects of poverty can be neutralized with parental and community involvement in the socialization and learning processes, in addition to well-educated and skillful educators.

CABE supports state funding of programs that would allow local school districts to formulate local integration projects that reflect local needs and build on local strengths.

¹"Employment Experience of Youths," The United States Department of Labor, August 2002.

School boards should assure that all students, from their first days in school until graduation, are given the same opportunities regardless of gender, race, creed or national origin.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.5 21st CENTURY SKILLS

Issue: The need to prepare students for the global workplace.

Resolution: *CABE urges the state and federal government to support programs and research that focus on problem-solving, creativity, critical thinking, and other high-level 21st century skills that are important for success in a global workplace. The state and federal government should support school district capacity to provide the technology and tools necessary to foster innovative learning practices and instructional methods that bridge school and real-world experiences, provide for greater personalization of education, and prepare students for college and/or career.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.6 FEDERAL INVOLVEMENT IN LOCAL EDUCATION OPERATIONS

Resolution: *CABE urges members of Congress and the executive branch to carefully consider the impact of their actions or lack of action upon local boards of education. Enactment of laws, reauthorizations, and regulation has immediate impact upon local operations. Delay or failure to act in response to valid requests for modification of laws or regulations causes material impact upon districts' ability to manage and cause unnecessary additional expense, a major concern in a challenging budget environment.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title:

I.7 PUBLIC SCHOOL CHOICE

Resolution: *CABE believes that all public schools should provide a quality education for each student. CABE believes that in meeting local educational needs, locally developed policies and program options which give parents the opportunity to select public schools or programs for their children should be considered among a variety of possible educational strategies. However, CABE opposes federal or state efforts to mandate choice, including efforts to divert or limit funding intended for existing federal and state programs.*

Any program allowing parents to choose schools must assure that:

- (A) the plan does not foster racial, social, or economic segregation or segregation of children with disabilities;*
- (B) financial and other administrative issues, such as transportation concerns, and the costs for special education and expelled students are addressed;*
- (C) the plan is not part of a federal or state voucher or tuition tax credit program to finance non-public education;*
- (D) students be required to make at least a one-year commitment to a school of choice to afford stability of school management;*
- (E) interdistrict transfers must have the consent of both school districts;*
- (F) urban districts are encouraged to develop programs to attract suburban students;*
- (G) student academic achievement must be monitored in all schools receiving public funds; and*
- (H) budgets be made public.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.8 COORDINATION OF SERVICES TO CHILDREN AND FAMILIES

Issue: CABE urges the state, local, and federal government to support interagency partnerships to connect children and families with comprehensive services such as special

education, counseling, health, nutrition, family support and juvenile delinquency prevention.

Resolution: *CABE urges all Connecticut school boards to develop a process for structuring voluntary interagency partnerships.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.9 DRUG, TOBACCO AND ALCOHOL USE**

Issue: The need to eliminate the use of illegal drugs and other substances, tobacco and alcohol from our schools.

Resolution: *CABE supports efforts on the local, state and federal level to eliminate the inappropriate, unauthorized, illegal use of drugs, tobacco and alcohol and other substances among students, staff, and others in the school environment.*

CABE urges all Connecticut school boards:

1. *to work cooperatively with public and private service agencies and law enforcement agencies to address the problems of alcohol, tobacco, substance abuse; and*
2. *to work cooperatively with public and private agencies to provide constructive extended school programs that enable students to be supervised and positively engaged during after-school hours.*

CABE urges the State of Connecticut:

1. *to vigorously enforce the laws concerning the sale, use and possession of illegal drugs and the sale of alcohol and tobacco to minors;*
2. *to commit adequate resources and create a functioning network of public and private agencies to address the problems of alcohol, tobacco and drug abuse;*
3. *to allow more flexibility in the design and delivery of programs;*
4. *to gather baseline data on student drug use; and*
5. *to commit resources to support constructive extended day programs for appropriate grade levels.*

CABE urges the federal government:

1. *to aggressively enforce the laws in order to halt the flow of illegal drugs into the United States; and*
2. *to commit adequate federal resources to state and local programs that address the problems of drug, tobacco and alcohol abuse.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.10 CLIMATE, CULTURE, SAFETY AND SECURITY**

Issue: The need to address school climate, culture, safety and security in a comprehensive manner.

Resolution: *CABE urges all Connecticut school boards:*

1. *To address the influence of violence affecting children through school board policies, parent education programs, peer mediation, student assistance teams, and the school district curriculum to maintain an environment that fosters learning and growth.*
2. *To develop, review and maintain safety plans that address prevention, preparedness, mitigation and emergency response and recovery.*
3. *To address environmental, health and safety risks, as well as potential security breaches in coordination with appropriate local, state and federal agencies.*

CABE urges the state and federal government to provide greater and sustained resources for locally determined programs that are critical to school safety, including emergency preparedness school resource officers, school counseling, and response training and inter agency coordination.

CABE also urges greater and sustained resources that expand access to mental health services and support comprehensive wraparound services to schools that include a range of community resources to address safety and intervention.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.11 TIMELY RELEASE OF DATA

Issue: The state assessment data and program evaluations are not released in a timely manner.

Resolution: *CABE urges the Connecticut State Department of Education to provide assessment data and educational program evaluations in a timely manner to allow local districts to modify instructional programs to effect change that the assessment data pertains to.*

Rationale: The State Department of Education's failure to release assessment data and educational program evaluations in a timely manner does not allow districts to use the data to improve instruction and educational planning.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.12 CONNECTICUT CORE STANDARDS

Issue: In 2010 the Connecticut Board of Education, supported by the Department of Education, adopted the Connecticut Core Standards for English Language Arts and Mathematics for all Connecticut school districts. Adaptation to Connecticut is being carried forward for full implementation and integration with state summative assessments for grades 3-8 and 11 for the 2014-15 school year. No additional fiscal resources are being provided by the state to implement this mandate.

Resolution: *CABE is committed to the successful implementation of the Connecticut Core Standards, with sufficient professional development, funding and resources to ensure success, and to inform and engage parents in the process.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.13 EDUCATOR EVALUATION AND SUPPORT

Issue: Challenges presented by increased administrator responsibilities.

Resolution: *In light of the substantial changes in the roles and responsibilities of educators created by the new evaluation and support system, CABE urges the Legislature and State Department of Education to provide sufficient time, fiscal and support resources to enable districts to implement this important initiative. CABE urges the Department to continue to review the guidelines based on the experience with implementation.*

CABE also urges the State Department of Education and State Legislature to support a strong teacher induction and performance program to improve the retention of new teachers in Connecticut.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.14 STUDENT SUCCESS

Issue: The need to increase the percentage of Connecticut's students that graduate from high school by supporting their growth from K-12.

Resolution: *CABE urges local and regional boards of education:*

- 1. to develop innovative, developmentally appropriate curriculum which emphasizes the acquisition of essential skills for all students; and*
- 2. to develop and maintain creative school programs, and performance standards for at risk students that develop lifelong learners. Such programs should emphasize essential skills combined with work related projects, work-study programs, school to career, apprenticeships and other alternative program approaches that stress essential skills and practical applications.*

CABE urges state education policy makers to provide the funding and the flexibility necessary for local and regional school systems to address the needs of students such as with appropriate increases in funding for dropout prevention and student retention. CABE urges the retention of the right of school boards to deny programs for

individuals pursuant to Connecticut General Statutes 10-233d(e). (Student Expulsion)

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.15 TECHNICAL HIGH SCHOOLS

Issue: The need for a strong state technical high school system.

Resolution: *CABE supports a state technical high school system that*

- *ensures both student academic success, and trade/technology mastery;*
- *instills a desire for lifelong learning;*
- *prepares students for post-secondary education, apprenticeships, and immediate productive employment; and*
- *responds to employers' and industries' current and emerging global workforce needs and expectations through business/school partnerships.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.16 TRUANCY

Issue: The need to provide early intervention programs involving interagency coordination to resolve the issues of habitual truancy.

Resolution: *CABE urges the State Board of Education and the Connecticut General Assembly to support, through technical assistance and funding, early intervention programs developed by local school districts that involve the interagency coordination of services to students who are habitual truants or at risk of becoming truants.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.17 STUDENT DISCIPLINE

Issue: The need for comprehensive student discipline policies.

Resolution: *CABE urges districts to establish comprehensive student discipline policies that integrate in school and out of school sanctions with an overall program of*

progressive student discipline. Policies should reinforce a positive school climate and ensure consequences with equity in alignment with the Department of Education and the Department of Justice current guidelines.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.18 PROGRAMS FOR STUDENTS WHO ARE ENGLISH LEARNERS

Issue: The need for the state to encourage and fund innovative strategies to educate students who are English learners.

Resolution: *CABE urges:*

1. *the State Department of Education to encourage locally initiated, innovative alternative approaches to educating students who are English learners with the specific goal of attaining English proficiency as rapidly as possible; and*
2. *the state legislature to appropriate adequate funding to assist school boards in providing the most effective programs which educate students who are English learners.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.19 MULTICULTURAL EDUCATION

Issue: The future demands our ability to interact with diverse cultures within the United States and throughout the world. Schools must stimulate students' knowledge and appreciation of diverse cultures as well as facilitate more human and cooperative interpersonal relationships. The curriculum must recognize and accurately portray the influence and intrinsic contribution all cultural, ethnic and religious groups have made to American life in all curricula, particularly the History and Social Studies programs.

Resolution: *CABE urges all boards of education to facilitate culturally responsive teaching and supervision that promotes understanding of and respect for the many diverse cultures which strengthen our democratic society.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.20 EDUCATION OF YOUNG CHILDREN

Issue: The need for all public schools to be prepared to provide each child entering school with learning tasks appropriate to the child's developmental level.

Resolution: *CABE urges local and regional boards of education to review their kindergarten and readiness programs to assure that such programs are designed to provide each child with learning tasks appropriate to the child's developmental level.*

CABE urges boards of education to encourage parents to take advantage of school services for young children.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.21 EARLY CARE AND EDUCATION LINKING PARENTAL INVOLVEMENT

Issue: The need for early care and education programs and linking parent involvement to ensure learning readiness.

Resolution: *CABE supports:*

1. *continued efforts by the General Assembly to appropriate sufficient funding to make early care and education programs available to all children in need;*
2. *joint efforts by the State Department of Education and other public and private child and family service agencies to promote and encourage a wide range of public and private provider preschool programs and services to co-exist and prosper statewide;*
3. *local school board flexibility to design, develop and implement early childhood education programs to increase the likelihood of children's school success and decrease special education costs;*
4. *state and federal incentive grants, including technical and financial assistance to districts that offer early childhood education programs, full or extended day kindergartens and programs providing for identification of preschool students with special needs; and*
5. *federal, state and municipal initiatives for private industry, non-profit organizations,*

public agencies, and school systems, to develop high-quality facilities to provide daytime child care, in addition to those that already exist.

CABE urges local districts to institute programs for parents which can increase their knowledge of children's social, physical, mental and psychological development, and ultimately increase the likelihood of children's school success. CABE urges the Connecticut General Assembly to provide incentive grants and on-going matching funding for this essential program.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.22 PARENT/FAMILY/SCHOOL INVOLVEMENT POLICY

Issue: The need to acknowledge that parental involvement and support in the education of children is an integral part of improving academic achievement.

Resolution: *CABE urges all Connecticut school boards to develop Parent/Family/School Involvement Policy statements recognizing that a child's education is a responsibility shared by the school and the family. Such statements could include:*

- a. *Establishing effective two-way communication with all parents, respecting the diversity and differing needs of families*
- b. *Developing strategies and programmatic structures at schools to enable parents to participate actively in their children's education.*
- c. *Providing support and coordination for school staff and parents to implement and sustain appropriate parent involvement from Prek-12.*
- d. *Utilizing schools to connect students and families with community resources that provide educational enrichment and support.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.23 FAMILY LIFE EDUCATION

Issue: The need for a program which deals with issues of family life education and human growth and development in the public schools.

Resolution: *CABE urges each local school district to utilize a developmentally appropriate curriculum which deals with issues affecting family life, child and human growth and development, including lesbian, gay, bisexual, transgender, queer/questioning (LGBTQ) and to involve the community in this process, including appropriate public and private agencies, to promote the positive well-being of students. Vital health and social issues should be integrated into existing academic subject areas.*

Rationale: The disturbingly high rate of teenage pregnancy, with its subsequent contribution to high school dropout rate and other critical social problems creates a deep concern about the need for family life education for our children. Although the family unit is the most desirable source of this training, American sociological conditions and the changes in family structure require cooperation between school and home in providing this essential element in the total education of our children. The focus of such curriculum should be the well-being of the individual and the ability to act with responsibility and make informed and appropriate decisions.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.24 LOCAL PROGRAM POLICY DECISIONS**

Belief: *CABE supports the local development of specific subject area requirements, course content requirements, and staff and resource requirements that:*

- 1. grow out of local goals and specific local learning objectives based upon local student needs;*
- 2. result from local policy decisions regarding program, staffing and resource priorities; and*
- 3. result from local policy decisions regarding effective and efficient practices including the use of appropriate technology.*

Discussion: The strength of locally provided public education is its ability to produce a flexible program that can recognize the

uniqueness of each child's development and environment and can marshal and make the best use of the community's resources to support steady student growth and development.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.25 TEACHER TENURE**

Issue: Quality teachers are critical to student achievement.

Resolution: *CABE urges the state legislature to modify the teacher tenure law to provide for initial tenure after 50 months of teaching, to make tenure renewable on a five-year basis, and to provide for the dismissal of teachers who fail to promote student achievement or fail to engage in activities to pursue professional growth and development.*

CABE urges the legislature to repeal the portion of 10-151(c) of the General Statutes that entitles teachers who have not attained tenure to a hearing concerning non-renewal, except if the reason for such non-renewal is either elimination of position or loss of position to another teacher, and provides that the local or regional board of education shall rescind a non-renewal decision only if the board finds such decision to be arbitrary and capricious.

CABE urges the state legislature to amend the teacher tenure act to allow school boards the ability to address staff reduction forced by budgetary constraints through modified reduction in staffing. The modification to the present system of tenure would allow local school districts to reduce staffing levels not solely through the current seniority system, but through a blended reduction throughout the seniority system, such that staffing cuts do not fall entirely upon the most junior educators.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.26 GOVERNMENT REGULATION AND DATA ACQUISITION**

Issue: The complexity, remoteness and burdensome quality of much of the vast

body of rules promulgated by federal and state agencies.

Resolution: *CABE urges:*

1. *the state and federal governments to reduce the number and complexity of regulations directed at education, including the paperwork burden associated with implementing education laws;*
2. *the State Department of Education to continue existing efforts to simplify its data collection forms, eliminate duplication and unnecessary data collection and promote appropriate use of data;*
3. *the state and federal governments to focus on data that is needed to improve student performance;*
4. *the state board of education to formally adopt regulations when rules are needed to enforce the statutes and to refrain from applying guidelines as regulations or incorporating guidelines by reference into regulations; and*
5. *the Connecticut General Assembly to refrain from circumventing the regulatory development process through legislation requiring adherence to guidelines.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.27 FREEDOM OF INFORMATION ACT**

Issue: The need to ensure that the individual's fundamental right to privacy is not violated in overzealous response to the public's right to know, the need for more public input in the process of selecting individuals to serve on the Freedom of Information Commission and the need for FOI decisions to be consistent and in conformance with the law.

Resolution: *CABE urges:*

1. *the establishment of a formalized process, including input from local public agencies, for proposing candidates for membership on the Freedom of Information Commission;*
2. *the modification of the Connecticut Freedom of Information law to more clearly define the individuals' reasonable expectation of privacy and its balance with the public's right to know;*

3. *the legislature continues to support release of detailed student performance data to parents and guardians as part of the regular education process while it acts to protect against inappropriate disclosure to others; and*
4. *the legislature act to protect against inappropriate use of content from student data bases.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.28 CERTIFIED EDUCATOR SHORTAGES**

Issue: The need for action to address shortages of educators.

Resolution: *CABE urges school boards, higher education institutions, the State Department of Education and the state legislature to take action to expand the pool of qualified educators for Connecticut's public schools, particularly in areas where shortages have been identified. Among the actions to be considered should be expanding the alternate route to certification programs, enhancing professional development opportunities, expanding reciprocity between states, reducing bureaucracy for educators certified in other states, encouraging students at an early age to consider the teaching profession and actively recruiting underrepresented groups.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.29 CONNECTICUT STATE TEACHERS' RETIREMENT**

Issue: The need to maintain the existing state coverage under the teachers' retirement system and to control the cost of the system.

Resolution: *CABE:*

- *opposes modification of state statutes to restrict the definition of "salary" for purposes of calculating teachers' retirement benefits;*
- *urges the State of Connecticut to avoid adopting costly changes to the Teacher*

Retirement Act that shift the burden from the state to the local level and to maintain its responsibility for the Teacher Retirement System;

- *urges the Legislature to restore the flexibility to adequately compensate retired educators serving in interim or part-time positions; and*
- *urges the Teacher's Retirement Board to include performance based pay for purposes of teacher's retirement, in order to preserve more options in compensation systems.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.30 PROFESSIONAL STANDARDS

Issue: The need to develop the highest possible quality of instruction and educational leadership for Connecticut public schools.

Resolution: *CABE supports maintenance of State Board of Education authority over teacher certification standards and teacher preparation program approval.*

CABE supports continued action to assure that teacher preparation program standards are raised and that students in teacher preparation programs are required to complete a strong academic program, graduating with an academic major.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.31 TEACHER AND ADMINISTRATOR SALARY SYSTEMS

Issue: The need to develop teacher and administrator salary systems that are based upon skills and knowledge, competence, performance and levels of responsibility and that are competitive with the salaries of other persons of comparable skill, quality, educational background, and professional responsibility.

Resolution: *CABE supports the development by local and regional boards of education of teacher and administrator salary systems that are based upon performance skills*

and knowledge, competence, and levels of responsibility. CABE supports the maintenance of teacher and administrator salaries that are competitive with the salaries of persons of comparable skill, quality, educational background, and professional responsibility.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.32 NON PARTISAN BOARDS OF EDUCATION

Issue: The need to remove partisan politics from the selection of board of education members.

Resolution: *CABE urges the General Assembly to adopt legislation allowing municipalities to create nonpartisan boards of education.*

Rationale: The focus of members of the boards of education must be on improving educational quality for all children. The current process of nominating candidates by the local political party's town committees may discourage good candidates who are interested in serving on the boards of education, but are unwilling to participate in town political parties. In addition, partisan based boards of education may make decisions along party lines that foster the agenda of the political party. Non partisan board of education elections allow candidates to run on their own merits, experience and platforms without allegiance to a political party. Any individual would be able to run for the board of education by submitting a petition to be on the ballot.

The other New England states all conduct non partisan board of education elections, as do 85% of all boards of education in the country.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.33 SCHOOL BOARD MEMBER PROFESSIONAL DEVELOPMENT

Resolution: *CABE supports a state requirement for an orientation and ongoing professional development for all school board members.*

CABE urges boards of education to develop a policy requiring professional development for new and experienced board members.

CABE encourages local school boards to provide for adequate professional development programs for all school board members and candidates, including participation by all members in area, state and national programs and orientation for new school board members. Professional development should include the roles and responsibilities of boards, and skills needed to resolve issues in a nonpartisan manner.

CABE urges boards of education to examine and discuss annually the roles of the board and the superintendent in order to maintain a strong and effective partnership in the educational process

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.34 BOARD OF EDUCATION ETHICS

Issue: The need to build and maintain public confidence in elected officials.

Resolution: *CABE urges boards of education to incorporate codes of ethics and conflict of interest provisions in their Bylaws.*

CABE urges the General Assembly to refrain from imposing financial disclosure provisions for volunteer elected officials.

Discussion: Many communities are experiencing difficulty recruiting candidates for positions on local boards and commissions. To require financial disclosure of unpaid volunteers is unnecessary and would have a chilling effect on towns' ability to recruit quality candidates.

CABE recognizes the Legislature's desire to create a standard for handling ethics issues at the local level. Board of Education Bylaws that include provisions prohibiting the use of the Board position for personal gain, ensure that school business transactions are open and ethical, and require disclosure of a material financial interest set appropriate standards for board member conduct.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.35 BOARD OF EDUCATION SERVICE

Issue: Engaging the community in recruiting quality, representative school board candidates.

Resolution: *CABE urges local political parties to seek school board candidates who are committed to student achievement and representative of the entire community.*

CABE urges employers to support the civic involvement of their employees who serve as school board members.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.36 PREVAILING WAGES FOR CONSTRUCTION PROJECTS

Issue: The state and federally mandated use of "prevailing wages" adds a significant, inequitable, and unnecessary expense to the cost of state, municipal, and school district building and maintenance projects.

Resolution: *CABE urges the legislature to raise the dollar threshold for projects subject to the prevailing wage mandate.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.37 PERFORMANCE ACCOUNTABILITY OF CONTRACTORS WORKING ON PUBLIC CONSTRUCTION PROJECTS

Issue: The constraints placed on construction projects funded by public money should not be such that they prevent the customer (municipality) from enticing the contractor to stay on schedule and to produce quality work.

Resolution: *CABE urges the General Assembly to hold contractors accountable for their performance on publicly funded building projects by adopting the Department of Administrative Services recommendation that maximum retainage on a project be increased from 2.5% to 10% (as it used to be).*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.38 REGIONAL EDUCATIONAL SERVICE CENTER (RESC) DUTIES DIRECTED BY THE STATE

Issue: State programs such as Project Choice demand administrative, data gathering, and evaluative support not supplied by State or local agencies. Such recent legislative initiatives have utilized the RESCs to execute and evaluate statewide programs. Such is a logical extension of the RESC mission. However, funding levels for mandated services have not met stated RESC needs in some instances.

Resolution: *CABE urges the Legislature to continue to utilize the RESCs for statewide programs but in so doing to fund them adequately and refrain from mandating additional duties for the Regional Education Service Centers which would compromise their governance structure, funding process, or compete with time and resources needed for programs expected by the local districts.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.39 DISTRIBUTION OF INFORMATION CONCERNING REFERENDA

Issue: The need to allow public agencies to provide information to the public prior to referenda.

Resolution: *CABE supports an amendment to Section 9-369 of the general statutes to clearly allow prior to a referendum:*

- *communications to employees or contractors concerning the effect of the proposal;*
- *expenditures of public funds to communicate information to the community concerning the effect of the proposal; and*
- *the use of school communication systems to provide the time, date and place of referendums.*

In addition, if the court overturns a decision by the Elections Enforcement Commission in which a violation had been found by the Commission, the Commission shall pay all legal fees, costs and expenses of such person or persons.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Finance

Title: I.40 PUBLIC SUPPORT FOR PUBLIC EDUCATION

Belief: *In order to insure that public funds are used for public education and to improve public education, CABE urges all citizens and particularly all school board members to:*

1. *oppose the implementation of voucher systems as methods of financing non-public education with public funds; and*
2. *oppose tax credits for expenditures for tuition or living expenses at private elementary and secondary schools.*

Discussion: The continuing success of our democratic society can be attributed to our belief in and support of a public education system which accepts and educates all children regardless of race, creed, national origin, handicap, or wealth.

Schemes to fund private education with public tax dollars through the provision of a variety of subsidies, including those for transportation, health and welfare services, textbook loans, lunch and breakfast subsidies, loans for construction and maintenance of private and parochial school buildings, and driver education, cost the state in the neighborhood of twenty million dollars last year. State mandated services to non-public schools, such as the transportation of non-public school students and the administration and provision of health and welfare services to non-public schools by local and regional boards of education, divert substantial funds away from local public education. Such subsidies are a prescription for increasing religious and ethnic polarization in our nation. Taxpayer dollars should be used to bring people together, not to keep them apart.

Improving public education must remain a national priority. The dilution of funding by diverting portions of it to private schools will undercut public education and will benefit the few at the expense of the many. Adequate state and federal funding for public education should be our first priority.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.41 THE FEDERAL ROLE IN PUBLIC ELEMENTARY AND SECONDARY EDUCATION

Belief: *CABE urges the federal government to recognize education as a state and local function, while identifying, promoting and supporting the national interest in public education.*

CABE supports a program of federal support for elementary and secondary public education that provides increased flexibility and funds that go directly to the local level.

Discussion: The movement to reduce federal funding for public education implies that the federal government has little or no legitimate role to play in public elementary and secondary education and therefore bears little or no responsibility for its promotion and support. However, matters of high national priority and concern create an important education role for the federal government in responding to the national interest at any given time.

The federal government is actively pursuing role in public education and mandating certain programs at the local education level, such as No Child Left Behind and the Individuals with Disabilities Education Act. Those and other such programs should be funded by the federal government.

There is also a need for a local orientation in federal education funding. The few federal dollars available for education should be directed at students in the schools and not at the support of state bureaucracies. Currently, impact aid and bilingual education aid provide direct funding to local school districts but much federal aid is funneled through the State Department of Education, where a significant percentage of the funds are captured for the use of the state bureaucracy.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.42 MINIMUM BUDGET REQUIREMENT

Issue: The need for flexibility in cases of enrollment changes.

Resolution: *CABE urges the Legislature to remove the statutory reduction in the MBR and encourages the Commissioner of Education to adjust the MBR in situations when a local or regional board of education seeks relief from the MBR due to significant enrollment changes.*

Rationale: Current statute allows the Commissioner to adjust the MBR only when a school is closed. However, there are situations where significant enrollment changes allow a district to identify budget savings.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.43 BOARD OF EDUCATION BUDGETS

Issue: The need for legislative change to facilitate the local education budget process.

Resolution: *CABE supports legislation to:*

- 1. provide boards of education the authority to create "Special Revenue Funds" to account for the proceeds of specific revenue sources;*
- 2. allow a board of education surplus of up to 1% of the budget to carry-over to the next fiscal year without requiring approval of the local financial authority.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.44 TAX REFORM

Issue: The need to develop a fair, balanced and efficient tax structure which will provide a revenue base adequate to meet the state's needs.

Resolution: *CABE supports comprehensive tax reform in Connecticut that:*

- 1. is balanced and fair and will produce the revenues necessary to support quality public education and other needed public services;*
- 2. reduces reliance on the local property*

- tax, sales tax or other regressive forms of taxation; and*
3. *assures that distribution of the tax burden is based upon the ability to pay.*

CABE opposes a state legislative cap on local property taxes.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.45 CADILLAC TAX

Issue: Imposition of the "Cadillac tax" in 2018 will have a devastating impact on school districts across the country.

Resolution: *CABE urges Congress to repeal the "Cadillac Tax" on school district health plans.*

Rationale: *The "Cadillac tax" is an excise tax within the federal Affordable Care Act, which will require employers, such as school districts, to pay a steep (40%) penalty on health insurance expenditures over \$10,200 per individual, \$27,500 per family, starting in 2018. By 2018, it is estimated that 90% of Connecticut school districts will be subject to the tax.*

If this tax takes effect, the impact on school district budgets in Connecticut (and other states) will be devastating: teachers and other employees would be terminated, programs would be curtailed and other negative effects will occur if the tax goes into effect. Congressman Joe Courtney, other bipartisan members of Congress, the AFL-CIO, National Education Association and the U.S. Chamber of Congress have all called for repeal of the tax.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.46 MAGNET SCHOOL, CHOICE AND CHARTER FUNDING

Issue: Magnet schools, charter schools and project choice play a positive role in achieving quality and diversity by making unique opportunities available to students. A comprehensive funding system is needed to sustain these programs.

Resolution: *CABE urges the Connecticut legislature to take timely steps to:*

- *Identify adequate funding for Open Choice receiving districts to encourage the voluntary efforts of participating districts.*
- *Ensure that any charter school funding plan does not compromise local district financing.*
- *Provide a comprehensive magnet school funding formula applicable statewide for both host and inter district schools, sending and receiving districts.*
- *Continue to exempt preschool from the requirement that boards of education pay tuition for non-special education students who choose to attend a magnet school.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.47 ECS GRANTS FOR ALLIANCE DISTRICTS

Issue: Alliance districts grants should not be part of ECS funding.

Resolution: *CABE urges the Legislature to restore full ECS funding to all districts including Alliance Districts, and create separate grants outside of ECS for Alliance District reform efforts.*

Rationale: *After several years of flat funding under the ECS formula, the 2012 legislature finally increased ECS funding under a new formula, except for the Alliance districts, who again receive flat funding, and must submit a grant application for the ECS increase. We recognize the state commitment to improving education for Connecticut students, however, ECS funds are the state's contribution to education and should be distributed under the approved formula without restriction. School improvement grants should be distributed under a separate grant, not connected to ECS funding. ECS should remain an equal and equitable distribution of the state share of education funding.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.48 UNIVERSAL ACCESS TO PRESCHOOL

Issue: The state legislature to provide additional funding to LEAs to provide every child in Connecticut with access to a high quality preschool education.

Resolution: *CABE supports the state efforts to provide all children in Connecticut the opportunity to access a strong education through universal preschool opportunities.*

Rationale: Research studies indicate that a solid preschool education provides a foundation of learning which helps to ensure equitable educational opportunities for children. Further research shows that children who attend preschool attain higher educational standards than children who do not have a preschool experience. Studies confirm that children who attend preschool need fewer educational interventions thus reducing long term costs to school districts.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.49 REGIONALISM EFFORTS

Issue: The need for support and resources to promote regionalism efforts through service contracts and consortium purchases to allow districts to become more efficient.

Resolution: *CABE urges the State Department of Education to substantially support (financially or otherwise) cooperative efforts among districts. This support needs to be strategic, long term, financial and sustainable to realize true regionalism results.*

Rationale: The State advocates for regionalism without any support, i.e., financial or otherwise. This becomes another unfunded mandate and very difficult considering the nuances of each local educational agency. More incentives (financial or otherwise) are needed to help navigate regional efforts.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.50 FUNDING FOR CAPITAL IMPROVEMENTS

Issue: Modifications to school construction grants.

Resolution: *CABE urges the Legislature to:*

- *maintain support for school construction grants;*
- *increase the school construction grant percentage for new construction equal to the current percentage for renovation as new; and*
- *eliminate any space standard reduction percentage when factors beyond the control of the district cause lower than projected enrollment.*

CABE supports updating the existing formula covering eligible overall square footage per student to take into consideration space needs such as for cafeterias/kitchens, media centers, reduced class sizes, teaching practices, technology.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Labor Relations

Title: I.51 TEACHER NEGOTIATION ACT

Issue: The need to reduce infringement of binding arbitration and other provisions of the Teacher Negotiation Act on the management responsibilities of boards of education.

Resolution: *As long as compulsory binding arbitration remains as the dispute resolution process under the Teacher Negotiations Act, CABE supports additional modifications of the Act to allow boards of education to carry out their management responsibilities, including the following:*

1. *There shall be no presumption by arbitrators in favor of retaining contract provisions or continuing past employment practices.*
2. *Arbitrators shall give the highest priority to the educational interests of the state as such interests relate to the children of the school district.*

3. *Arbitrators shall give priority consideration to the public interest and the financial capability of the town or towns in the school district. The consideration of financial capability shall include the town's capability as measured by its history of tax increases, personal income trends, declines in state and federal revenues, and the financial impact of state and federal mandates.*
4. *Establish a requirement that neutral arbitrators participate in training sessions.*

CABE opposes granting teachers and administrators the opportunity to strike.

CABE supports the retention of the teacher evaluation process as a permissive subject of bargaining.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.52 TEACHER TERMINATION HEARINGS

Issue: The disincentive for teachers to bring the teacher termination hearing to closure.

Resolution: *CABE urges the state legislature to allow the suspension of tenured teachers without pay prior to the completion of the termination hearing process.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.53 IMPACT NEGOTIATION

Issue: The need to negotiate with unions the impact of program modifications and changes.

Resolution: *CABE supports the ability of local school boards to change job descriptions unilaterally without the necessity of negotiating the impact of the changes with individual unions.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.54 UNEMPLOYMENT COMPENSATION

Issue: The need to preserve the existing exclusion of school district employees from

unemployment compensation eligibility during vacations and the summer months.

Resolution: *CABE supports the repeal of federal legislation allowing states to grant unemployment compensation to school district employees during vacations and the summer months.*

CABE urges the Connecticut General Assembly to refrain from extending such benefits to school district employees.

CABE supports modification of state statute to specifically provide that notice of intent to layoff at a future point in time, given in compliance with any legal or contractual mandate, shall not give rise to a right to collect unemployment benefits.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: I.55 MANDATED BENEFITS

Issue: The need to eliminate statutorily mandated employee benefits.

Resolution: *CABE supports the repeal of statutorily mandated duty free lunch periods and sick leave. These issues should be negotiated at the local level.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Special Education

Title: I.56 FEDERAL SPECIAL EDUCATION ISSUES

Issue: The need to revise and ameliorate current due process procedures and regulations to more effectively benefit students with disabilities.

Resolution: *CABE urges the federal government to revise and modify due process for students with disabilities. Specifically, CABE recognizes the need to improve on*

current due process proceedings to make them more effective and expeditious for the purpose of providing students with disabilities with an appropriate educational program.

CABE supports the following changes to special education law and regulations:

That the issue(s) in dispute at a due process hearing be limited to matters pertaining

- (1) to a proposed IEP;*
- (2) to the existing IEP; or*
- (3) to any IEP from the current school year or the school year immediately preceding the current year.*

That the hearing officer be authorized and/or required to append to his/her final decision and order a statement detailing the issue on which the respective parties have prevailed, in whole or in part, and summarizing the approximate amount of hearing time spent on each issue.

That the hearing officer should be granted the same powers the Federal Courts have to reduce attorney fees if the parent unreasonably protracted the final resolution of the controversy, if the award unreasonably exceeds the hourly rate prevailing in the community, if the time and legal services furnished were excessive considering the nature of the action, or if the attorney representing the parent did not provide the school with a description of the problem relating to the proposed placement change and a proposed resolution. This should be done to insure a more equitable distribution of the financial responsibilities of the due process procedure.

That boards of education be granted more flexibility in the expulsion of special education students involved in criminal activities. Specifically, the federal government should not block states and local and regional boards of education from applying the same disciplinary standards to all students who commit the most serious offenses. If non-disabled students are expelled for certain actions, schools should be allowed to treat students with disabilities in the same manner.

That clarification of the relationship between Section 504 requirements and IDEA be provided.

That IDEA be amended to alleviate the burden placed on school districts with nonresident private school students eligible for special education identification and services.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.57 SPECIAL EDUCATION EQUITY, SERVICE AND PLACEMENT RESPONSIBILITY**

Issue: The need to limit local school district funding responsibility for special education placements outside the nexus school district.

Resolution: CABE urges the Connecticut General Assembly to:

- 1. lower the ceiling on local responsibility for special education costs to three times the district's average per pupil expenditure and fully fund this reimbursement grant;*
- 2. limit the funding responsibility of local and regional boards of education for special education placements to the cost of instructional programs with health related service costs and costs exceeding the ceiling absorbed by the state;*
- 3. allow payment of reimbursable special education expenses to pass directly to the school district and in the current year; and*
- 4. provide a funding adjustment in situations where special education children move mid-year.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.58 LEAST RESTRICTIVE ENVIRONMENT**

Issue: The need to insure that appropriate consideration is given to placing all special education students in the least restrictive environment.

- Resolution:** *CABE encourages the State Department of Education, institutions of Higher Education, the Connecticut General Assembly, and each local and regional board of education:*
1. *To consider the needs of the entire class of students when placement decisions are made.*
 2. *To examine a variety of placement options to insure that students with special needs be placed in the least restrictive environment.*
 3. *To provide pre-service and in-service staff development and sufficient resources for all staff to enable them to provide appropriate support to students with special needs.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.59 SPECIAL EDUCATION DUE PROCESS**

Issue: An increasing number of Special Education IEP determinations are being challenged by parents and advocates.

- Resolution:** *CABE urges the Legislature to:*
1. *Review the method for selection and qualification of due process hearing officers with a view toward increasing the level of professionalism and impartiality.*
 2. *Increase available funding to attract qualified candidates and adequately compensate them for their service.*
 3. *Provide for appellate review of due process decisions.*
 4. *Provide that the burden of proof be on the party challenging the placement.*

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Certification

Title: **I.60 PROFESSIONAL DEVELOPMENT**

Belief: *The improvement of instruction relies heavily on the continued or increased competency of existing staff members, especially in periods of stable or declining enrollments. Therefore,*

CABE supports:

1. *local and regional boards of education developing high quality professional development programs for school district staff, alone or in cooperation with other school boards, agencies, or institutions;*
2. *teacher preparation institutions and universities upgrading and expanding professional development programs and graduate programs for teachers and administrators; and*
3. *the maintenance of high quality, rigorous programs to improve professional practice by all professional development providers.*

Discussion: The issue of instructional improvement continues to lie largely with maintaining or increasing the competency of existing school personnel. Effective continuing education of certified personnel depends heavily upon the availability of good, effective programs provided by the employer, by higher education or others and upon the motivation of the employees toward increased competency and growth as educators. Since in 1989-90 and annually thereafter, local professional development programs must include at least eighteen hours of professional programs that appropriately address the needs of all professional staff, the cost is substantial. Without significant expenditures, local school districts will be unable to provide the quality of programs that will strengthen employee performance and keep it strong over time.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16

Title: **I.61 ALTERNATE ROUTES TO TEACHER AND ADMINISTRATOR CERTIFICATION**

Belief: *CABE supports the alternate route to teacher and administrator certification, which increases flexibility in the manner in which academically able college graduates, including professionals seeking mid-career change, may enter the teaching force.*

Discussion: The alternate route process prescribed in Section 10-145b of the Connecticut General Statutes is intended to attract to teaching recent college liberal arts graduates with excellent academic records

and strong subject matter backgrounds, and experienced college graduates seeking mid-career changes.

A similar alternate route program should also be created for candidates of exceptional merit with other than teaching background to enter the field of educational administration.

From an existing resolution/The Government Relations Committee recommends adoption. 9/16



Amity Regional School District No. 5

2017-2018 District Calendar



54

Date	Event or Holiday
August 24	Prof. Dev. - Teachers Only
August 25	Prof. Dev. - Teachers Only
August 28	First Day of School - Students
September 4	Labor Day
September 7	Back to School Night - ARHS - Grades 9&12
September 13	Back to School Night - ARHS - Grades 10&11
September 14	Back to School Night - Middle Schools
September 21	Rosh Hashanah
September 29	Early Dismissal - Prof. Dev.
October 9	Columbus Day
November 7	Prof. Dev. - Teachers Only
November 15	Parent Conferences - Middle Schools
November 16	Parent Conferences - High School
November 22	Early Dismissal
November 23, 24	Thanksgiving
November 29	Parent Conferences - High School
November 30	Parent Conferences - Middle Schools
December 6	Parent Conferences - MS/HS - <i>Early Dismissal</i>
December 22	Early Dismissal
December 25 - January 1	Holiday Recess
January 12	Early Dismissal - Prof. Dev.
January 15	Martin Luther King, Jr. Day
February 7	Parent Conferences - High School
February 8	Parent Conferences - Middle Schools
February 14	Parent Conferences - Middle Schools
February 16	Early Dismissal - Prof. Dev.
February 19, 20	Winter Recess
March 29	Prof. Dev. - Teachers Only
March 30	Good Friday
April 16 - April 20	Spring Recess
May 14	Delayed Opening - Prof. Dev.
May 28	Memorial Day
June 7	Last Day of School - Students

August 2017 (4/4)						
S	M	T	W	R	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 2017 (19/23)						
S	M	T	W	R	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October 2017 (21/44)						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November 2017 (19/63)						
S	M	T	W	R	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

December 2017 (16/79)						
S	M	T	W	R	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January 2018 (21/100)						
S	M	T	W	R	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February 2018 (18/118)						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28			

March 2018 (20/138)						
S	M	T	W	R	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

April 2018 (16/154)						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

May 2018 (22/176)						
S	M	T	W	R	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

June 2018 (5/181)						
S	M	T	W	R	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 2018 (0)						
S	M	T	W	R	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

If emergency closings extend beyond June 30, 2018, then any additional days will be taken from Spring Recess, beginning with April 16, 2018. Amity Regional High School Graduation is traditionally held on the actual last day of school for students. Total Days For Students = 181; Total Days For Teachers = 185

ABOE Approved - XXXX xx, xxxx

AMITY REGIONAL SCHOOL DISTRICT NO. 5
Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525



Charles S. Dumais, Ed.D.
 Superintendent of Schools

charles.dumais@reg5.k12.ct.us
 phone: 203.392.2106
 fax: 203.397.4864

November 14, 2016

To: Members of the Board of Education
From: Charles Dumais, Ed.D., Superintendent of Schools
Re: Personnel Report

+ NEW HIRES-CERTIFIED:

• Amity Reg. High School – Woodbridge:

Christian Allard – F/T English Teacher – Christian joins the Amity teaching staff as a graduate of Amity High School. He has served as an English teacher at Cromwell High School for the past 5 years as well as their Head Golf Coach. Christian has earned his Bachelor of Science degree from Central Connecticut State University and his Master of Fine Arts degree from Albertus Magnus College.

• Amity Reg. Middle School – Bethany: **NONE**

• Amity Reg. Middle School – Orange: **NONE**

+ NEW HIRES-SUBSTITUTES:

Christopher Giuliano, Sr. – Long Term Security Guard Substitute ~ ARHS

+ NEW HIRES-CLASSIFIED:

Angelo Moscato – .7 Afternoon/Night Security Guard ~ ARHS

+ NEW HIRES-COACHES: **NONE**

+ NEW HIRES-EXTRA-CURRICULAR:

Timothy Gaipa ~ Yearbook Business Manager – Tier 5

+ LEAVE(S) OF ABSENCE: **NONE**

+ RESIGNATION(S):

- Extra-Curricular:
Ken Clark ~ Yearbook Business Manager – Tier 5

+ RETIREMENT(S):

Kathleen Fuller-Cutler, Principal ~ Amity Regional Middle School-Orange Campus, eff. 6/30/17

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525



Charles S. Dumais, Ed.D.
Superintendent of Schools

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203.392.2106

Superintendent's Report – November 2016

Continuously improve instruction, cultivate creativity, and enhance student engagement and performance.

Enhance the efficient and effective use of resources.

Foster a supportive climate for students and adults.

Instruction

Curriculum. Dr. Kim Bean (Southern Connecticut State University) has been providing instruction and support for Amity special education and reading teachers, and recently presented a community workshop on *Autism and Literacy*, which covered current research and strategies for developing fluency, vocabulary, and phonemic awareness for students with Autism Spectrum Disorder.

District Meetings. District Curriculum Articulation meetings in World Language, Reading, Mathematics, and Music recently took place. The District Steering Committee met for the second time this year and considered new course proposals and new textbook requests. Subsequently, the Amity Board of Education Curriculum Committee met to review all requests brought forward from the District Steering Committee. The District Wellness Committee met to discuss the newly revised and approved policy rollout, including communication to staff, students, parents, and community members.

Election Day 2016 Activities: All of the schools participated in classroom, extracurricular, and whole school election activities, including debates, mock elections, and integrated lessons.

International Visitors. Amity regularly hosts visitors from international programs to share insights on the American educational system and interact with educators and students from other countries. Most recently, Bethany and Woodbridge hosted groups of teachers from China, which provided a great opportunity for our Mandarin Chinese students to share their language skills as tour guides.

Veterans Day. Some schools choose to not hold school on Veterans Day. Amity believes that structured activities and active recognition of our veterans on Veterans Day is a more valuable approach. At the high school, members of the Orange Veterans Association will be providing a program for freshmen and sophomores throughout the day on Friday, November 11, 2016. In Orange, students have been invited to visit the West Haven Veterans Museum. In Bethany, Mr. Norton (a veteran) and a guest veteran from the community will be sharing with students during

social studies classes. All staff and students are encouraged to wear red, white and blue clothing to honor Veterans Day.

Personalized Learning. In our efforts to move toward a more student-centered approach to teaching and learning, the November faculty meeting at Amity Regional High School included structured opportunities for teachers to share and discuss successes and challenges in implementing student-centered strategies in their classrooms.

Instructional Rounds. All of the schools have begun the building-based instructional rounds process. Teams at each of the schools have visited classrooms, observed student learning, and debriefed the experience in the context of a focus that is established by the school's leadership team. At the high school, the focus of their observations is "How do we, as school/educators, establish student-centered classroom environments to facilitate student independence and personalized learning?" At the middle school in Bethany, the focus of their observations is "How are students independently monitoring and self-assessing, helping themselves and their peers to improve learning?" At the middle school in Orange, the focus of their observations is "How do we assess student learning in the classroom before moving on to the next task? – and - How do we assess what students know during instruction?" I have been participating in the debriefing sessions to support the teams in following the discussion protocol, to contribute to the synthesis of multiple classroom observations, and to set foundational elements that will support the extension of Instructional Rounds to multiple, smaller teacher teams in the next phase of implementation.

Career Fairs. Career fairs are being held this month in Woodbridge and Bethany (Orange traditionally holds their career fair in the spring). The high school hosts speakers for sophomores while the middle schools bring in an array of volunteers to share their unique career experiences.

Athletics. Amity fall athletes repeated as league divisional champions (Girls Volleyball, Boys Cross Country), won the league championship (Girls Volleyball), were runners-up in their league championships (Boys Cross Country, Girls Swimming), qualified for the State tournament (seven of eight varsity squads), and excelled in State tournament competitions (Boys Cross Country qualified for New England Championships, Emily Criscuolo was runner-up in the Class LL State championship).

Professional Development. Tuesday, November 8, 2016, was a full professional development day which focused on social/emotional learning and vertical articulation. Professional development on that day included, in part, classroom instructional interventions, strategies to engage students, sexual abuse training (required for staff), dyslexia education, K-12 music scope and sequence, K-12 world language instructional strategies, K-12 physical education and health instruction, 9-12 college planning for counselors, and specialized training for all paraeducators.

STEAM Day 2017. The BOWA STEM (Science, Technology, Engineering, Mathematics) Committee has begun planning for the May 24, 2017 STEAM (STEM + Arts) Day, which will be held at Amity Regional High School. We will again be inviting fifth grade students from each of our Member Towns to attend the event.

Calibration. Calibration training was held for department chairs with a focus on walk-through observations. Short clips of teaching videos were shown followed by use of the CT Common Core of Teaching Rubric for Effective Teaching. Dr. McPadden and Lisa Lassen co-facilitated.

Resources

Energy Star. Amity Regional Middle School - Orange has earned the U.S. Environmental Protection Agency's (EPA's) ENERGY STAR certification, which signifies that the building performs in the top 25 percent of similar facilities nationwide for energy efficiency and meets strict energy efficiency performance levels set by the EPA.

Budget. Directors and Heads of Departments/Schools have submitted their budget requests. The Finance Department is finalizing coordination of the requests and developing projected revenues and expenditures in preparation for a district leadership meeting at which all requests will be shared and examined by the leadership team.

Administrators Bargaining Unit Negotiations. The negotiations process has begun with an initial meeting of the Amity Board of Education Personnel Committee to assess the current language of the agreement.

Athletics Registration. Registration for winter season athletics is being completed solely online.

Transportation. Amity increased the number of special education student transportation routes that it shares with Woodbridge and Orange.

PowerSchool Assessment and Analytics. Amity currently employs this powerful PowerSchool module to create, administer, grade, and analyze assessments that include elements that are directly connected to specific standards, Anderson's (Bloom's) Taxonomy, and Webb's Depth of Knowledge. We recently presented this module to our BOWA colleagues to explore opportunities to collaborate, share, and reduce expenses.

Climate

Clergy Breakfast Scheduled. Area clergy have been invited to join the principals and central office administration for breakfast to discuss how we can improve our collaborative efforts to best meet the needs of our students.

Emergency Preparedness. Principals were recently familiarized with our new emergency preparedness software (Navigate) and are planning to incorporate its use into their next emergency drills. The Superintendent and Director of Facilities participated in the state-wide Emergency Planning and Preparedness Initiative, hosted by the Woodbridge Police Department.

Character. Through Spartan Seminar (the high school advisory program) and middle school assemblies, all of the schools have been focusing on character development. At the high school, students discussed the Periodic Table of Character - <http://bit.ly/2fQnAQd>, while Jackie's Nine focused on Team work in Orange, and Bethany is using three days of extended homeroom to

discuss “Be Amity!” student character goals with students. Character education activities and themes are being extended at the schools through work with the Anti-Defamation League (anti-bullying), work with Mothers Against Drunk Driving (decision-making), student recognition (PBIS, STAR), and participation in the Month of Gratitude activities (Day of Gratitude to raise money to fight hunger, “Look for the Good” Project). Middle school teams are also building stronger relationships, fostering self-confidence, and promoting teamwork with structured on-site and off-site activities.

African American Males. Following a discussion on goals and grit with the entire senior class at the high school, Hall of Honor Inductee Darren Haynes met with African American males from our three schools to share his personal experiences with race, discuss the importance of setting personal growth goals, and the power of having the determination to realize dreams.

Amity Youth Survey. Based on the overall feedback from Board Members, district committees, Amity health teachers, administrators, and the Director and Epidemiologist of the Alliance for Prevention & Wellness, we have decided on an Amity Youth Survey that will provide the best information for developing district health curriculum, guide the development of non-curricular interventions, and qualify us for participation in numerous grant opportunities to support student and staff programs at Amity. The Amity Youth Survey will be administered to seventh, ninth, and eleventh grade students, and will include demographics, use of time, family, drugs and alcohol, self-perception, gambling, online behaviors, and sexual activity. The survey will be administered in early December and the results are scheduled to be presented to the Board of Education in February. Amity parents have been notified of the survey.

Partnerships. Amity hosts interns and student teachers from Southern Connecticut State University, Central Connecticut State University, Albertus Magnus College, and Quinnipiac University.

Narrative4. Extending the work done with staff at the opening professional development sessions, ARHS teachers participated in an “object exchange” during their October faculty meeting. Teachers were asked to bring an object of meaning with them to the meeting. They then repeatedly exchanged the object with a colleague and explained the object’s significance in the voice of the owner. The exercise is designed to build empathy through story telling.

Athletics. Our athletes, coaches, programs, and leadership are recognized examples of character, effort, and sportsmanship. The Amity athletic department (as a whole) was awarded the prestigious Michaels Cup for exemplary athletic programs based upon performance, sportsmanship, and other factors, including evaluations by our peers. The Amity Unified Sports program was recognized as a Unified Champion Banner School – a national award that is sponsored by Special Olympics International. The Amity Girls Soccer team was selected by the Greater New Haven Soccer Officials Association as this year’s recipient of the Sportsmanship Award.

All-Hazards Plans. Plans for each building have been updated and completed. Signatures of the required signatories are currently being collected.

Fabulous Friends. The mission of this club is to pair students with needs with their typical peers to help foster meaningful relationships. It is one of the most active and popular clubs at middle schools and high school.

Professional Mental Health Support. Local psychiatrist Dr. David Aversa regularly collaborates with our support staff to provide guidance on best practices and conduct case study reviews that support the development of interventions and supports.

Superintendent

Instructional Leadership. I visit each school on (at least) a weekly basis and make classroom observations a regular part of each trip. To date, I have visited more than fifty classrooms across all of the buildings.

ACES Design Process. Area Cooperative Educational Services recently engaged in the Design Planning process (similar, yet different from, the strategic planning process) with members of their organization and various stakeholders. Three other ACES area Superintendents and I were invited to participate in the process, which resulted in a reimaged Design Plan for the organization.

Policy. Policy Committee members met with Vin Mustaro of CAGE to outline the policy review process and begin the review of the 9000 series. The 0000, 1000, and 2000 *draft* series have been prepared and are ready to be distributed to Policy Committee members.

Commissioner. I will be visiting the Connecticut Commissioner of Education this month to have an individual meeting to discuss the impact of State educational issues on Amity and the broader role of local Superintendents in improving education in Connecticut.

Invited Commentary. I was invited by the Commentary Editor of Education Week to submit a brief opinion on an issue in elementary science education. You can find it here - <http://bit.ly/2foVvMV>.

Community. After working with the Woodbridge Rotary for nearly three years, I was nominated for membership (thank you, Dr. Stella) and am now part of the organization.



This report is a synopsis of many of the undertakings, efforts, and achievements toward our District Goals and Objectives. It does not represent a complete and comprehensive account of all that has happened in the past month. I would encourage you to contact me directly if you have questions about items that you read or that you anticipated reading. I would be glad to discuss them.

CABE Report to the November 14, 2016 ABOE Meeting – submitted by Sheila McCreven

As Amity Board of Education members prepare to attend the annual CABE Convention in Mystic later this week, the following is a brief summary of the purpose for which we are expending public dollars to participate in this CABE event.

Professional Development of school personnel – faculty, staff, administration – is a significant category of expenditure in our school system's annual operating budget and likewise, a focus on the Professional Development of our Board members can be viewed as a key component of our contribution to the pursuit of excellence at Amity. Our investment in CABE membership dues each year provides us with opportunities to demonstrate to the public that we are committed to continuous improvement of Board operations and enhances the effectiveness of our leadership team when coupled with the commitment of our Superintendent.

At the Annual CABE Convention this week, Board members who attend will have the chance to gain knowledge in a variety of categories that we may then bring back to the full Board. It is anticipated that our December ABOE meeting will feature a more lengthy discussion and information sharing opportunity for this purpose.

In addition to the Annual Convention, CABE offers workshops throughout the year, including the **2016 Legal Issues** workshop described in last month's CABE Report. These workshops are part of a Professional Development series that CABE calls its **Board Member Academy**. In the interest of providing additional information to all ABOE members – and encouragement for all of us to consider a commitment to pursuing Board Member Academy credits that lead to attaining accreditation as Certificated Board of Education Member (CBEM) or Master Board of Education Member (MBME) designation – the following material from the CABE website is shared.

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### **CABE Board Member Academy Program**

Link: <http://www.cabe.org/page.cfm?p=1118>

Brochure PDF: [http://www.cabe.org/uploaded/About\\_CABE/2012\\_Board\\_Member\\_Academy\\_flyer.pdf](http://www.cabe.org/uploaded/About_CABE/2012_Board_Member_Academy_flyer.pdf)

### **Board Member Academy: Where Leaders Emerge**

*"Board members arrive at the table with dreams. They have vision and value. In many cases, their fervently held beliefs and sincere desire to make a difference impel them to board membership in the first place. School board members want to prepare children better for life."*

*– Boards That Make a Difference, John Carver*

Introduction: Effective board members know that only informed decision-makers make sound decisions. They understand that meeting the many responsibilities of school board members demands possession of a wide variety of skills, knowledge and abilities. The Board Member Academy was created to provide you with the knowledge and expertise you need to enhance your role as a school leader in your community.

The Academy is a unique accreditation program designed to deliver high quality training. This in-service program focuses workshops, conferences and other training opportunities on leadership skills of board members. Through the training offered by the Board Member Academy, board members and school administrators gain the most valuable skills and tools available to provide visionary leadership for their local school districts.

**Academy Degrees of Accreditation** - Listed below are the levels of accreditation one can accomplish through the academy.

- Certified Board of Education Member (CBEM) 20 credits
- Master Board of Education Member (MBEM) CBEM + 20 additional credits

## Board Member Academy Credits

Every three hours of training earns one credit. One-day programs (six hours of training) earn two credits. Evening or half day programs earn one credit. Credits will be automatically earned upon completion of eligible programs.

**Certificated Board of Education Member (CBEM)** To achieve the first level of the CABA Board Member Academy, a board member must accumulate at least 20 credits to become a certificated board member. This level is the Certified Board of Education Member (CBEM). Areas of study will strengthen leadership skills and give members a firm foundation in the essential governance skills needed to carry out their responsibilities.

After earning 20 credits and covering specific core areas, board members will be awarded a CBEM. The following core areas must be addressed:

- Board Relations with the superintendent, with the community and with each other
- Policy
- Curriculum
- School
- Finance
- School Law
- Labor Relations
- Board Operations

All core areas must be addressed. The balance of credit hours may be earned in any of CABA's training programs. (Credits must be earned at a rate of at least two per year.)

Although CABA believes that training is essential, it should only supplement, not replace actual board experience. Therefore, a CBEM will not be conferred before the completion of three years of board experience. However, credits toward accreditation may be earned during these three years.

**Master Board of Education Member (MBME)** To achieve this higher level of accreditation, the Master Board Member builds on the basics of the CBEM. Programs are designed to enhance interpersonal skills, strategic planning, negotiations, and leadership skills enabling members to better govern the course of education in their schools.

To earn the MBEM, members must have earned a CBEM and 20 additional credits. The following core areas must be addressed:

- Leadership
- Effective Meetings
- School/Community Relations
- Strategic Planning
- Group Dynamics
- Board Member Ethics
- School Finance
- Labor Relations
- School Law

October, 2016

CLEAN

SAFE

HEALTHY

SCHOOLS

Amity Regional School  
District No. 5

25 Newton Road

Woodbridge, CT 06525

Phone: 203-397-4817

Fax: 203-397-4864



## Amity Regional School District No. 5

### Facilities Department Monthly Report

#### Completed Projects:

- The switch from cooling to heating was completed at both middle schools. The new valves that were installed performed flawlessly.
- The starter board on the chiller at Amity Middle School, Orange Campus, failed. A replacement was ordered and replaced by Trane.
- The replacement of the HVAC isolation valves at Amity Middle School, Bethany Campus was completed.
- Fall preventive maintenance on all of the Building Management Systems was completed to ensure the switch to heating was successful on all HVAC equipment.
- All snow removal equipment preventive maintenance was completed, so we are ready for the winter season.
- The underside of the entrance canopy at Amity Middle School, Bethany Campus, was scraped and repainted. There is additional work to do in the spring of 2017.
- All of the heating and domestic hot water boilers were tuned and adjusted for the upcoming heating season.

#### Projects in process:

- The HVAC upgrade project at Amity Middle School, Orange Campus is in process. We are about 95% complete.
- A comprehensive energy efficiency project with lighting upgrades and installation of the heat exchanger associated with the fuel cell project was developed. All lighting products have arrived on campus and are in the process of being installed by in-house personnel. All exterior lighting is now done and most of the interior lighting is done.
- The corridor flooring replacement project at Amity Regional High School was finished. However, the vendor ran out of tile and when the additional tile arrived, it was from a different dye lot. Since the new floor in one of the corridors does not match, the job was rejected. During the winter holiday break, the vendor will return to remove the tile and install replacement tile so the complete job matches.
- The new carpet for the District Office was ordered. We expect to start a three-phase installation within six weeks.
- Drinking fountain replacement has begun at Amity Regional High School.

#### Outstanding issues to be addressed:

- None this month.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

**Bethany Orange Woodbridge**  
**25 Newton Road, Woodbridge Connecticut 06525**



**Theresa Lumas**  
**Director of Finance and Administration**  
[terry.lumas@reg5.k12.ct.us](mailto:terry.lumas@reg5.k12.ct.us)

**Phone (203) 397-4813**  
**Fax (203) 397-4864**

To: Dr. Charles S. Dumais, Superintendent of Schools

From: Theresa Lumas, Director of Finance and Administration

Re: Award of Contract over \$35,000 – Copier Proposal

Date: November 4, 2016

Back in the fall of 2013, the Amity Regional School District No. 5 and Xerox Corporation entered into a 60-month lease agreement utilizing the CREC/PEPPM Bid Contract Award to procure its current copier fleet. The CREC/PEPPM Bid Contract Award continues to be available to all school districts in the state of Connecticut and the Xerox proposal was developed using the pricing from that award. This would meet the Board's purchasing policy.

As of December 31, 2016, the school district will be at month 36 of its 60-month lease plan for 25 Xerox copiers. These units are on an all-inclusive pool plan. The current cost for all 24 Xerox copiers is \$141,016.44 per year. In addition, we have a separate laser printer management program covering our printers which includes all service and supplies @ \$38,748.24 per year. The total for both programs is \$179,764.68 per year. The school district has the opportunity to take advantage of a Xerox yearend sales promotion in which we can upgrade 24 (downsizing one at the District's request) of the existing Xerox fleet copiers while combining it with our laser printer management program under one contract. In addition, Xerox will be providing us with a total print management solution called PaperCut which will provide us with badge swipe access for the copiers, give us the ability to track copy/print usage much better, reduce our paper waste using secure release printing capabilities, and provide overall better document security for our school system. The annual cost of for the proposed upgrade is \$174,847.92 per year, or **\$4,916.76 per year less** (savings would be \$3,885.60 with the full fleet of 25 machines) than we are currently paying.

The Xerox proposal requires the installation of the new Xerox equipment on or before December 31, 2016. The implementation includes Xerox picking up in trade all the existing Xerox equipment. All equipment will be delivered free of charge, excluding excess rigging, if necessary. All equipment is covered by the Xerox Total Satisfaction Guarantee.



The upgrade will provide the following highlights:

1. The current five-year lease agreement will be extended from the remaining two years to five years. The total annual cost of the new lease would be \$3885.60 less than the current lease.
2. The current pool plan includes 648,886 copies/prints per month and the excess is \$0.0049 per copy/print. The proposed new pool plan will be rightsized and include 551,000 copies/prints per month (our 12-month average volume is currently 582,725 copies/prints per month) and the excess rate will be \$0.005 per copy/print.
3. All the equipment will be new and each location's machine will be configured the same or with additional capabilities as what they now have.
4. The proposal provides the opportunity for paper cost savings, as all units will be equipped with two sided copying and printing in order to maximize paper usage. Also, the networking allows for desktop computers to print to a Xerox copier, which can save on toner cartridges.

I would like to ask the Amity Finance Committee to recommend to the Amity Board of Education that you or I be authorized to sign the new lease agreement. I, therefore, recommend the adoption of the following motion:

**Amity Finance Committee:**

*Move to recommend the Amity Board of Education authorize the Superintendent of Schools to sign the Xerox contract for copiers, the laser printer management program, and the PaperCut Print Management solution, for the monthly charge of \$14,570.66 for the period of January 1, 2017 through December 31, 2021, inclusive. The Board's bidding requirement is waived.*

**Amity Board of Education:**

*Move to recommend the Amity Board of Education authorize the Superintendent of Schools to sign the Xerox contract for copiers, the laser printer management program, and the PaperCut Print Management solution, for the monthly charge of \$14,570.66 for the period of January 1, 2017 through December 31, 2021, inclusive. The Board's bidding requirement is waived.*

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**Bethany Orange Woodbridge**  
**25 Newton Road, Woodbridge Connecticut 06525**



**Theresa Lumas**  
**Director of Finance and Administration**  
[terry.lumas@reg5.k12.ct.us](mailto:terry.lumas@reg5.k12.ct.us)

**Phone (203) 397-4813**  
**Fax (203) 397-4864**

To: Dr. Charles S. Dumais, Superintendent of Schools

From: Theresa Lumas, Director of Finance and Administration

Re: Natural Gas Procurement

Date: November 4, 2016

Titan Energy is working on the procurement of natural gas for the Town of Woodbridge, the Woodbridge Board of Education and the Amity Regional School District. Titan Energy will formulate bid documents, bid the procurement of natural gas, tabulate the results, and make recommendations to us.

I would like to seek Board approval for you to have the authority to decide whether or not the terms of the proposed contract are acceptable.

## **PROPOSED MOTIONS:**

**Amity Finance Committee:** *Move to recommend that the Board authorize Titan Energy to seek out and recommend the most favorable contract for a natural gas supplier. Further, the Superintendent of Schools be authorized to enter into a one year or multi-year contract, not to exceed three years, with a natural gas supplier provided the Superintendent of School deems the terms of the contract to be in the best interest of the District.*

**Amity Board of Education:** *Move that Titan Energy be authorized to seek out and recommend the most favorable contract for a natural gas supplier. Further, the Superintendent of Schools be authorized to enter into a one year or multi-year contract, not to exceed three years, with a natural gas supplier provided the Superintendent of School deems the terms of the contract to be in the best interest of the District.*

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**REVENUES AND EXPENDITURES**  
**FOR FY 2016-2017**

|             |                                                 | <b>COLUMN 1</b>   | <b>COLUMN 2</b>   | <b>COLUMN 3</b>   | <b>COLUMN 4</b>      | <b>COLUMN 5</b>   | <b>COLUMN 6</b>     | <b>COL 7</b> |
|-------------|-------------------------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---------------------|--------------|
|             |                                                 | <b>2015-2016</b>  | <b>2016-2017</b>  | <b>OCT '16</b>    | <b>CHANGE</b>        | <b>NOV '16</b>    | <b>VARIANCE</b>     | <b>FAV</b>   |
| <b>LINE</b> | <b>CATEGORY</b>                                 | <b>ACTUAL</b>     | <b>BUDGET</b>     | <b>FORECAST</b>   | <b>INCR./(DECR.)</b> | <b>FORECAST</b>   | <b>OVER/(UNDER)</b> | <b>UNF</b>   |
| 1           | MEMBER TOWN ALLOCATIONS                         | 45,348,694        | 46,289,573        | 46,289,573        | 0                    | 46,289,573        | 0                   | FAV          |
| 2           | OTHER REVENUE                                   | 255,240           | 190,215           | 185,936           | (13,165)             | 172,771           | (17,444)            | UNF          |
| 3           | OTHER STATE GRANTS                              | 1,073,793         | 1,324,940         | 1,059,791         | 41,620               | 1,101,411         | (223,529)           | UNF          |
| 4           | MISCELLANEOUS INCOME                            | 189,039           | 24,480            | 46,980            | 3,149                | 50,129            | 25,649              | FAV          |
| 5           | BUILDING RENOVATION GRANTS                      | 6,491             | 6,491             | 6,491             | 0                    | 6,491             | 0                   | FAV          |
| 6           | <b>TOTAL REVENUES</b>                           | <b>46,873,257</b> | <b>47,835,699</b> | <b>47,588,771</b> | <b>31,604</b>        | <b>47,620,375</b> | <b>(215,324)</b>    | <b>UNF</b>   |
| 7           | SALARIES                                        | 24,126,624        | 24,967,936        | 24,866,230        | (42,921)             | 24,823,309        | (144,627)           | FAV          |
| 8           | BENEFITS                                        | 6,098,343         | 6,143,208         | 6,214,660         | (120,121)            | 6,094,539         | (48,669)            | FAV          |
| 9           | PURCHASED SERVICES                              | 7,249,910         | 8,409,037         | 8,021,063         | (130,396)            | 7,890,667         | (518,370)           | FAV          |
| 10          | DEBT SERVICE                                    | 4,743,788         | 4,709,213         | 4,709,213         | 0                    | 4,709,213         | 0                   | FAV          |
| 11          | SUPPLIES (INCLUDING UTILITIES)                  | 2,844,704         | 2,963,347         | 2,884,862         | 0                    | 2,884,862         | (78,485)            | FAV          |
| 12          | EQUIPMENT                                       | 338,909           | 173,160           | 173,160           | 0                    | 173,160           | 0                   | FAV          |
| 13          | IMPROVEMENTS / CONTINGENCY                      | 176,699           | 311,000           | 269,926           | 0                    | 269,926           | (41,074)            | FAV          |
| 14          | DUES AND FEES                                   | 126,518           | 158,798           | 158,798           | 0                    | 158,798           | 0                   | FAV          |
| 15          | TRANSFER ACCOUNT                                | 427,713           | 0                 | 0                 | 0                    | 0                 | 0                   | FAV          |
| 16          | <b>TOTAL EXPENDITURES</b>                       | <b>46,133,208</b> | <b>47,835,699</b> | <b>47,297,912</b> | <b>(293,438)</b>     | <b>47,004,474</b> | <b>(831,225)</b>    | <b>FAV</b>   |
| 17          | <b>SUBTOTAL</b>                                 | <b>740,049</b>    | <b>0</b>          | <b>290,859</b>    | <b>325,042</b>       | <b>615,901</b>    | <b>615,901</b>      | <b>FAV</b>   |
| 18          | PLUS: CANCELLATION OF PRIOR YEAR'S ENCUMBRANCES | <b>1,035</b>      | <b>0</b>          | <b>0</b>          | <b>0</b>             | <b>0</b>          | <b>0</b>            | <b>FAV</b>   |
| 19          | DESIGNATED FOR SUBSEQUENT YEAR'S BUDGET:        | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>             | <b>0</b>          | <b>0</b>            | <b>FAV</b>   |
| 20          | <b>NET BALANCE / (DEFICIT)</b>                  | <b>741,084</b>    | <b>0</b>          | <b>290,859</b>    | <b>325,042</b>       | <b>615,901</b>    | <b>615,901</b>      | <b>FAV</b>   |

Column 7: FAV=Favorable Variance

Revenues: At or OVER budget

Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**REVENUES AND EXPENDITURES**  
**FOR FY 2016-2017**

|             |                                   | <b>COLUMN 1</b>   | <b>COLUMN 2</b>   | <b>COLUMN 3</b>   | <b>COLUMN 4</b>      | <b>COLUMN 5</b>   | <b>COLUMN 6</b>     | <b>COL 7</b> |
|-------------|-----------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---------------------|--------------|
|             |                                   | <b>2015-2016</b>  | <b>2016-2017</b>  | <b>OCT '16</b>    | <b>CHANGE</b>        | <b>NOV '16</b>    | <b>VARIANCE</b>     | <b>FAV</b>   |
| <b>LINE</b> | <b>CATEGORY</b>                   | <b>ACTUAL</b>     | <b>BUDGET</b>     | <b>FORECAST</b>   | <b>INCR./(DECR.)</b> | <b>FORECAST</b>   | <b>OVER/(UNDER)</b> | <b>UNF</b>   |
| 1           | BETHANY ALLOCATION                | 9,441,145         | 9,437,981         | 9,437,981         | 0                    | 9,437,981         | 0                   | FAV          |
| 2           | ORANGE ALLOCATION                 | 22,400,894        | 22,561,538        | 22,561,538        | 0                    | 22,561,538        | 0                   | FAV          |
| 3           | WOODBIDGE ALLOCATION              | 13,506,655        | 14,290,054        | 14,290,054        | 0                    | 14,290,054        | 0                   | FAV          |
| 4           | <b>MEMBER TOWN ALLOCATIONS</b>    | <b>45,348,694</b> | <b>46,289,573</b> | <b>46,289,573</b> | <b>0</b>             | <b>46,289,573</b> | <b>0</b>            | <b>FAV</b>   |
| 5           | ADULT EDUCATION                   | 3,425             | 3,405             | 3,042             | 0                    | 3,042             | (363)               | UNF          |
| 6           | PARKING INCOME                    | 29,932            | 30,000            | 30,000            | 0                    | 30,000            | 0                   | FAV          |
| 7           | INVESTMENT INCOME                 | 3,432             | 2,000             | 3,000             | 0                    | 3,000             | 1,000               | FAV          |
| 8           | ATHLETICS                         | 23,076            | 32,500            | 25,000            | 0                    | 25,000            | (7,500)             | UNF          |
| 9           | TUITION REVENUE                   | 92,133            | 47,434            | 99,736            | (13,165)             | 86,571            | 39,137              | FAV          |
| 10          | TRANSPORTATION INCOME             | 103,242           | 74,876            | 25,158            | 0                    | 25,158            | (49,718)            | UNF          |
| 11          | TRANSPORTATION BOWA AGREEMENT     | 0                 | 0                 | 0                 | 0                    | 0                 | 0                   | FAV          |
| 12          | <b>OTHER REVENUE</b>              | <b>255,240</b>    | <b>190,215</b>    | <b>185,936</b>    | <b>(13,165)</b>      | <b>172,771</b>    | <b>(17,444)</b>     | <b>UNF</b>   |
| 13          | BESB GRANT                        | 0                 | 0                 | 0                 | 0                    | 0                 | 0                   | FAV          |
| 14          | SPECIAL EDUCATION GRANTS          | 1,073,793         | 1,324,940         | 1,059,791         | 41,620               | 1,101,411         | (223,529)           | UNF          |
| 15          | <b>OTHER STATE GRANTS</b>         | <b>1,073,793</b>  | <b>1,324,940</b>  | <b>1,059,791</b>  | <b>41,620</b>        | <b>1,101,411</b>  | <b>(223,529)</b>    | <b>UNF</b>   |
| 16          | RENTAL INCOME                     | 20,610            | 3,500             | 21,000            | 0                    | 21,000            | 17,500              | FAV          |
| 17          | DESIGNATED FROM PRIOR YEAR        | 150,000           | 0                 | 0                 | 0                    | 0                 | 0                   | FAV          |
| 18          | OTHER REVENUE                     | 18,429            | 20,980            | 25,980            | 3,149                | 29,129            | 8,149               | FAV          |
| 19          | TRANSFER IN                       | 0                 | 0                 | 0                 | 0                    | 0                 | 0                   | FAV          |
| 20          | <b>MISCELLANEOUS INCOME</b>       | <b>189,039</b>    | <b>24,480</b>     | <b>46,980</b>     | <b>3,149</b>         | <b>50,129</b>     | <b>25,649</b>       | <b>FAV</b>   |
| 21          | <b>BUILDING RENOVATION GRANTS</b> | <b>6,491</b>      | <b>6,491</b>      | <b>6,491</b>      | <b>0</b>             | <b>6,491</b>      | <b>0</b>            | <b>FAV</b>   |
| 22          | <b>TOTAL REVENUES</b>             | <b>46,873,257</b> | <b>47,835,699</b> | <b>47,588,771</b> | <b>31,604</b>        | <b>47,620,375</b> | <b>(215,324)</b>    | <b>UNF</b>   |

Column 7: FAV=Favorable Variance

Revenues: At or OVER budget

Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**REVENUES AND EXPENDITURES**  
**FOR FY 2016-2017**

|             |                                            | <b>COLUMN 1</b>   | <b>COLUMN 2</b>   | <b>COLUMN 3</b>   | <b>COLUMN 4</b>      | <b>COLUMN 5</b>   | <b>COLUMN 6</b>     | <b>COL 7</b> |
|-------------|--------------------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---------------------|--------------|
|             |                                            | <b>2015-2016</b>  | <b>2016-2017</b>  | <b>OCT '16</b>    | <b>CHANGE</b>        | <b>NOV '16</b>    | <b>VARIANCE</b>     | <b>FAV</b>   |
| <b>LINE</b> | <b>CATEGORY</b>                            | <b>ACTUAL</b>     | <b>BUDGET</b>     | <b>FORECAST</b>   | <b>INCR./(DECR.)</b> | <b>FORECAST</b>   | <b>OVER/(UNDER)</b> | <b>UNF</b>   |
| 1           | 5111-CERTIFIED SALARIES                    | 19,988,408        | 20,577,557        | 20,499,896        | (30,093)             | 20,469,803        | (107,754)           | FAV          |
| 2           | 5112-CLASSIFIED SALARIES                   | 4,138,216         | 4,390,379         | 4,366,334         | (12,828)             | 4,353,506         | (36,873)            | FAV          |
| 3           | <b>SALARIES</b>                            | <b>24,126,624</b> | <b>24,967,936</b> | <b>24,866,230</b> | <b>(42,921)</b>      | <b>24,823,309</b> | <b>(144,627)</b>    | <b>FAV</b>   |
| 4           | 5200-MEDICARE - ER                         | 326,618           | 334,538           | 355,955           | (11,753)             | 344,202           | 9,664               | UNF          |
| 5           | 5210-FICA - ER                             | 257,153           | 259,642           | 279,149           | (7,605)              | 271,544           | 11,902              | UNF          |
| 6           | 5220-WORKERS' COMPENSATION                 | 220,492           | 230,851           | 230,851           | 0                    | 230,851           | 0                   | FAV          |
| 7           | 5255-MEDICAL & DENTAL INSURANCE            | 4,080,297         | 4,171,526         | 4,158,158         | (100,763)            | 4,057,395         | (114,131)           | FAV          |
| 8           | 5860-OPEB TRUST                            | 152,104           | 157,272           | 157,272           | 0                    | 157,272           | 0                   | FAV          |
| 9           | 5260-LIFE INSURANCE                        | 41,159            | 42,123            | 44,617            | 0                    | 44,617            | 2,494               | UNF          |
| 10          | 5275-DISABILITY INSURANCE                  | 8,698             | 8,790             | 9,118             | 0                    | 9,118             | 328                 | UNF          |
| 11          | 5280-PENSION PLAN - CLASSIFIED             | 772,191           | 862,404           | 862,404           | 0                    | 862,404           | 0                   | FAV          |
| 12          | 5281- DEFINED CONTRIBUTION RETIREMENT PLAN | 0                 | 0                 | 41,074            | 0                    | 41,074            | 41,074              | UNF          |
| 12          | 5282-RETIREMENT SICK LEAVE - CERT          | 110,446           | 25,900            | 25,900            | 0                    | 25,900            | 0                   | FAV          |
| 13          | 5283-RETIREMENT SICK LEAVE - CLASS         | 0                 | 2,062             | 2,062             | 0                    | 2,062             | 0                   | FAV          |
| 14          | 5284-SEVERANCE PAY - CERTIFIED             | 110,586           | 33,100            | 33,100            | 0                    | 33,100            | 0                   | FAV          |
| 15          | 5290-UNEMPLOYMENT COMPENSATION             | 18,599            | 15,000            | 15,000            | 0                    | 15,000            | 0                   | FAV          |
| 16          | <b>BENEFITS</b>                            | <b>6,098,343</b>  | <b>6,143,208</b>  | <b>6,214,660</b>  | <b>(120,121)</b>     | <b>6,094,539</b>  | <b>(48,669)</b>     | <b>FAV</b>   |
| 17          | 5322-INSTRUCTIONAL PROG IMPROVEMENT        | 7,489             | 16,750            | 16,750            | 0                    | 16,750            | 0                   | FAV          |
| 18          | 5327-DATA PROCESSING                       | 71,261            | 79,062            | 79,062            | 0                    | 79,062            | 0                   | FAV          |
| 19          | 5330-OTHER PROFESSIONAL & TECHNICAL SRVC   | 1,011,021         | 1,075,935         | 1,092,435         | 0                    | 1,092,435         | 16,500              | UNF          |
| 20          | 5440-RENTALS - LAND, BLDG, EQUIPMENT       | 74,430            | 102,581           | 102,581           | 0                    | 102,581           | 0                   | FAV          |
| 21          | 5510-PUPIL TRANSPORTATION                  | 2,580,938         | 2,957,249         | 2,811,909         | (69,446)             | 2,742,463         | (214,786)           | FAV          |
| 22          | 5521-GENERAL LIABILITY INSURANCE           | 199,448           | 220,548           | 220,548           | 0                    | 220,548           | 0                   | FAV          |
| 23          | 5550-COMMUNICATIONS: TEL, POST, ETC.       | 97,324            | 114,924           | 114,924           | 0                    | 114,924           | 0                   | FAV          |
| 24          | 5560-TUITION EXPENSE                       | 3,137,962         | 3,757,143         | 3,498,009         | (60,950)             | 3,437,059         | (320,084)           | FAV          |
| 25          | 5590-OTHER PURCHASED SERVICES              | 70,038            | 84,845            | 84,845            | 0                    | 84,845            | 0                   | FAV          |
| 26          | <b>PURCHASED SERVICES</b>                  | <b>7,249,910</b>  | <b>8,409,037</b>  | <b>8,021,063</b>  | <b>(130,396)</b>     | <b>7,890,667</b>  | <b>(518,370)</b>    | <b>FAV</b>   |

Column 7: FAV=Favorable Variance

Revenues: At or OVER budget

Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**REVENUES AND EXPENDITURES**  
**FOR FY 2016-2017**

|             |                                        | <b>COLUMN 1</b>   | <b>COLUMN 2</b>   | <b>COLUMN 3</b>   | <b>COLUMN 4</b>      | <b>COLUMN 5</b>   | <b>COLUMN 6</b>     | <b>COL 7</b> |
|-------------|----------------------------------------|-------------------|-------------------|-------------------|----------------------|-------------------|---------------------|--------------|
| <b>LINE</b> | <b>CATEGORY</b>                        | <b>2015-2016</b>  | <b>2016-2017</b>  | <b>OCT '16</b>    | <b>CHANGE</b>        | <b>NOV '16</b>    | <b>VARIANCE</b>     | <b>FAV</b>   |
|             |                                        | <b>ACTUAL</b>     | <b>BUDGET</b>     | <b>FORECAST</b>   | <b>INCR./(DECR.)</b> | <b>FORECAST</b>   | <b>OVER/(UNDER)</b> | <b>UNF</b>   |
| 27          | 5830-INTEREST                          | 1,388,788         | 1,249,213         | 1,249,213         | 0                    | 1,249,213         | 0                   | FAV          |
| 28          | 5910-REDEMPTION OF PRINCIPAL           | 3,355,000         | 3,460,000         | 3,460,000         | 0                    | 3,460,000         | 0                   | FAV          |
| 29          | <b>DEBT SERVICE</b>                    | <b>4,743,788</b>  | <b>4,709,213</b>  | <b>4,709,213</b>  | <b>0</b>             | <b>4,709,213</b>  | <b>0</b>            | <b>FAV</b>   |
| 30          | 5410-UTILITIES, EXCLUDING HEAT         | 699,464           | 806,764           | 728,279           | 0                    | 728,279           | (78,485)            | FAV          |
| 31          | 5420-REPAIRS, MAINTENANCE & CLEANING   | 713,049           | 714,645           | 714,645           | 0                    | 714,645           | 0                   | FAV          |
| 32          | 5611-INSTRUCTIONAL SUPPLIES            | 358,124           | 392,007           | 392,007           | 0                    | 392,007           | 0                   | FAV          |
| 33          | 5613-MAINTENANCE/CUSTODIAL SUPPLIES    | 201,643           | 212,565           | 212,565           | 0                    | 212,565           | 0                   | FAV          |
| 34          | 5620-OIL USED FOR HEATING              | 38,676            | 36,500            | 36,500            | 0                    | 36,500            | 0                   | FAV          |
| 35          | 5621-NATURAL GAS                       | 86,932            | 93,706            | 93,706            | 0                    | 93,706            | 0                   | FAV          |
| 36          | 5627-TRANSPORTATION SUPPLIES           | 95,812            | 109,740           | 109,740           | 0                    | 109,740           | 0                   | FAV          |
| 37          | 5641-TEXTS & DIGITAL RESOURCES         | 143,620           | 73,769            | 73,769            | 0                    | 73,769            | 0                   | FAV          |
| 38          | 5642-LIBRARY BOOKS & PERIODICALS       | 20,968            | 22,257            | 22,257            | 0                    | 22,257            | 0                   | FAV          |
| 39          | 5690-OTHER SUPPLIES                    | 486,416           | 501,394           | 501,394           | 0                    | 501,394           | 0                   | FAV          |
| 40          | <b>SUPPLIES (INCLUDING UTILITIES)</b>  | <b>2,844,704</b>  | <b>2,963,347</b>  | <b>2,884,862</b>  | <b>0</b>             | <b>2,884,862</b>  | <b>(78,485)</b>     | <b>FAV</b>   |
| 41          | 5730-EQUIPMENT - NEW                   | 67,742            | 28,128            | 28,128            | 0                    | 28,128            | 0                   | FAV          |
| 42          | 5731-EQUIPMENT - REPLACEMENT           | 271,167           | 145,032           | 145,032           | 0                    | 145,032           | 0                   | FAV          |
| 43          | <b>EQUIPMENT</b>                       | <b>338,909</b>    | <b>173,160</b>    | <b>173,160</b>    | <b>0</b>             | <b>173,160</b>    | <b>0</b>            | <b>FAV</b>   |
| 44          | 5715-IMPROVEMENTS TO BUILDING          | 61,496            | 32,000            | 32,000            | 0                    | 32,000            | 0                   | FAV          |
| 44a         | 5715-FACILITIES CONTINGENCY            | 100,000           | 100,000           | 100,000           | 0                    | 100,000           | 0                   | FAV          |
| 44b         | TRSF. FROM FACILITIES CONTINGENCY      | (100,000)         | 0                 | 0                 | 0                    | 0                 | 0                   | FAV          |
| 45          | 5720-IMPROVEMENTS TO SITES             | 115,203           | 29,000            | 29,000            | 0                    | 29,000            | 0                   | FAV          |
| 46          | 5850-DISTRICT CONTINGENCY              | 150,000           | 150,000           | 150,000           | 0                    | 150,000           | 0                   | FAV          |
| 46a         | TRSF. FROM CONTINGENCY TO OTHER ACCTS. | (150,000)         | 0                 | (41,074)          | 0                    | (41,074)          | (41,074)            | FAV          |
| 47          | <b>IMPROVEMENTS / CONTINGENCY</b>      | <b>176,699</b>    | <b>311,000</b>    | <b>269,926</b>    | <b>0</b>             | <b>269,926</b>    | <b>(41,074)</b>     | <b>FAV</b>   |
| 48          | 5580-STAFF TRAVEL                      | 16,587            | 24,050            | 24,050            | 0                    | 24,050            | 0                   | FAV          |
| 49          | 5581-TRAVEL - CONFERENCES              | 26,593            | 36,120            | 36,120            | 0                    | 36,120            | 0                   | FAV          |
| 50          | 5810-DUES & FEES                       | 83,338            | 98,628            | 98,628            | 0                    | 98,628            | 0                   | FAV          |
| 51          | <b>DUES AND FEES</b>                   | <b>126,518</b>    | <b>158,798</b>    | <b>158,798</b>    | <b>0</b>             | <b>158,798</b>    | <b>0</b>            | <b>FAV</b>   |
| 52          | <b>5856-TRANSFER ACCOUNT</b>           | <b>427,713</b>    | <b>0</b>          | <b>0</b>          | <b>0</b>             | <b>0</b>          | <b>0</b>            | <b>FAV</b>   |
| 53          | <b>ESTIMATED UNSPENT BUDGETS</b>       | <b>0</b>          | <b>0</b>          | <b>0</b>          | <b>0</b>             | <b>0</b>          | <b>0</b>            | <b>FAV</b>   |
| 54          | <b>TOTAL EXPENDITURES</b>              | <b>46,133,208</b> | <b>47,835,699</b> | <b>47,297,912</b> | <b>(293,438)</b>     | <b>47,004,474</b> | <b>(831,225)</b>    | <b>FAV</b>   |

Column 7: FAV=Favorable Variance

Revenues: At or OVER budget

Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5  
REVENUES & EXPENDITURES BY CATEGORY  
FINANCIAL ANALYSIS  
FOR THE FISCAL YEAR 2016-2017**



**NOVEMBER 2016**

**OVERVIEW**

The projected unspent fund balance for this fiscal year is **\$615,901 FAV** (previously **290,859 FAV**), which appears on page 1, column 6, line 20.

**REVENUES BY CATEGORY**

The projected yearend balance of revenues are **\$215,324 UNF** (previously **\$246,928 UNF**), which appears on page 2, column 6, line 22.

**LINE 5 on Page 2: ADULT EDUCATION:**

The forecast is based on information from the State.

**LINE 7 on Page 2: INVESTMENT INCOME:**

The budget is based on the expectation interest rates will remain low, but slightly higher than budgeted. The projected forecast is **\$1,000 FAV**

| <b><u>Month</u></b> | <b><u>Peoples United</u></b> | <b><u>State Treasurer's<br/>Investment Fund</u></b> |
|---------------------|------------------------------|-----------------------------------------------------|
| July 2016           | 0.397 %                      | 0.460 %                                             |
| August 2016         | 0.400 %                      | 0.460 %                                             |
| September 2016      | 0.400%                       | 0.360%                                              |
| October 2016        | 0.400%                       | 0.360%                                              |
| November 2016       |                              |                                                     |
| December 2016       |                              |                                                     |
| January 2017        |                              |                                                     |
| February 2017       |                              |                                                     |
| March 2017          |                              |                                                     |
| April 2017          |                              |                                                     |
| May 2017            |                              |                                                     |

**LINE 8 on Page 2: ATHLETICS:**

The forecast is based on a historical analysis and actual revenue collected. The forecast projects the revenue will be down **\$7,500 UNF**

**LINE 9 on Page 2: TUITION REVENUE:**

The budget is based on four tuition students, three at full tuition rate and one student at reduced employee rate. The actual tuition charged is higher than budgeted. Three new tuition students enrolled in the District. *One tuition student moved into the District after two months.* The projected variance is **\$39,137 FAV** (previously **\$52,302 FAV**).

**LINE 10 on Page 2: TRANSPORTATION INCOME:**

The forecast is based on historical data and the State cap. Transportation income decreased due to the State eliminating funding for most transportation. The projected forecast is \$25,185 resulting in a **\$49,718 UNF** (previously **\$49,718 UNF**) shortfall. The forecast is revised based on magnet school transportation reporting and prior year adjustments.

**LINE 14 on Page 2: SPECIAL EDUCATION GRANTS:**

The State reimbursement rate for 2016-2017 is not known at this time. The budget assumes a rate of 79.0 percent. The forecast estimates the reimbursement rate will be at 75% , **\$67,086 UNF** The forecast indicates grants will be lower based on current estimates of the outplacement costs. The forecast has been revised to reflect current costs and reimbursements, based on the most recent information. Revenue is estimated to be **\$223,529 UNF** (previously **\$265,149 UNF**)

**LINE 16 on Page 2: RENTAL INCOME:**

The forecast is based on a historical analysis and actual revenue collected. The projected variance is **\$17,500 FAV**.

**LINE 18 on Page 2: OTHER REVENUE:**

CIRMA issued Members' equity Distribution check to Amity in the amount of \$12,452. The District received a check for load shed participation for the second quarter of the calendar year in the amount of \$3,149. The projected variance is **\$8,149 FAV** (previously, **\$5,000 FAV**).

**EXPENDITURES BY CATEGORY**

The projected yearend balance of expenditures are **\$831,225 FAV**, (previously **\$537,787 FAV**), which appears on page 4, column 6, line 55.

**LINE 1 on Page 3: 5111-CERTIFIED SALARIES:**

*Current projection is for \$107,754 FAV (previously \$77,661 FAV) balance.* Staff turnover exceed budget (\$6,135 FAV), two unpaid leaves of absences (\$44,038 FAV) at the start of the school year, two less full year coverage assignments (\$20,365 FAV) account for the favorable variance. Staff vacancy of \$4,587 and assignment changes account for \$23,850 for a partial position not needed.

**LINE 2 on Page 3: 5112-CLASSIFIED SALARIES:**

*Current projection for classified staff is a favorable variance of \$36,873 FAV, (previously \$24,045 FAV).* Final contract settlements were under budget. Staff turnover



resulted in savings of \$13,043 FAV. This is offset by the additional para position needed \$21,366 UNF. *The new paraeducator's salary is \$5,000 less based on actual start date and staff vacancies account for \$7,800.*

**LINES 3 & 4 on Page 3: 5200 & 5210-MEDICARE & FICA:**

*The forecast is based on the actual staff salaries and the forecast projects these accounts will be over budget \$21,568 UNF (previously \$40,924 UNF) The accounts were reviewed and calculated again to correct the prior estimate.*

**LINE 6: 5220-WORKERS' COMPENSATION:**

The workers' compensation premium is as budgeted and the forecast assumes the payroll audit will be as budgeted.

**LINES 7 on Page 3: 5255-MEDICAL AND DENTAL INSURANCE:**

The forecast assumes actual claims of current employees and retirees will be the same as budget except for months with *actual claims (highlighted in bold, italics)*. The current projection is under budget \$100,763 FAV (previously \$13,368 FAV). *October claims are under budget by \$121,642 FAV and fees are over budget \$20,879 UNF.*

**CLAIMS OF CURRENT EMPLOYEES AND RETIREES**

| <b>MONTH</b>      | <b>2016-2017<br/>ACTUAL</b> | <b>2016-2017<br/>BUDGET</b> | <b>VARIANCE</b>     | <b>2015-2016<br/>ACTUAL</b> | <b>2014-2015<br/>ACTUAL</b> |
|-------------------|-----------------------------|-----------------------------|---------------------|-----------------------------|-----------------------------|
| <i><b>JUL</b></i> | \$ 309,902                  | \$ 372,267                  | \$ (62,365)         | \$ 424,798                  | \$ 311,067                  |
| <i><b>AUG</b></i> | \$ 466,996                  | \$ 372,267                  | \$ 94,729           | \$ 298,314                  | \$ 336,053                  |
| <i><b>SEP</b></i> | \$ 250,040                  | \$ 372,267                  | \$ (122,227)        | \$ 311,187                  | \$ 282,989                  |
| <i><b>OCT</b></i> | \$ 250,625                  | \$ 372,267                  | \$ (121,642)        | \$ 316,592                  | \$ 368,169                  |
| NOV               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 382,903                  | \$ 326,683                  |
| DEC               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 416,646                  | \$ 419,537                  |
| JAN               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 382,654                  | \$ 284,899                  |
| FEB               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 253,140                  | \$ 330,398                  |
| MAR               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 360,554                  | \$ 269,027                  |
| APR               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 479,532                  | \$ 302,864                  |
| MAY               | \$ 372,267                  | \$ 372,267                  | \$ -                | \$ 370,820                  | \$ 291,612                  |
| JUN               | \$ 372,271                  | \$ 372,271                  | \$ -                | \$ 320,630                  | \$ 308,985                  |
| <b>TOTALS</b>     | <b>\$ 4,255,703</b>         | <b>\$ 4,467,208</b>         | <b>\$ (211,505)</b> | <b>\$ 4,317,770</b>         | <b>\$ 3,832,283</b>         |

**ACTUAL/FORECAST CLAIMS AS A PERCENTAGE OF EXPECTED CLAIMS**

| <b>2013-2014<br/>ACTUAL</b> | <b>2014-2015<br/>ACTUAL</b> | <b>2015-2016<br/>ACTUAL</b> | <b>2016-2017<br/>BUDGET</b> | <b>2016-2017<br/>FORECAST</b> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-------------------------------|
| 103.8%                      | 87.3%                       | 99.88%                      | 100.0%                      | <b>95.3%</b>                  |

**Note: 2016-2017 FORECAST** of projected claims for this fiscal year as a percentage of expected claims is based on actual year-to-date claims plus budgeted claims for the remainder of the year divided by expected (budgeted) claims.

**FEES OF CURRENT EMPLOYEES AND RETIREES**  
(Stop-Loss Premiums, Network Access Fees, and Other Fees)

| <b>MONTH</b>  | <b>2016-2017<br/>ACTUAL</b> | <b>2016-2017<br/>BUDGET</b> | <b>VARIANCE</b>  | <b>2015-2016<br/>ACTUAL</b> | <b>2014-2015<br/>ACTUAL</b> |
|---------------|-----------------------------|-----------------------------|------------------|-----------------------------|-----------------------------|
| <i>JUL</i>    | \$ 79,407                   | \$ 60,023                   | \$ 19,384        | \$ 95,297                   | \$ 85,723                   |
| <i>AUG</i>    | \$ 101,465                  | \$ 60,023                   | \$ 41,442        | \$ 87,514                   | \$ 88,370                   |
| <i>SEP</i>    | \$ 75,692                   | \$ 60,023                   | \$ 15,669        | \$ 73,583                   | \$ 96,853                   |
| <i>OCT</i>    | \$ 80,902                   | \$ 60,023                   | \$ 20,879        | \$ 76,154                   | \$ 97,604                   |
| NOV           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 41,351                   | \$ 55,394                   |
| DEC           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 40,224                   | \$ 47,437                   |
| JAN           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 29,552                   | \$ 47,120                   |
| FEB           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 38,454                   | \$ 46,962                   |
| MAR           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 39,472                   | \$ 46,314                   |
| APR           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 39,177                   | \$ 46,798                   |
| MAY           | \$ 60,023                   | \$ 60,023                   | \$ -             | \$ 28,560                   | \$ 46,805                   |
| JUN           | \$ 60,024                   | \$ 60,024                   | \$ -             | \$ 28,670                   | \$ 47,120                   |
| <b>TOTALS</b> | <b>\$ 817,651</b>           | <b>\$ 720,277</b>           | <b>\$ 97,374</b> | <b>\$ 618,008</b>           | <b>\$ 752,500</b>           |

**LINE 9: 5260-LIFE INSURANCE:**

The forecast is based on the current staff. The projected variance is **\$2,494 UNF based on updated salary information (previously \$871 UNF)**.

**LINE 10: 5275-DISABILITY INSURANCE:**

The forecast is based on the current staff. *The forecast projects \$328 UNF after the policy was updated with current staffing and coverages.*

**LINE 11: 5281-DEFINED CONTRIBUTION RETIREMENT PLAN:**

The District negotiated into most of the classified contracts the establishment of a defined contribution pension plan. Fiduciary Investment Advisors was contracted to bid the services. International City Management Associate (ICMA-RC) was selected to administer the plan. The attorneys are reviewing the contract and the plan will be opened to employees soon. The establishment of the defined contribution plan was not in the

budget but is expected to save the District money over time. The current forecast projects the District's contribution will be \$41,074 UNF.

**LINE 20: 5330-PROFESSIONAL TECHNICAL SERVICES:**

The financial audit premium is reduced by \$2,500. The minimum threshold for Federal grant testing has been increased. The District's Federal grants do not meet the threshold so less field work is required. *Special Education legal costs are projected to exceed the budget by \$15,000 UNF. Board directed legal services are \$1,820 YTD, Administrative legal services are \$6,991 YTD, Negotiation legal services are \$336 YTD, Personnel legal services are \$373 YTD and Special Education legal services are \$12,580 YTD.* The projected variance is \$19,015 UNF

**LINE 22 on Page 3: 5510-PUPIL TRANSPORTATION:**

Special Education Transportation is a projected variance of \$214,786 FAV (previously \$145,340 FAV). The forecast is based on the current transportation needs of the students. There continue to be changes throughout the year.

**LINE 25 on Page 3: 5560-TUITION EXPENSE:**

Tuition has a projected variance of \$320,084 FAV (previously \$259,134 FAV). The forecast is based on current students and their placements and will change throughout the year.

Tuition for the vo-ag schools has a projected variance of \$38,601 FAV (previously \$38,070) FAV.

|                                  | <b>FY12-13<br/>ACTUAL</b> | <b>FY13-14<br/>ACTUAL</b> | <b>FY14-15<br/>ACTUAL</b> | <b>FY15-16<br/>ACTUAL</b> | <b>FY16-17<br/>BUDGET</b> | <b>FY16-17<br/>FORECAST</b> |
|----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Sound                            | 8                         | 7                         | 5                         | 4                         | 5                         | 3                           |
| Trumbull                         | 2                         | 2                         | 2                         | 3                         | 4                         | 3                           |
| Nonnewaug                        | 2                         | 2                         | 1                         | 3(5) <sup>a</sup>         | 3                         | 2                           |
| Common<br>Guard<br>Charter HS    | 0                         | 0                         | 1                         | 1                         | 1                         | 0                           |
| ACES<br>Wintergreen<br>Magnet    | 2                         | 1                         | 0                         | 0                         | 0                         | 0                           |
| King<br>Robinson<br>Magnet       | 0                         | 0                         | 0                         | 1                         | 1                         | 0                           |
| Engineering<br>Science<br>Magnet | 0                         | 0                         | 0                         | 0                         | 1                         | 1                           |
| <b>Totals</b>                    | <b>14</b>                 | <b>12</b>                 | <b>9</b>                  | <b>12(14)</b>             | <b>15</b>                 | <b>9</b>                    |

Note <sup>a</sup>: Two students left on April 15, 2016.

ECA has a projected variance of \$36,450 FAV.

|            | <b>FY12-13<br/>ACTUAL</b> | <b>FY13-14<br/>ACTUAL</b> | <b>FY14-15<br/>ACTUAL</b> | <b>FY15-16<br/>ACTUAL</b> | <b>FY16-17<br/>BUDGET</b> | <b>FY16-17<br/>FORECAST</b> |
|------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| <b>ECA</b> | <b>26</b>                 | <b>26</b>                 | <b>26</b>                 | <b>22</b>                 | <b>25</b>                 | <b>17</b>                   |

Public (ACES) and private out-of-district placements has a projected variance of **\$245,032 FAV** (previously \$184,614) FAV.

|              | <b>FY12-13<br/>ACTUAL</b> | <b>FY13-14<br/>ACTUAL</b> | <b>FY14-15<br/>ACTUAL</b> | <b>FY15-16<br/>ACTUAL</b> | <b>FY15-16<br/>BUDGET</b> | <b>FY15-16<br/>FORECAST</b> |
|--------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|-----------------------------|
| Public SPED  | 8                         | 6                         | 10                        | 6                         | 7                         | <b>6</b>                    |
| Private SPED | 21                        | 25                        | 24                        | 26                        | 31                        | <b>28(27)</b>               |
| Totals       | 29                        | 31                        | 34                        | 32                        | 38                        | <b>34</b>                   |

**LINE 30 on Page 4: 5410-UTILITIES, EXCLUDING HEAT:**

The 2016-2017 budget for electricity assumes the use of 3,888,929 kilowatt hours at an average price of \$0.1909 per kilowatt hour, or a cost of \$743,506. The forecast projects 3,866,501 kilowatt hours will be used for a savings of \$5,442 FAV. Last year we used 3,651,004 KWH. To date we have used 671,932 at an average price of \$0.1814/KWH. This is 42,219 KWH less than last year. Jim Saisa, Facilities Director, now estimates we will use 3,608,785 KWH at the year-to-date average price of \$0.1814 for a total of \$654,633 or a favorable balance of \$83,431. FAV

**ELECTRICITY (KILOWATT HOURS)**

| <b>MONTH</b> | <b>2016-2017<br/>FORECAST</b> | <b>2016-2017<br/>BUDGET</b> | <b>VARIANCE</b> | <b>2015-2016<br/>ACTUAL</b> | <b>2014-2015<br/>ACTUAL</b> |
|--------------|-------------------------------|-----------------------------|-----------------|-----------------------------|-----------------------------|
| JUL          | <b>308,892</b>                | 352,346                     | <b>(43,454)</b> | 339,296                     | 321,976                     |
| AUG          | <b>363,040</b>                | 363,649                     | <b>(609)</b>    | 374,855                     | 331,999                     |
| <b>SEP</b>   | <b>351,538</b>                | 363,425                     | <b>(11,887)</b> | 361,951                     | 349,784                     |
| OCT          | 305,266                       | 305,266                     | -               | 293,904                     | 292,657                     |
| NOV          | 292,634                       | 292,634                     | -               | 276,758                     | 287,227                     |
| DEC          | 297,359                       | 297,359                     | -               | 269,037                     | 297,565                     |
| JAN          | 309,596                       | 309,596                     | -               | 273,192                     | 290,906                     |
| FEB          | 315,360                       | 315,360                     | -               | 291,283                     | 319,356                     |
| MAR          | 313,935                       | 313,935                     | -               | 297,274                     | 321,785                     |
| APR          | 311,573                       | 311,573                     | -               | 276,797                     | 304,672                     |
| MAY          | 328,343                       | 328,343                     | -               | 300,487                     | 318,196                     |
| JUN          | 335,443                       | 335,443                     | -               | 296,170                     | 336,991                     |
| Totals       | <b>3,832,979</b>              | <b>3,888,929</b>            | <b>(55,950)</b> | <b>3,651,004</b>            | <b>3,773,114</b>            |

**Note: 2016-2017 Actual Kilowatt Hours shown in bold italics.**

The budget assumes there will not be a Load Shed credit. There were two load shed events this summer. We participated fully in one event. UI will calculate the credit later in the year but is not expected to be significant.

The budget for propane is \$3,000. The forecast is \$2,100, or **\$900 FAV** under budget.

Sewer costs are budgeted at \$32,000, which is the forecast.

The budget for water is \$33,700, which is the forecast.

**LINE 32 on Page 4: 5420-REPAIRS, MAINTENANCE & CLEANING:**

The budget for snow removal and sanding is \$67,500.

**DEGREE DAYS:** The number of degree days are 165 fiscal year to date compared to 224 degree days last year.

**LINE 35 on Page 4: 5620-OIL USED FOR HEATING:**

The budget is \$36,500. Bethany Middle School is budgeted to use 20,000 gallons, at a price of \$1.75 per gallon, or \$35,000. The budget includes \$1,500 for the generators at all three schools.

**LINE 36 on Page 4: 5621-NATURAL GAS:**

The budget for natural gas is \$93,703, which is the forecast. Once the fuel cell is live, a further review will be done to determine if there are additional savings. The 2016-17 budget assumes there will be \$35,000 in savings.

**LINE 45 on Page 4: 5715-IMPROVEMENTS TO BUILDING:**

The facilities contingency has a budget of \$100,000. The forecast assumes these funds will be entirely used. The current balance is \$100,000.

**LINE 47 on Page 4: 5850-CONTINGENCY:**

The budget includes a \$150,000 contingency for unplanned, necessary expenditures. The forecast assumes these funds will be entirely used. The current balance is \$108,926 including the approved budget transfer year-to-date.

- ***\$41,074 UNF for the District's contributions to the Defined Contribution Retirement Plan.***

## APPENDIX A

### COST SAVINGS AND EFFICIENCIES FOR FISCAL YEAR 2016-2017

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**TOTAL ANNUAL SAVINGS TO-DATE OF:     \$ 53,659**

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**\$15,808:** The Director of Pupil Services found a company that arranges special education transportation runs that are provided for individual students to on private transportation vehicles approved for transporting school children.

**\$6,563:** The Director of Finance and Administration negotiated the price of the Student Accident Insurance down from \$34,881 to \$28,318.

**\$19,325:** One of the high school teachers, Jeremy Iverson, applied for and received a grant from Frontier Communications. The grant is to be used to purchase production equipment for the film courses and production room. This reduces the amounts that would be funded through the general fund.

**\$8,300:** The Director of Facilities is implementing another module of School Dude software for facility usage. The time staff spends and paper used to process, print, research, and invoice will be significantly reduced. The electronic process streamlines the flow of approvals and eliminates the need to physically track down an application.

**\$2,000:** All of the old style televisions mounted in the classrooms at Amity Regional High School are no longer needed. It was quoted to cost \$50 per TV to recycle. The Town of Woodbridge Transfer Station has agreed to take the TV's and recycle them for us.

**\$1,000:** All of the components of the fuel cell came in large crates and packing pallets. The wood used in these delivery means is very good. The Technical Education program at Amity Regional High School is dismantling the crates and pallets and using the wood for their program. This eliminates Fuel Cell Energy from disposing of a good resource and helps defray costs in the budget.

**\$663:** The District Office cut the number of copies of the New Haven Register delivered from 3 down to 1 copy.

**ENERGY STAR CERTIFIED FACILITIES:** Two of Amity's buildings were recently recognized as Energy Star certified! Amity Regional High School and Amity Middle School – Orange Campus recently were notified that their applications for an Energy Star rating were approved. Amity Middle School -Bethany Campus is currently under review by a different utility company. This recognition is a culmination of efforts by the Facilities Department, Finance Staff and Board of Education support to energy initiatives.

There is a detailed history of the District's efforts to save dollars and operate efficiently. This information is posted on the District's website:

- **Energy Savings Initiatives for the past decade**  
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=30983906>
- **District recognized CQIA Innovation Prize for Fostering a District Culture of Maximizing Cost Savings and Efficiencies**  
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=27984932>
- **Fiscal Year 2015-2016 – \$125,911**  
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=27984930>
- **Fiscal Year 2014-2015 – \$139,721**  
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=27984928>

## APPENDIX B

### MONTHLY FORECASTS: PURPOSE, METHODOLOGY, HISTORICAL

#### **PURPOSE & METHODOLOGY:**

A forecast is a prediction or estimate of future events and trends. **It is only as good as the data available and the assumptions used.** We use current information and past history.

There are many factors, which can significantly impact expenditures, both positively and negatively (e.g., staff turnover, vacancies and leaves-of absence; medical and dental insurance claims when self-insured; special education expenditures; major facility repairs; snow removal).

To illustrate, a special education student could move into the District in mid-year and the cost impact could be over \$100,000 and/or we could have a 'bad claims year' and wipe out the Self Insurance Reserve Fund and need other funds to cover claims of current employees and retirees. If we do not have available funds to cover these and other potential shortfalls, the necessity to seek additional funding from the public would be our only option (as only the towns have a fund balance from prior years available to use in the case of an emergency).

Revenues can be most impacted by decisions made at the State level for Special Education and Transportation grants. We have seen the reimbursement rate change in mid-year.

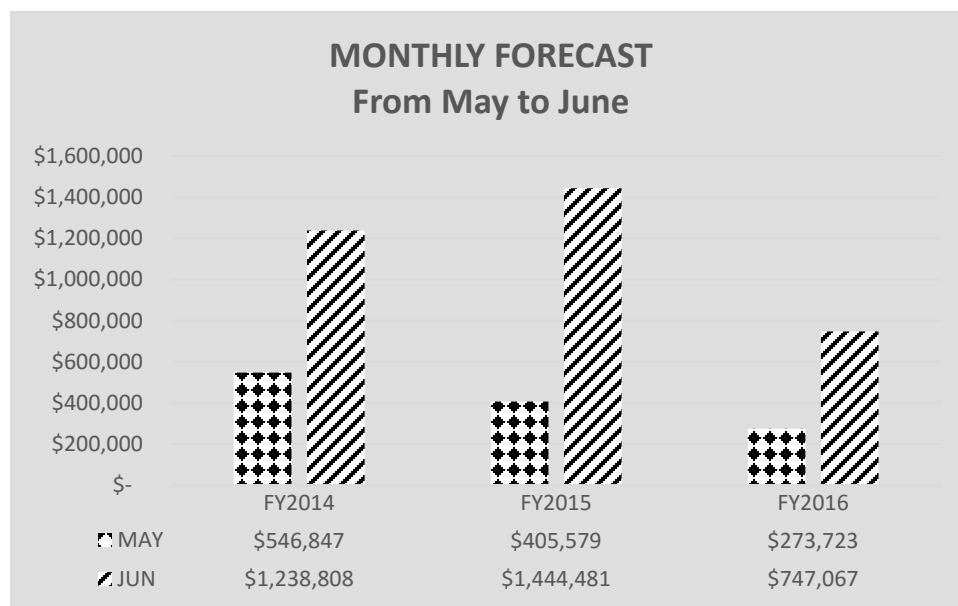
Prudent financial management is necessary. We need to be sure the total expenditures budget is never overspent (and may need to be underspent if revenues are below budget because total expenditures cannot exceed total revenues). It is imperative we 'hold back' on spending any of the Contingency Account until it is absolutely necessary or we are close to yearend. The Superintendent of Schools and Director of Finance and Administration review and approve or deny all purchase orders. We are careful to make sure funds are only spent when necessary and not just because 'it is in the budget'. We are constantly faced with the 'what-ifs' of over expenditures in certain accounts. We need to be sure there are sufficient funds available. As a result, the fund balance has been larger towards the end of the fiscal year.

Furthermore, the monthly forecasts are based on the information available. We have had large, unexpected or highly unpredictable events at the end of the fiscal year (mostly of a positive nature), which have significantly change the forecast from May to June.



### HISTORICAL:

The chart below depicts the yearend balance projected in May and June of each of the past three fiscal years.



The major contributors of the significant change from the May to June forecasts are detailed below.

### FY2014:

The actual fund balance was \$1,238,808. The monthly forecast for May 2014 projected a fund balance of \$546,847, or **\$691,961 higher than the prior month's forecast**. The major reasons for the significant increase in the yearend fund balance from one month to the next month were, as follows:

- **\$114,915:** Certified and classified salaries were lower than forecasted. It is not until the end of the fiscal year when we know the actual expenditures for coverages, substitutes, leaves of absences, overtime, and pay docks. We use conservative estimates in the forecasts based on past history.
- **\$473,674:** Most of the funds budgeted for the OPEB Trust were transferred into the Self-Insurance Reserve Fund.
- **\$148,398:** Electricity usage and water usage were lower than forecasted. The May and June invoices were received after the May forecast.

**FY2015:**

The projected fund balance was \$1,444,481. The monthly forecast for May 2015 projected a fund balance of \$405,579, or **\$1,038,902 higher than the prior month's forecast**. The major reasons for the significant increase in the yearend fund balance from one month to the next month were, as follows:

- **\$137,115:** Certified and classified salaries were lower than forecasted. It is not until the end of the fiscal year when we know the actual expenditures for coverages, substitutes, leaves of absences, overtime, and pay docks. We use conservative estimates in the forecasts based on past history.
- **\$153,315:** Special education transportation and tuition expenditures were lower than forecasted. The May forecast included the possible costs due to two families that were beginning to proceed to due process. No expenditures were incurred in this fiscal year.
- **\$503,754:** Medical & dental claims were lower than expected. Since we are self-insured, actual claims are not known until the end of the fiscal year. Based on actual claims, we returned most of these funds to the member towns.
- **\$136,270:** As part of the yearend processing, unspent encumbrances are eliminated.
- **\$41,162:** Final grant payments for Special Education and Transportation are not known until the end of the fiscal year.

**FY2016:**

The projected fund balance is \$1,319,866. The monthly forecast for May 2016 projected a fund balance of \$273,723 which included \$427,713 transferred into Capital Reserve and a debt of \$145,086 owed to the State. The change is **\$473,344 higher than the prior month's forecast**. The major reasons for the significant increase in the yearend fund balance from one month to the next month were, as follows:

- **\$237,904:** Certified and classified salaries were lower than forecasted. It is not until the end of the fiscal year when we know the actual expenditures for coverages, substitutes, leaves of absences, overtime, and pay docks. We use conservative estimates in the forecasts based on past history.
- **\$107,099:** Purchased services were lower than forecasted. Athletics held fewer home contests, did not have a need for assistant coaches in a few middle school sports and cheerleading did not field a squad. Intern were fewer than budgeted. Less than anticipated need for psychiatric consults and other consultants at PPTs.

- **\$85,857:** Final grant payments for Special Education and Transportation are not known until the end of the fiscal year. The reimbursement rate was 77.63% which is higher than the budgeted rate of 75%. The prior year adjustment was positive as were the changes in student placements.

## APPENDIX C

### RECAP OF 2013-2014

#### Return Unspent Fund Balance:

The cancellation of 2012-2013 encumbrances of \$62,660 has been returned to the Member Towns. We encumber funds for goods and services received by June 30<sup>th</sup> but not yet billed. In some cases, the estimated amount encumbered varies from the actual invoice (e.g., utility bill; water bill) and we do not need to spend the entire encumbrance. The primary reason for the unspent funds was special education expenditures of \$42,860, which were not spent.

|            |                 |
|------------|-----------------|
| Bethany    | \$12,559        |
| Orange     | \$31,290        |
| Woodbridge | <u>\$18,811</u> |
| Total      | \$62,660        |

The major components of the 2013-2014 yearend available funds were, as follows:

- Special education grants revenue of **\$117,761 favorable variance** – This is due to higher special education transportation and tuition expenditures and a higher State reimbursement rate than budgeted (79.6 percent compared to 75 percent).
- Salaries of **\$356,929 favorable variance** – “Turnover savings” from replacing teachers who retired or resigned with teachers at a lower salary, were greater than expected. We also realized savings from unpaid leaves-of-absence and workers’ compensation, lower than projected coverage costs, and the transition to a permanent Superintendent of Schools. None of these could have been reasonably anticipated at the time the budget was prepared.
- Special education transportation and tuition of **\$350,050 favorable variance** – This is one of the most difficult areas to predict.

The Amity Board of Education voted to spend these funds on several needed items:

- **\$30,012** – Fixed Asset Accounting Module: The District purchased a fixed asset accounting program (FAMP) in 2007. The program worked on a 32bit operating system. It does not work on our 64bit systems.
- **\$85,793** – Amity Regional High School Cooling Tower Refurbishment: During the spring startup preventive maintenance inspection, several parts that normally deteriorate over time were noticed to be of concern. It was important to fix the problem before it became a more costly project.

- **\$57,950** – Engineering Study for Fuel Cell Waste Heat Use at Amity Regional High School: The District has an opportunity to use the waste heat generated by the fuel cell to potentially heat and cool the building at much cheaper rates than we are currently paying.
- **\$586,655** – Self-Insurance Reserve Fund: The District is self-insured and must pay claims for current employees and retirees. The fund balance on June 30, 2014, was approximately \$231,000, or a reserve to claims ratio of 5.5 percent. This balance was projected to be about \$114,000 on June 30, 2015, or a reserve to claims ratio of 2.6 percent. It was imperative to bring the reserve balance to the minimum ratio of 20 percent (target is 25 percent). This is the third year of self-funding our medical and dental insurance. It takes time to build-up the reserve balance.

## APPENDIX D

### RECAP OF 2014-2015

The fund balance of **\$1,448,929 FAV** is derived from cost savings initiatives, special education, and uncontrollable and/or unforeseen circumstances. The primary sources of the fund balance are, as follows:

**FINANCIAL MANAGEMENT:** **\$ 139,721**

Our efforts to foster a District culture of finding cost savings and efficiencies has been successful.

**SPECIAL EDUCATION (NET):** **\$ 312,263**

The primary reasons for the favorable variance were changes in the expected placements of some students; two previously outplaced students returned to the District; two fewer students than budgeted were in the Step Forward Program at Gateway; the average tuition costs increased 3 percent rather than the budgeted increase of 5 percent; and transportation costs were shared with an Elementary School District.

**OTHER:** **\$ 996,945**

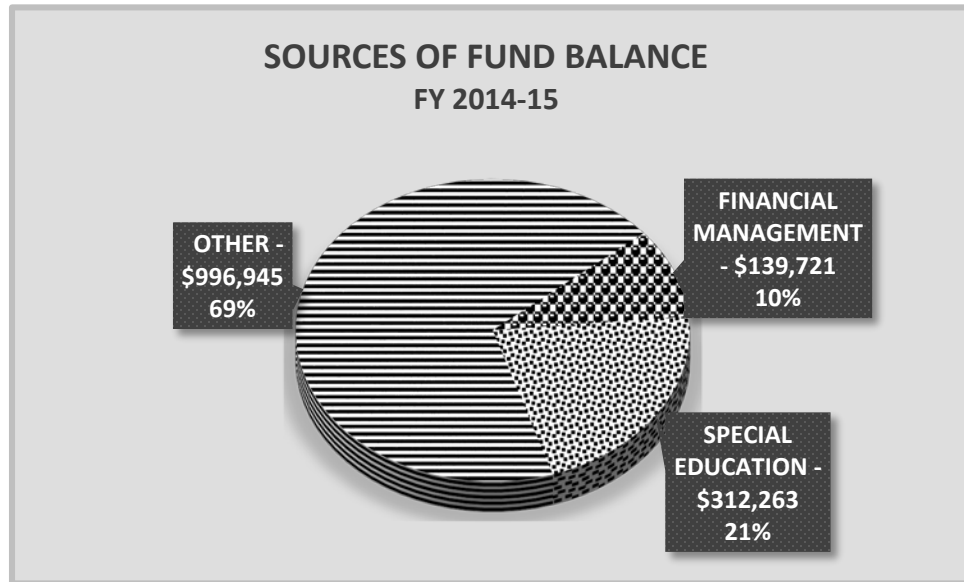
Turnover savings from replacing teachers who retired or resigned exceeded budget by **\$99,002**. We found out about 14 retirements and resignations after the budget was adopted. The budget assumed 5 retirements and resignations. In addition, the replacement of the Director of Counseling who resigned on August 28, 2014 and was replaced on November 11, 2014, resulted in a savings of **\$29,270**.

Other personnel savings came from unpaid leaves-of-absences for savings of approximately **\$135,000**; Bench Subs, long-term and short-term subs and Kelly Services substitutes were **\$60,911** below budget; Homebound expenses were under budget by **\$27,311**; and staff changes, vacancies and lower overtime accounted for most of the remaining favorable variance of **\$125,563** in the salary accounts.

Medical and dental insurance budget did not need to be fully used. This resulted in a favorable variance of **\$328,754** with the budget transfer of \$175,000 into the OPEB Trust.

Other professional services for special education students were not needed for a savings of **\$71,507**.

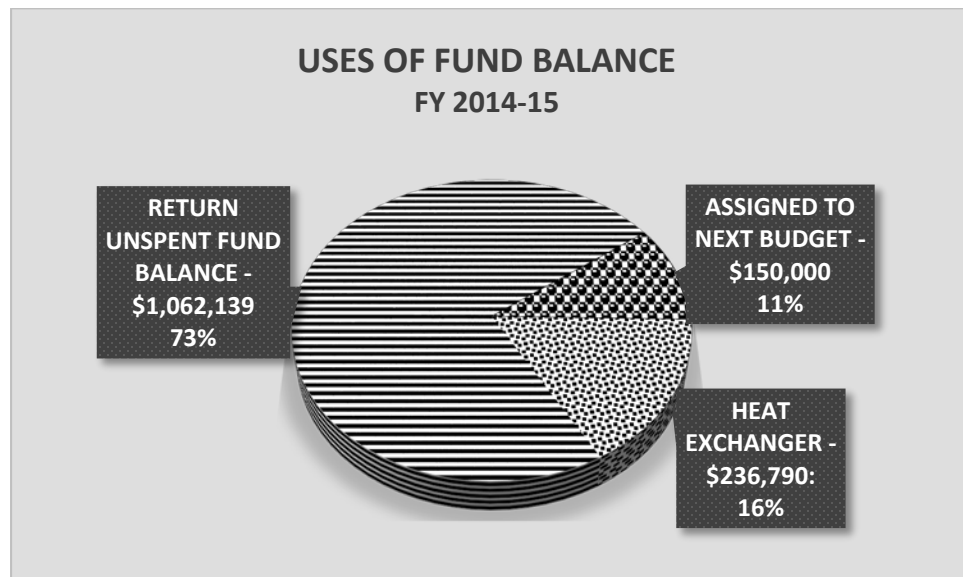
The primary sources of the fund balance are shown graphically below:



The recommended uses of the fund balance are, as follows:

1. **\$1,062,139** – Return unspent fund balance
2. **\$150,000** - Designated for the 2015-2016 budget
3. **\$236,790** - Put into the Reserve Fund for Capital and Nonrecurring Expenses for the purpose of purchasing and installing a heat exchanger at Amity Regional High School

The uses of the fund balance are shown graphically below:



**Return Unspent Fund Balance:**

The unspent fund balance have been returned to the Member Towns, as follows:

|              |                    |
|--------------|--------------------|
| Bethany      | \$ 221,148         |
| Orange       | \$ 522,754         |
| Woodbridge   | <u>\$ 318,237</u>  |
| <b>Total</b> | <b>\$1,062,139</b> |



## APPENDIX E

### RECAP OF 2015-2016

**Return Unspent Fund Balance:**

*The cancellation of 2014-2015 encumbrances of \$1,035 will be returned to the Member Towns. We encumber funds for goods and services received by June 30<sup>th</sup> but not yet billed. In some cases, the estimated amount encumbered varies from the actual invoice (e.g., utility bill; water bill) and we do not need to spend the entire encumbrance. Once the audit is final for 2015-2016, the funds will be returned.*

|                   |                       |
|-------------------|-----------------------|
| <i>Bethany</i>    | <i>\$ 215</i>         |
| <i>Orange</i>     | <i>\$ 509</i>         |
| <i>Woodbridge</i> | <i><u>\$ 310</u></i>  |
| <i>Total</i>      | <i><u>\$1,035</u></i> |

The preliminary, unaudited fund balance for 2015-2016 is \$1,319,985. The Amity Board of Education previously voted to designate \$427,713 for Capital Improvement Projects. There are two other funding requests for discussion at the August 8, 2016 meetings of the Amity Finance Committee and the Amity Board of Education meetings.

**FINANCIAL MANAGEMENT:**

**\$ 318,642**

Our efforts to foster a District culture of finding cost savings and efficiencies has been successful producing savings of \$136,911. Utilities for electricity, heating oil and natural gas were below budget due to many conservation efforts and price negotiations.

**SPECIAL EDUCATION (NET)**

**\$ 350,967**

These accounts are extremely difficult to forecast. As examples, special need students can be hospitalized; move into the district or leave the district at any time; withdraw from Amity and enroll in Adult Education. Several students who were budgeted to be outplaced were not for a number of reasons. Any one of these events can have a significant impact, positive or negative, on the District's special education expenditures. The State reimbursement rate fluctuates throughout the year. The budget forecasted 75% reimbursement rate and the final rate was 77.63%.

**OTHER:**

**\$ 650,257**

**\$395,748:** "Turnover savings" from replacing teachers and other staff who retired or resigned is over budget and savings from unpaid leaves-of-absence. Athletic salaries were down from unfilled coaching positions at the middle school including cheerleading and several assistant coaching positions. Teacher coverages, summer work costs, substitute costs, degree changes and homebound services were less than anticipated.

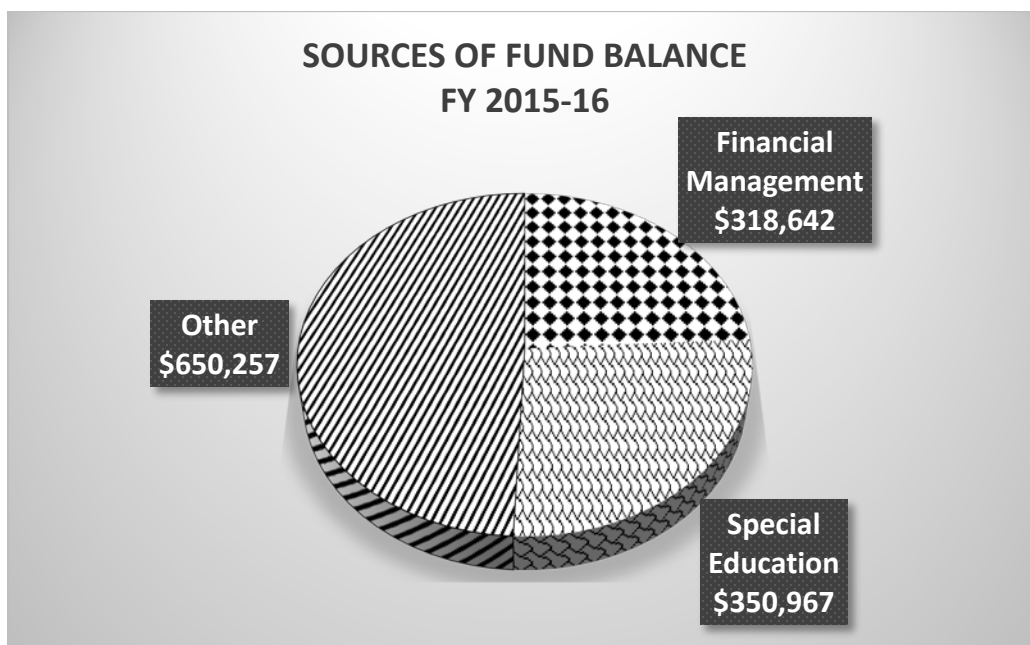
**\$30,315:** The bid price for workers' compensation insurance premium was under budget. The payroll audit premium was below budget.

**\$107,099:** Purchased services costs were lower due to a number of factors. There were less interns than anticipated. Fewer home athletic contests at the high school which required fewer officials, monitors, and scorekeepers; and less than anticipated need for psychiatric consults, professional's attendance at PPTs and behavior specialists' services.

**\$62,385:** The bid for the stone coping repair project at Amity Regional High School was under budget.

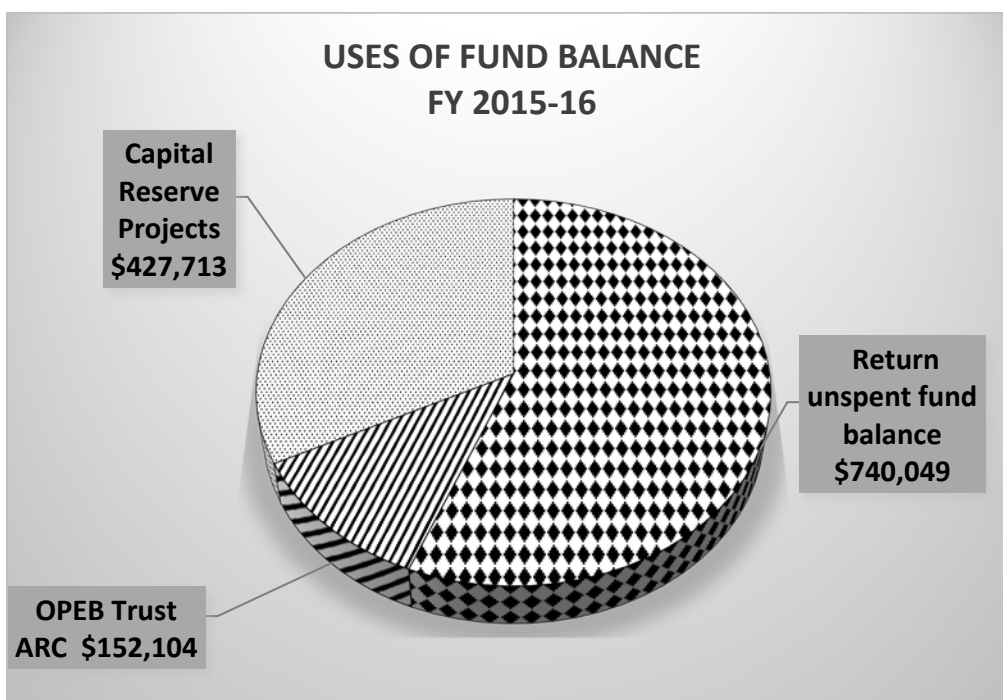
**\$42,438:** Transportation costs were less for athletics and less diesel fuel was used for all bus services than anticipated.

The primary sources of the fund balance are shown graphically below:



1. **\$740,049** - Estimated return of unspent fund balance pending audit and approval of funding requests
2. **\$152,104** - Designated for the 2015-2016 OPEB Trust ARC
3. **\$427,713** - Transferred into the Reserve Fund for Capital and Nonrecurring Expenses for a variety of projects. The projects include a lighting retrofit, replacing custodial equipment, renovating gym bleachers, replacing stairwell doors, replacing flooring and drinking fountains.

The uses of the fund balance are shown graphically below:



**Return Unspent Fund Balance:**

The *preliminary, unaudited* unspent fund balance will be returned to the Member Towns, as follows:

|              |                   |
|--------------|-------------------|
| Bethany      | \$ 154,071        |
| Orange       | \$ 365,562        |
| Woodbridge   | \$ 220,416        |
| <b>Total</b> | <b>\$ 740,049</b> |

| <u>MONTH/YR</u> | <u>JNL#</u> | <u>ACCOUNT NUMBER &amp; DESCRIPTION</u> |      | <u>AMOUNT</u>                   | <u>DESCRIPTION</u>                        |
|-----------------|-------------|-----------------------------------------|------|---------------------------------|-------------------------------------------|
| August 2016     | 154         | 03111017                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ 1,000.00 8/8/16 BOE APPROVED Trans     |
| August 2016     | 154         | 03132220                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ -1,000.00 8/8/16 BOE APPROVED Trans    |
| August 2016     | 43          | 03111013                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ -1,900.00 Sci Transfer                 |
| August 2016     | 43          | 03111013                                | 5731 | EQUIPMENT - REPLACEMENT         | \$ -400.00 Sci Transfer                   |
| August 2016     | 43          | 03111013                                | 5730 | EQUIPMENT - NEW                 | \$ 400.00 Sci Transfer                    |
| August 2016     | 43          | 03111013                                | 5730 | EQUIPMENT - NEW                 | \$ 1,900.00 Sci Transfer                  |
| August 2016     | 86          | 01111009                                | 5810 | DUES & FEES                     | \$ 100.00 MATH COUNTS MATH CLUB           |
| August 2016     | 86          | 01111009                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ -100.00 MATH COUNTS MATH CLUB          |
| August 2016     | 120         | 02111014                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ 1,065.00 SUPPLIES FOR COMMON CORE      |
| August 2016     | 120         | 02111014                                | 5641 | TEXTBOOKS                       | \$ -1,065.00 SUPPLIES FOR COMMON CORE     |
| September 2016  | 104         | 01132120                                | 5330 | OTHER PROFESSIONAL & TECH SRVC  | \$ -200.00 Author Visit for entire school |
| September 2016  | 104         | 01132220                                | 5330 | OTHER PROFESSIONAL & TECH SRVC  | \$ 200.00 Author Visit for entire school  |
| September 2016  | 106         | 04121200                                | 5581 | TRAVEL - CONFERENCES            | \$ 1,360.00 PROF DEV READING INSTRUCTION  |
| September 2016  | 106         | 04121200                                | 5330 | OTHER PROFESSIONAL & TECH SRVC  | \$ -1,360.00 PROF DEV READING INSTRUCTION |
| September 2016  | 158         | 01111010                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ 500.00 Supplies needed                 |
| September 2016  | 158         | 01111010                                | 5420 | REPAIRS, MAINTENANCE & CLEANING | \$ -500.00 Supplies needed                |
| September 2016  | 200         | 04121200                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ -150.00 TESTING MATERIAL BASC 3        |
| September 2016  | 200         | 04132140                                | 5611 | INSTRUCTIONAL SUPPLIES          | \$ 150.00 TESTING MATERIAL BASC 3         |



**FIDUCIARY**  
INVESTMENT ADVISORS

*Strategic thinking. Customized solutions.*

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# Amity Regional School District #5

Executive Summary - Third Quarter 2016

**Important Disclosure Information:** Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by third party sources. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

# Table of Contents

## Section 1

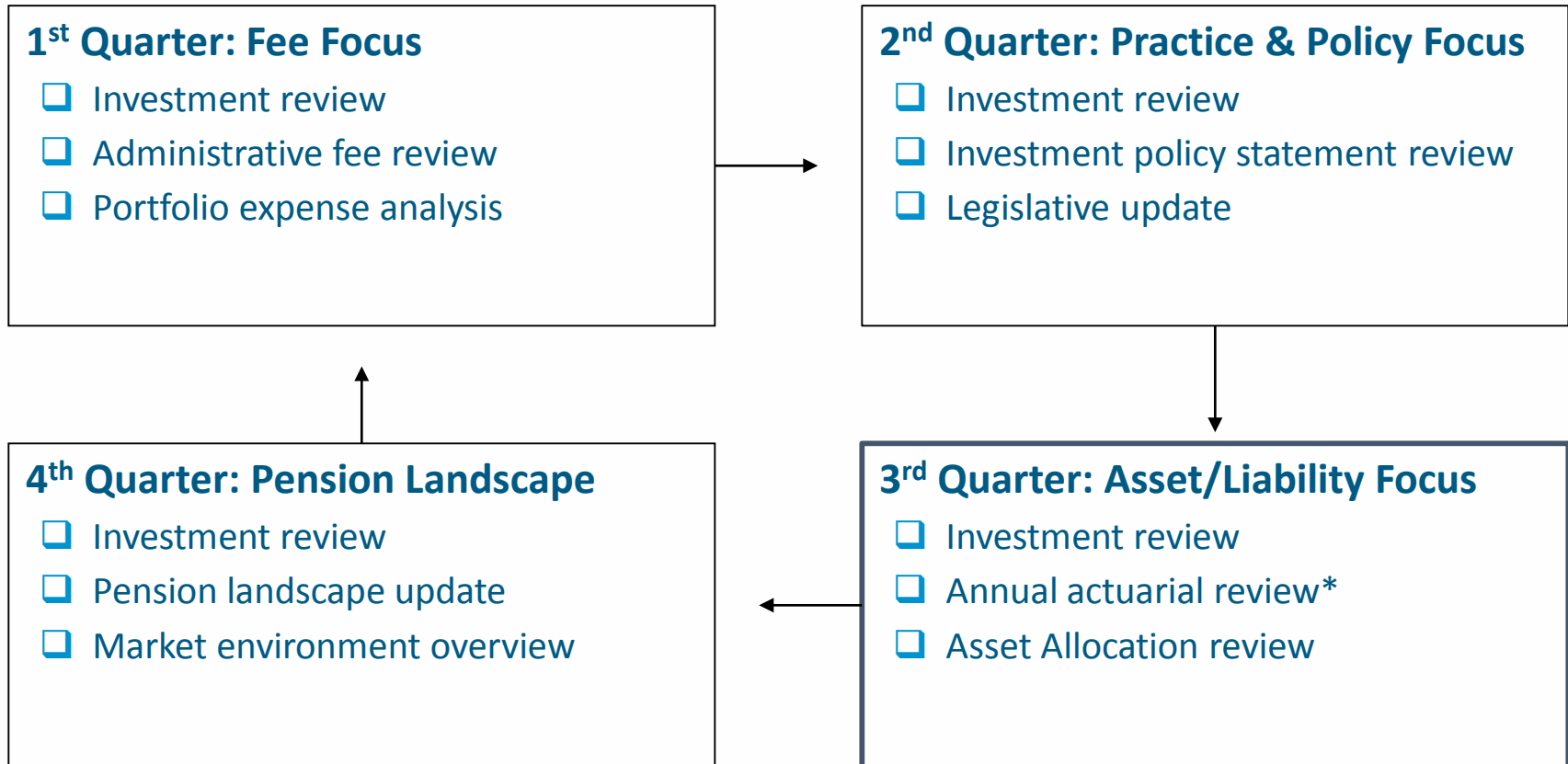
## Section 2

*Capital Markets Overview*

## Section 3

*Portfolio and Manager Review*

# Defined Benefit Fiduciary Governance Calendar



\* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.



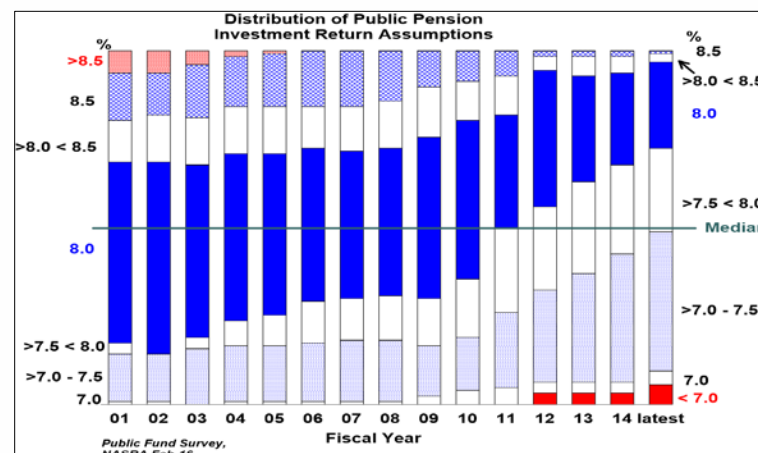
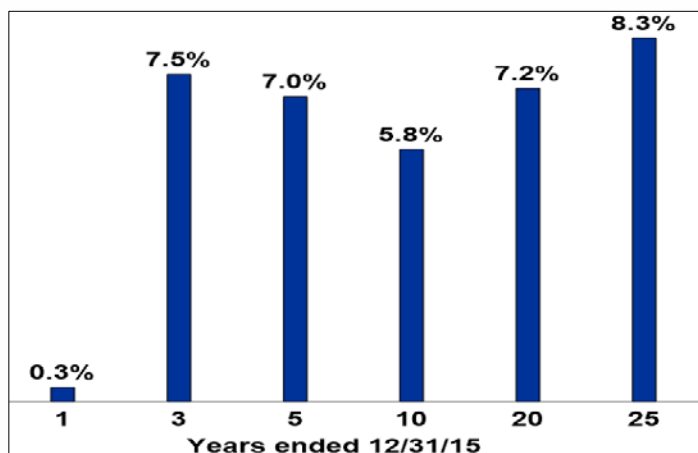
# Amity Regional #5 Pension Plan Actuarial Review

| Hooker & Holcombe Actuarial Valuation Report, July 1, 2015 |                                |                                  |
|------------------------------------------------------------|--------------------------------|----------------------------------|
|                                                            | Most Recent Date<br>(7/1/2015) | Previous Year Date<br>(7/1/2014) |
| Actuarial Value of Assets                                  | 9,108,692                      | \$8,395,548                      |
| Total Accrued Liability                                    | \$13,473,409                   | \$12,263,982                     |
| Funded Ratio                                               | 67.6%                          | 68.5%                            |
| Actuarial Return Assumption                                | 7.50%                          | 7.50%                            |

# Public Plans – Investment Return Assumptions

*Consistent with other actuarial assumptions, projecting investment returns for public pension plans requires a focus on the long term.*

- Investment earnings account for a significant portion of revenue for a public pension plan. An investment return that is **set too low** can overstate liabilities and costs, while a rate **set too high** will understate liabilities at the expense of future taxpayers.
- A plan's actuary and its investment advisor can assist in establishing an investment policy by predicting the cost of future benefits and working collaboratively with the plan sponsor to determine an asset allocation which, when combined with adequate contributions, will generate sufficient growth to meet pension obligations.
- As illustrated below, over the last 25 years ending December 31, 2015, pension fund investment returns have exceeded their assumed rates of return. This time frame spans three economic recessions and four years when median public pension fund investment returns were negative.\*
- Directionally, investment return assumptions for public plans have trended lower, influenced by changes in economic and financial conditions.\*



\*Source: Callan Associates, NASRA. Distribution of Public Pension Investment Return Assumptions among 127 plans measured.

# Asset Allocation Analysis

- **Asset allocation** is the primary determinant of long-term investment results.<sup>1</sup>
- FIA utilizes **mean-variance optimization**, which is augmented by **Monte Carlo simulation**, as the basis for asset allocation analysis. These exercises are conducted via a software package called Stylus.
- The analysis relies heavily on data input. FIA develops **risk and return assumptions** for each major asset class on an annual basis. The annual process is as follows:
  - ✓ The FIA Investment Committee discusses the current economic landscape, reviews the previous year's assumptions, and compares FIA's current thinking with that of other industry thought leaders
  - ✓ FIA gathers survey data of the risk/return assumptions from over 20 investment firms
  - ✓ Standing assumptions are either verified or updated
  - ✓ Assumptions are developed for both a **full market cycle** outlook (7-10 year) and a **long term** outlook (20 year)
- **Correlations** (how asset classes behave in reference to one another) also significantly impact asset allocation analysis.
  - ✓ Correlation information is historical in nature (rather than forward-looking)
- The industry trend has been to lower **actuarial investment return assumptions** based on lower capital market expectations. Given the current market environment, full market cycle (7-10 year) return assumptions are lower than long term (20 year) assumptions.

<sup>1</sup> Brinson, G.P., Singer, B.D. and Beebower, G.I., "Determinants of Portfolio Performance II: An Update", Financial Analysts Journal, May-June 1991.

# Asset Allocation Analysis

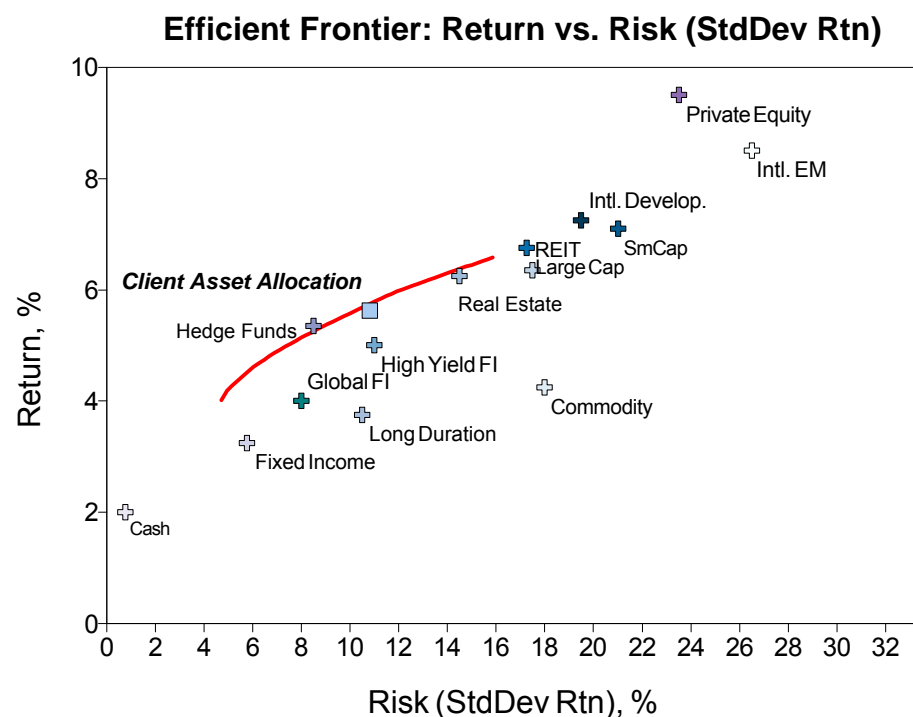
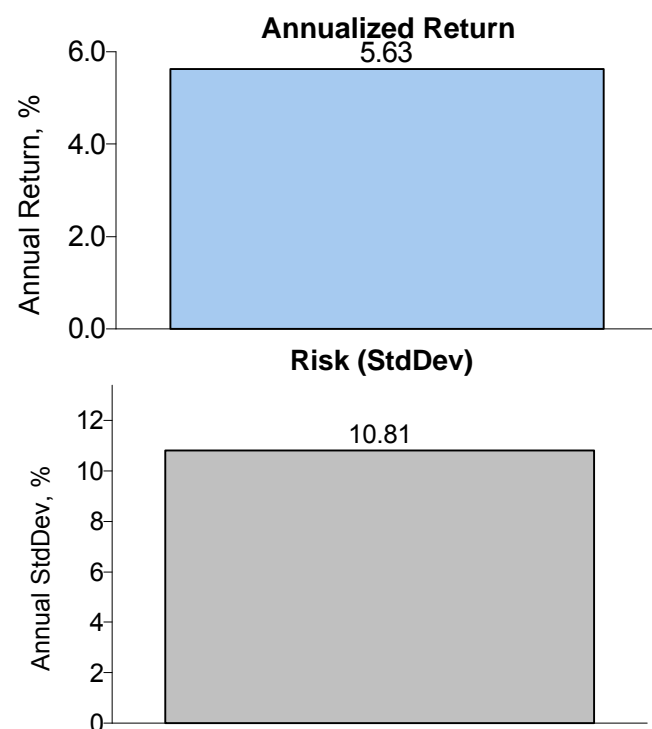
## FIA Asset Class Assumptions:

| Asset Class                | Amity Regional #5 Pension<br>Target Allocation | Return Assumption:<br>Full Market Cycle<br>(7-10 Year) | Return Assumption:<br>Long Term (20 Year) | Risk (StdDev) |
|----------------------------|------------------------------------------------|--------------------------------------------------------|-------------------------------------------|---------------|
| Cash                       | 0.00                                           | 2.00                                                   | 2.75                                      | 0.75          |
| Core Fixed Income          | 35.00                                          | 3.25                                                   | 4.00                                      | 5.75          |
| Global Fixed Income        | 0.00                                           | 4.00                                                   | 4.25                                      | 8.00          |
| Long Duration Fixed Income | 0.00                                           | 3.75                                                   | 4.50                                      | 10.50         |
| U.S. Large Cap             | 42.50                                          | 6.75                                                   | 7.85                                      | 17.25         |
| U.S. Small Cap             | 7.50                                           | 7.10                                                   | 8.15                                      | 21.00         |
| International Developed    | 15.00                                          | 7.25                                                   | 8.05                                      | 19.50         |
| Emerging Markets           | 0.00                                           | 8.50                                                   | 9.10                                      | 26.50         |
| Commodities                | 0.00                                           | 4.25                                                   | 4.50                                      | 18.00         |
| REITs                      | 0.00                                           | 6.35                                                   | 6.75                                      | 17.50         |
| Physical Real Estate       | 0.00                                           | 6.25                                                   | 6.50                                      | 14.50         |
| Hedge Funds                | 0.00                                           | 5.35                                                   | 5.85                                      | 8.50          |
| Private Equity             | 0.00                                           | 9.50                                                   | 9.50                                      | 23.50         |

- Risk/return assumptions are developed on an annual basis
- Risk/return assumptions are forward-looking in nature
- Return assumptions are nominal (not real)

# Asset Allocation Analysis

## Portfolio Risk & Return - Full Market Cycle (7-10 Year)



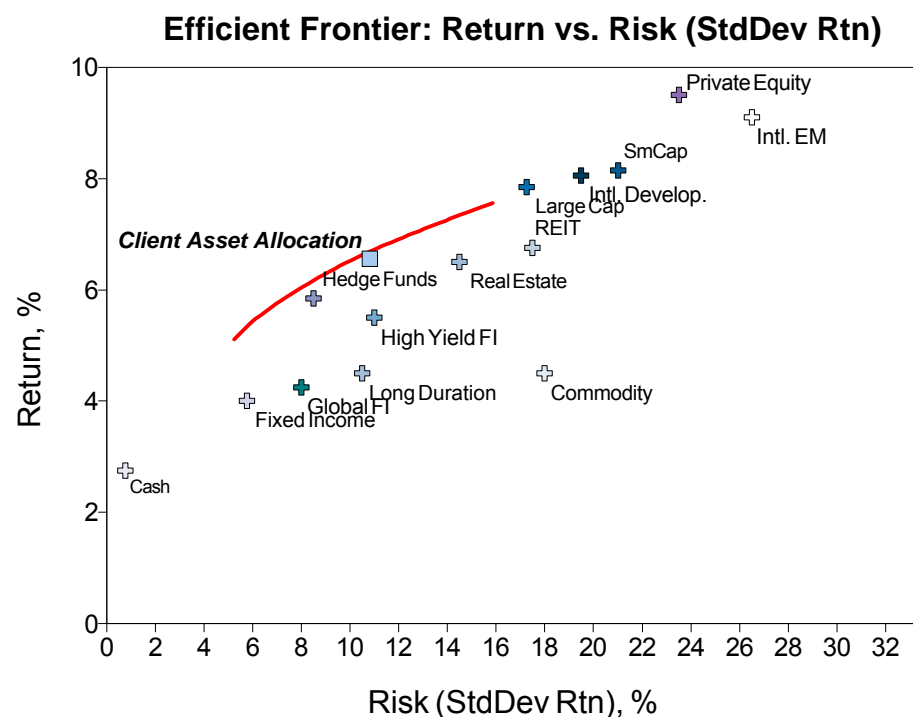
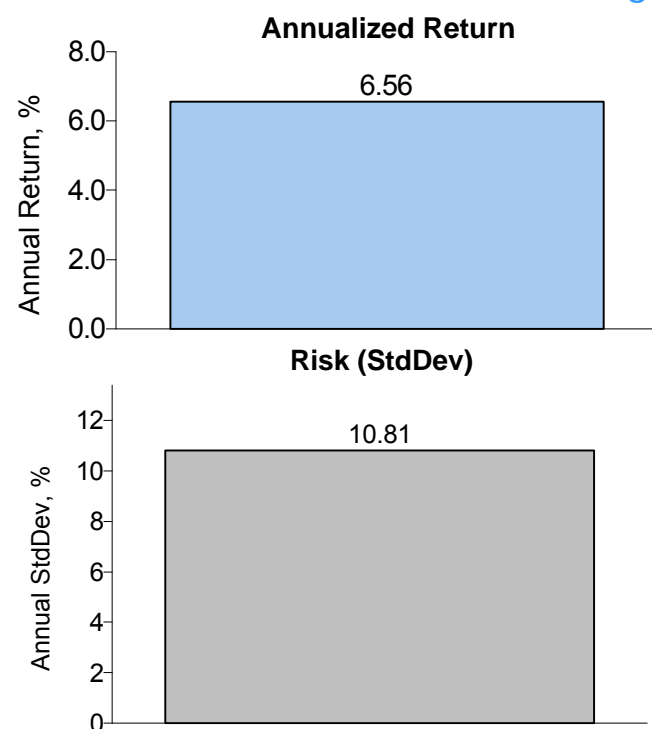
## Portfolio Return Distributions

Annual Return, %

|                 | Client Asset Allocation |      |      |      |
|-----------------|-------------------------|------|------|------|
|                 | 1Y                      | 3Y   | 5Y   | 10Y  |
| 5th Percentile  | -9.8                    | -4.1 | -2.0 | 0.0  |
| 25th Percentile | -1.4                    | 1.2  | 2.2  | 2.9  |
| 50th Percentile | 5.1                     | 5.0  | 5.1  | 5.1  |
| 75th Percentile | 12.1                    | 9.2  | 8.2  | 7.3  |
| 95th Percentile | 23.1                    | 15.3 | 13.0 | 10.5 |

# Asset Allocation Analysis

## Portfolio Risk & Return - Long Term (20 Year)



## Portfolio Return Distributions

Annual Return, %

|                 | Client Asset Allocation |      |      |      |
|-----------------|-------------------------|------|------|------|
|                 | 1Y                      | 3Y   | 5Y   | 10Y  |
| 5th Percentile  | -9.3                    | -3.1 | -1.1 | 0.8  |
| 25th Percentile | -0.7                    | 2.3  | 3.0  | 3.9  |
| 50th Percentile | 5.9                     | 6.1  | 6.2  | 6.0  |
| 75th Percentile | 13.0                    | 10.1 | 9.1  | 8.3  |
| 95th Percentile | 24.3                    | 16.3 | 13.8 | 11.5 |

# Market Review

While investor expectations continue to center on December for the next Fed rate hike, attention now shifts to **the campaign's ultimate duration and magnitude**. The deeper scope of policy responses in place overseas, motivated by particularly vexing economic conditions, suggest that **this rate hike campaign may conclude as among the shallowest on record**.

**The U.S. economy continues to advance** but ever so gradually, bracketed by generally favorable data on the consumer front but more constrained business statistics. The Federal Reserve Bank of Atlanta's **latest estimate for Q3 GDP growth stands at an annualized rate of 2.1%**.

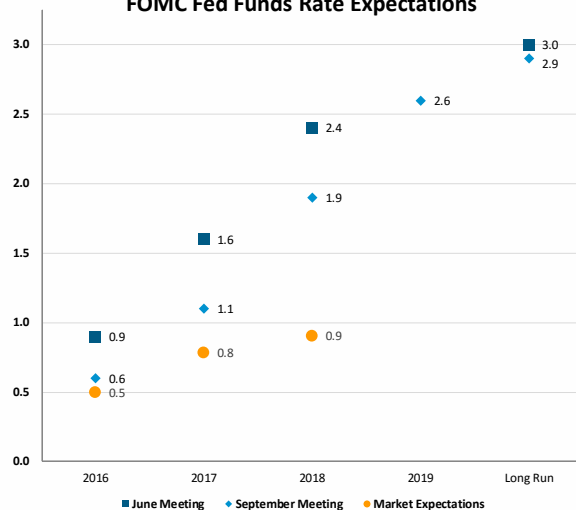
The **macroeconomic backdrop elsewhere is more muddled**. Both the Eurozone and Japan profile with more subdued realizations of (and expectations for) growth in addition to below desired levels of inflation. China continues along its path of moderated growth but at a level meaningfully higher than the developed world, sourcing much of this advantage from robust gains in consumption.

**Equities advanced in a largely universal manner** across the global opportunity set although the **strongest performance was reserved for international equities, particularly emerging market stocks** which mustered support from reasonably stable currency and commodity markets. **Within the U.S., small capitalization names possessed a sizable performance advantage** over their larger cap counterparts as their relative insulation from foreign economic sluggishness united with a buoyant earnings environment. While growth outpaced value across the capitalization spectrum, the differences were largely inconsequential.

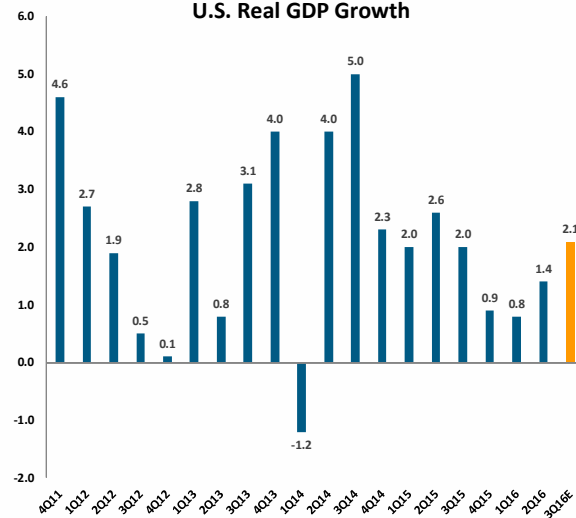
**Fixed income markets collectively delivered positive returns** with the **highest performance once again provided by the yield-advantaged credit segments** (investment grade, high yield, and bank loan). Interest rates spiked marginally higher across the developed markets which stressed government bond returns.

**Commodity prices consolidated marginally** as lingering concerns of excess supply, seasonal adjustments, and the prospects for higher interest rates diminished enthusiasm in the arena. Production cuts announced by OPEC as the quarter ended have lent more recent support to oil prices.

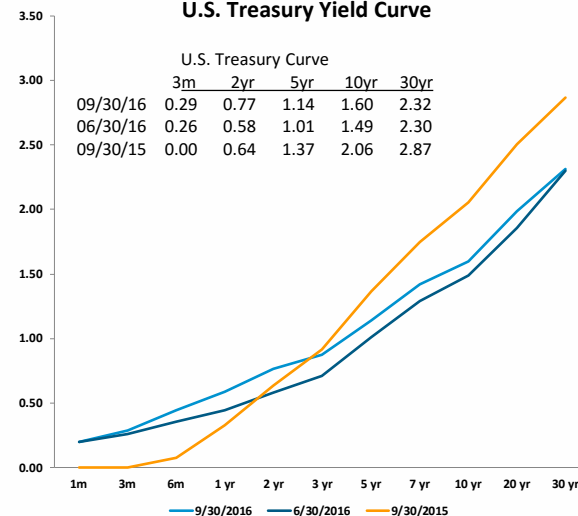
### FOMC Fed Funds Rate Expectations



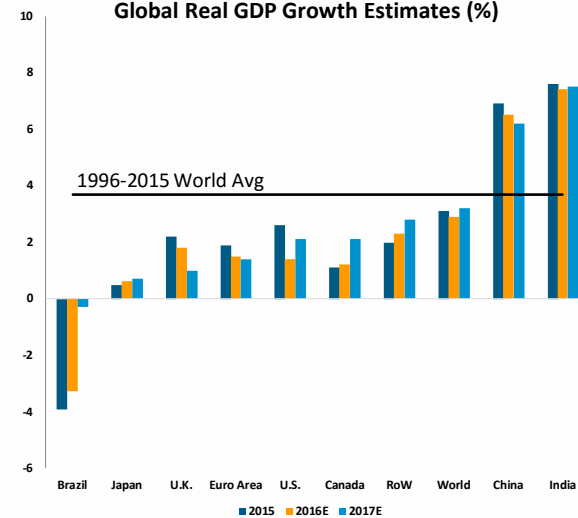
### U.S. Real GDP Growth



### U.S. Treasury Yield Curve



### Global Real GDP Growth Estimates (%)



# Index Results

| U.S. EQUITY                         | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
|-------------------------------------|---------|-------|--------|--------|--------|---------|
| S&P 500                             | 3.9     | 7.8   | 15.4   | 11.2   | 16.4   | 7.2     |
| Russell 1000                        | 4.0     | 7.9   | 14.9   | 10.8   | 16.4   | 7.4     |
| Russell 1000 Value                  | 3.5     | 10.0  | 16.2   | 9.7    | 16.2   | 5.9     |
| Russell 1000 Growth                 | 4.6     | 6.0   | 13.8   | 11.8   | 16.6   | 8.8     |
| Russell Mid Cap                     | 4.5     | 10.3  | 14.2   | 9.7    | 16.7   | 8.3     |
| Russell Mid Cap Value               | 4.4     | 13.7  | 17.3   | 10.5   | 17.4   | 7.9     |
| Russell Mid Cap Growth              | 4.6     | 6.8   | 11.2   | 8.9    | 15.8   | 8.5     |
| Russell 2000                        | 9.0     | 11.5  | 15.5   | 6.7    | 15.8   | 7.1     |
| Russell 2000 Value                  | 8.9     | 15.5  | 18.8   | 6.8    | 15.4   | 5.8     |
| Russell 2000 Growth                 | 9.2     | 7.5   | 12.1   | 6.6    | 16.1   | 8.3     |
| Russell 3000                        | 4.4     | 8.2   | 15.0   | 10.4   | 16.4   | 7.4     |
| FTSE NAREIT Equity REITs Index      | (1.4)   | 11.8  | 19.9   | 14.2   | 15.9   | 6.3     |
| INTERNATIONAL EQUITY                | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| MSCI ACWI ex-US                     | 6.9     | 5.8   | 9.3    | 0.2    | 6.0    | 2.2     |
| MSCI EAFE                           | 6.4     | 1.7   | 6.5    | 0.5    | 7.4    | 1.8     |
| MSCI EAFE Value                     | 8.0     | 0.8   | 3.5    | (1.5)  | 6.0    | 0.4     |
| MSCI EAFE Growth                    | 5.0     | 2.6   | 9.5    | 2.4    | 8.7    | 3.1     |
| MSCI EAFE Small Cap                 | 8.6     | 5.2   | 12.3   | 5.1    | 11.1   | 4.4     |
| MSCI EM (Emerging Markets)          | 9.0     | 16.0  | 16.8   | (0.6)  | 3.0    | 3.9     |
| FIXED INCOME                        | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| Barclays U.S. Aggregate Bond        | 0.5     | 5.8   | 5.2    | 4.0    | 3.1    | 4.8     |
| Barclays U.S. Gov/Credit Bond       | 0.4     | 6.7   | 5.9    | 4.2    | 3.2    | 4.9     |
| Barclays Gov/Credit Long Bond       | 1.2     | 15.7  | 14.7   | 10.1   | 6.3    | 7.8     |
| Barclays U.S. Corp High Yield       | 5.6     | 15.1  | 12.7   | 5.3    | 8.3    | 7.7     |
| Barclays Municipal Bond             | (0.3)   | 4.0   | 5.6    | 5.5    | 4.5    | 4.7     |
| Barclays U.S. TIPS                  | 1.0     | 7.3   | 6.6    | 2.4    | 1.9    | 4.5     |
| BofA Merrill 3-Month T-Bill         | 0.1     | 0.2   | 0.3    | 0.1    | 0.1    | 0.9     |
| NON-TRADITIONAL                     | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| Bloomberg Commodity Index           | (3.9)   | 8.9   | (2.6)  | (12.3) | (9.4)  | (5.3)   |
| HFRI Fund of Funds Index            | 2.5     | (0.1) | 0.6    | 2.2    | 3.2    | 1.8     |
| NCREIF Property Index (quarter lag) | 2.0     | 4.3   | 10.6   | 11.6   | 11.5   | 7.4     |
| CPI (quarter lag)                   | 0.8     | 0.8   | 1.1    | 1.1    | 1.3    | 1.8     |

Sources: Morningstar Direct, Standard & Poor's, Russell, FTSE, MSCI, Barclays Capital, BofA Merrill Lynch, Bloomberg, HFRI, NCREIF. Data as of 9/30/2016 unless otherwise noted.



# Equity & Fixed Income Review

## U.S. Equity Size and Style Returns

| QTR   |       |        |       | 1-Year |       |        |
|-------|-------|--------|-------|--------|-------|--------|
| Value | Blend | Growth |       | Value  | Blend | Growth |
| 3.5   | 4.0   | 4.6    | Large | 16.2   | 14.9  | 13.8   |
| 4.4   | 4.5   | 4.6    | Mid   | 17.3   | 14.2  | 11.2   |
| 8.9   | 9.0   | 9.2    | Small | 18.8   | 15.5  | 12.1   |

Equity markets moved higher on the back of marginally positive economic data and the Fed's decision to hold its policy rate stable. Growth outpaced value during the quarter, led by strong results within the information technology sector. Yield-advantaged areas of the market, such as utilities and REITs, sold off as interest rates moved modestly higher. Smaller capitalization stocks outpaced their larger market capitalization counterparts.

## International Equity Size and Region Returns (USD)

| QTR   |     |       |     | 1-Year |      |       |
|-------|-----|-------|-----|--------|------|-------|
| Small | Mid | Large |     | Small  | Mid  | Large |
| 8.6   | 7.5 | 6.1   | Dev | 12.3   | 9.1  | 5.8   |
| 7.6   | 7.3 | 9.4   | EM  | 12.6   | 12.7 | 17.6  |

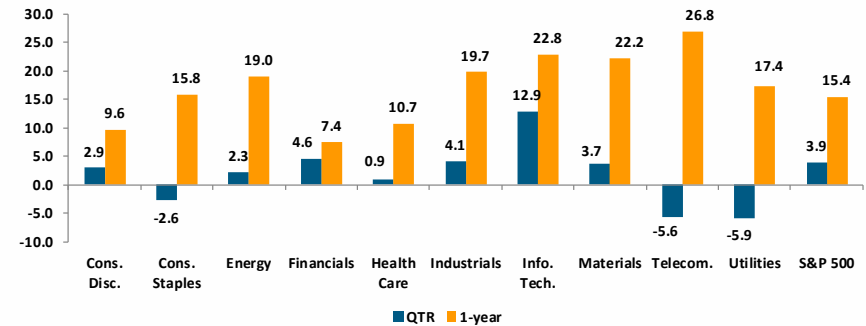
Emerging market equities had another strong quarter, outpacing international developed equities. Commodity exporting countries saw notable strength due to stabilized commodity prices and European stocks rebounded as the "Brexit" vote might have a smaller impact on economic growth than originally expected. The euro and Japanese yen gained ground, while emerging market currencies, such as the Mexican peso and Brazilian real, generally declined against the U.S. dollar.

## Fixed Income Term and Quality Returns (USD)

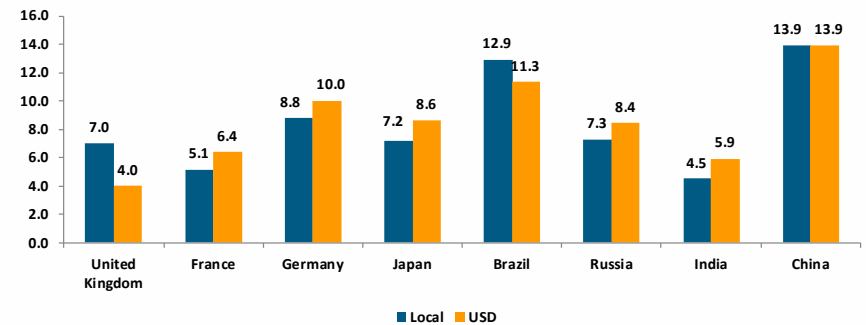
| QTR   |        |      |       | 1-Year |        |      |
|-------|--------|------|-------|--------|--------|------|
| Short | Interm | Long |       | Short  | Interm | Long |
| -0.1  | -0.2   | -0.3 | Gov't | 0.9    | 2.4    | 13.0 |
| 0.3   | 0.9    | 2.6  | Corp  | 2.4    | 5.6    | 15.7 |

Interest rates rose slightly during the quarter and longer dated government issues underperformed shorter dated bonds as a result. On the other hand, investment grade and high yield corporate spreads, despite declining fundamentals, tightened due to strong demand from abroad as investors continue to search for income in this yield-starved environment.

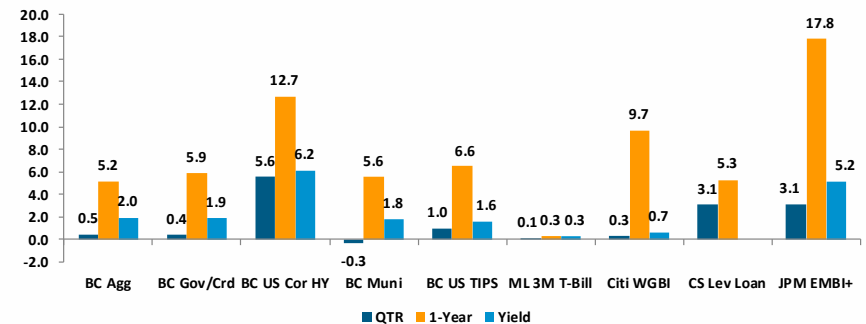
## S&P 500 Sector Returns



## MSCI Country Results 3Q 2016



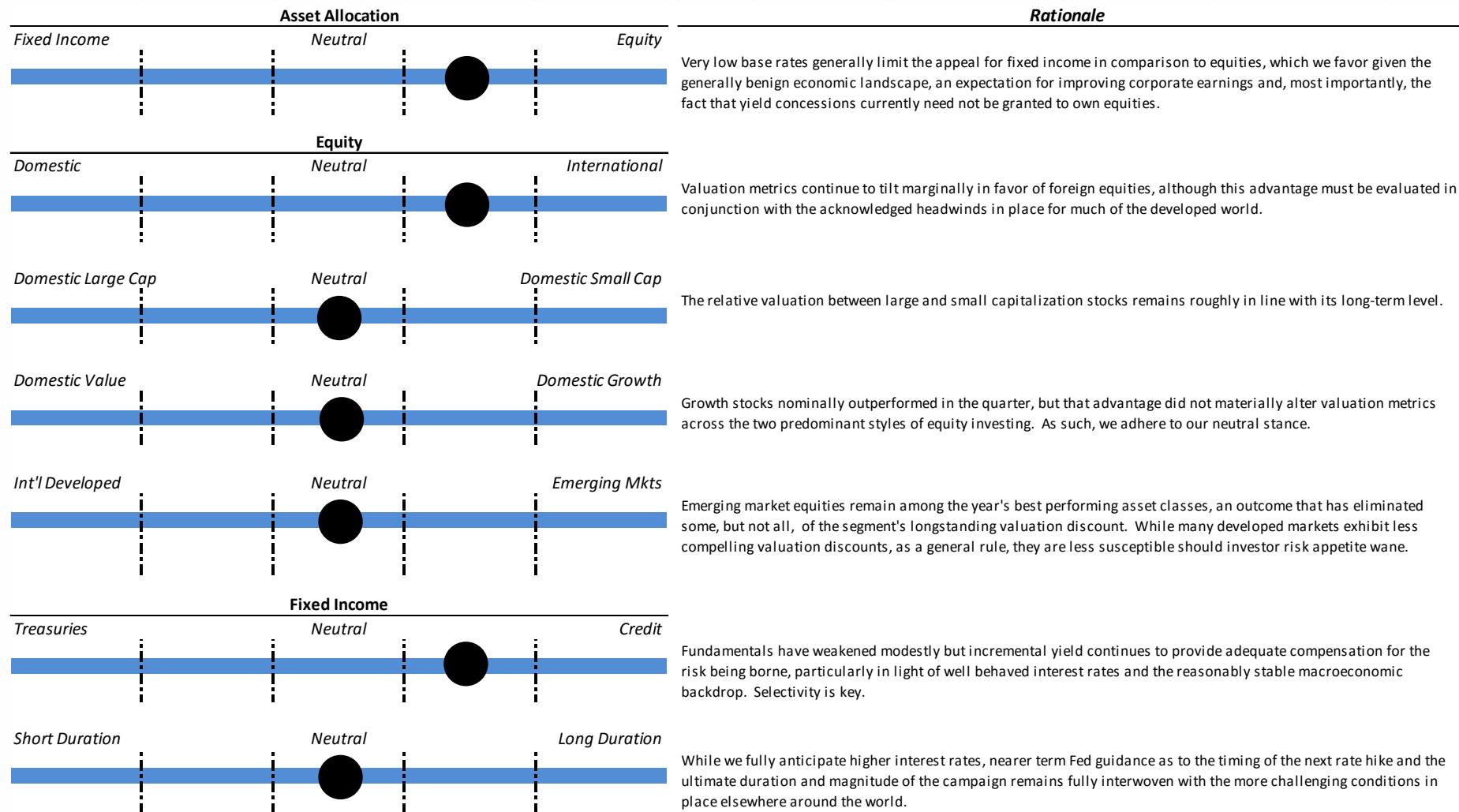
## Fixed Income Returns and Yields (%)



## Macro Themes (End Q3/Start Q4)

- ❑ **Certain “headline” events that may influence investors’ psyche loom as the year draws to an end.**
    - ❖ Geopolitical considerations may figure prominently with forthcoming elections in the U.S. and Italy alongside the ongoing orchestration of Britain’s exit from the European Union.
    - ❖ Consensus centers on a December interest rate hike by the Fed, although the campaign’s ultimate duration and magnitude remain in question. Central banks elsewhere may need to offer additional stimulus over and above the accommodations already granted.
    - ❖ Investors also cast a nervous eye toward the European financial sector.
  - ❑ **The global economy continues to strike a delicate balance – characterized by somewhat uninspired, but persistent, growth yet likely removed from the immediate possibility of recession.**
    - ❖ The more resilient footprint afforded the U.S. consumer stands in contrast to the somewhat more apathetic corporate profile.
    - ❖ Economic data across developed markets elsewhere reaffirms a tenuous stability whereby pockets of reassurance are countered by less encouraging readings among the segment’s other large constituents.
    - ❖ Emerging markets impart, perhaps, the most encouraging profile; bolstered most directly by stabilizing growth in China but also drawing vigor from well-behaved interest rates across developed economies and solidified commodity prices.
  - ❑ **Our aggregated investment stance remains modestly constructive but is tempered by valuations that offer little room for error.**
    - ❖ Elevated bouts of capital market volatility in the coming months are likely.
    - ❖ Earnings growth reparation in the U.S. is anticipated and may be needed to sustain current equity market pricing. Larger macroeconomic factors overseas may dictate if further consolidation of existing discounts to “fair” value can be achieved.
    - ❖ Very low base rates and somewhat deteriorated company fundamentals feasibly conspire to restrain bond returns.
-

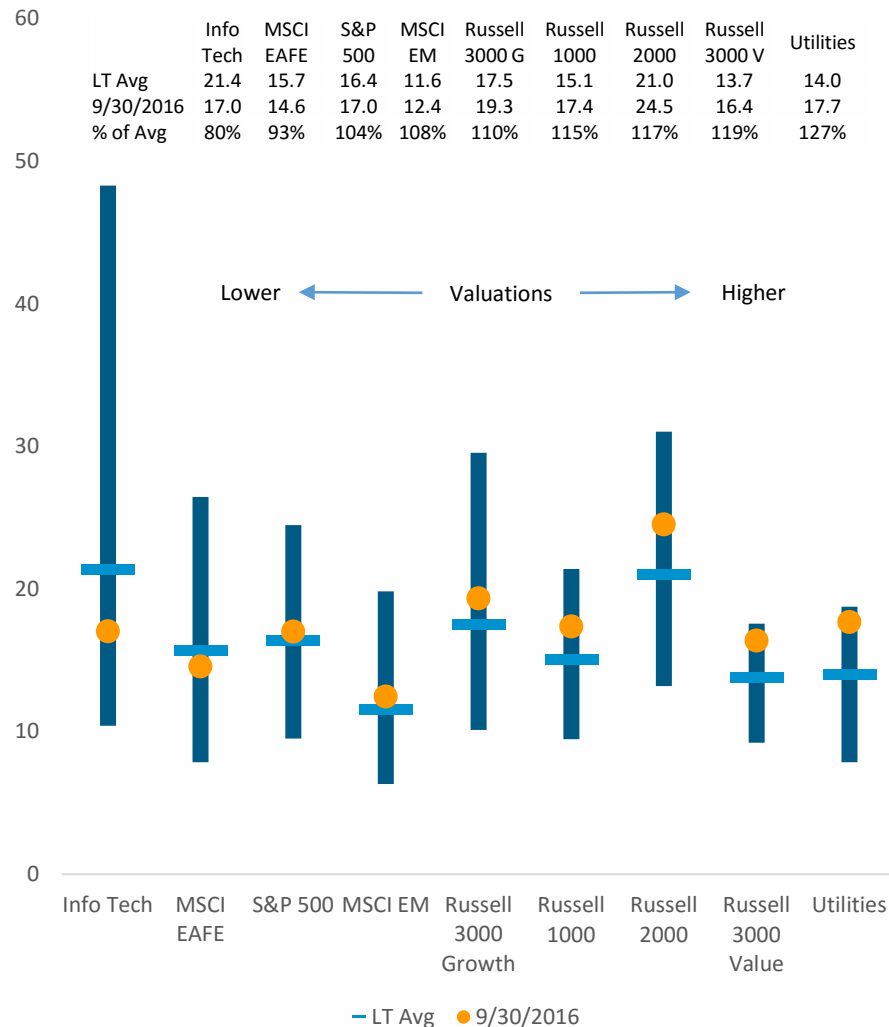
# Market Viewpoints



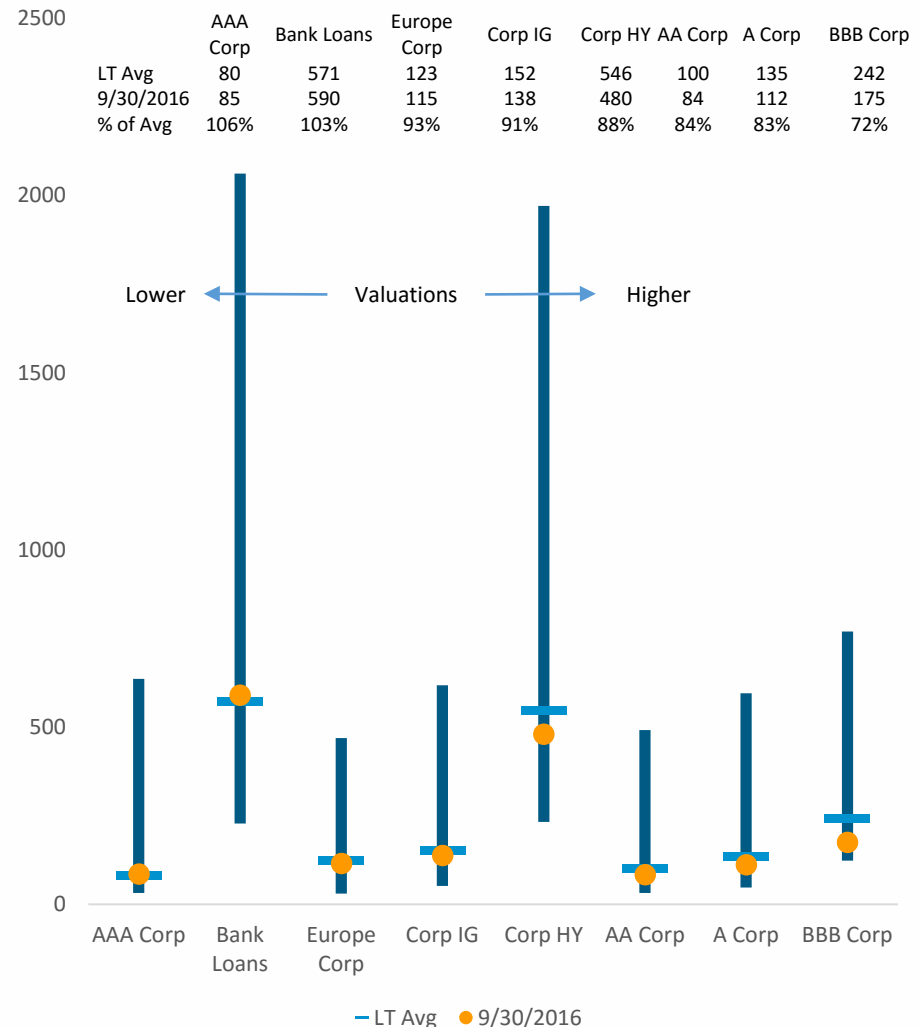
These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 36 months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

# Market Valuations

## Historical 12M Forward P/E Ratios

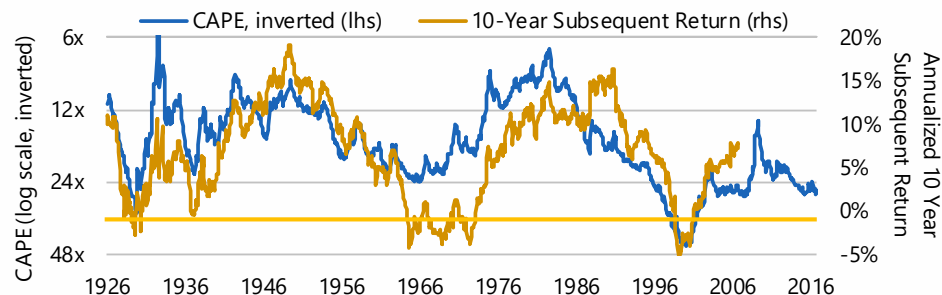
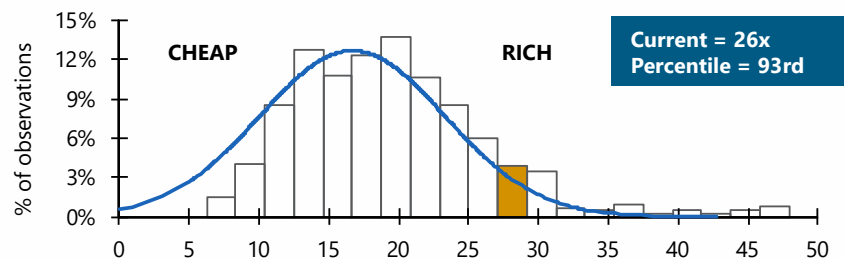


## Historical Option Adjusted Spread

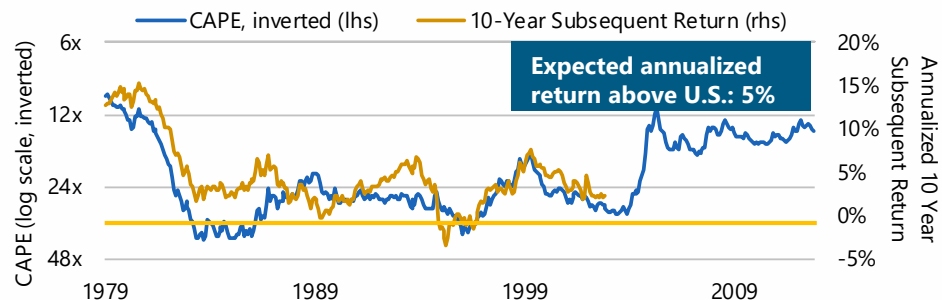
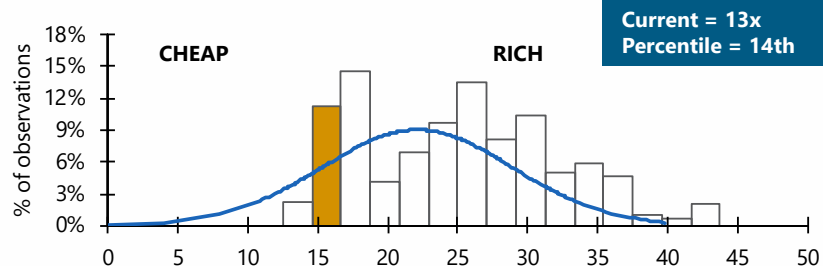


# Equity Valuations

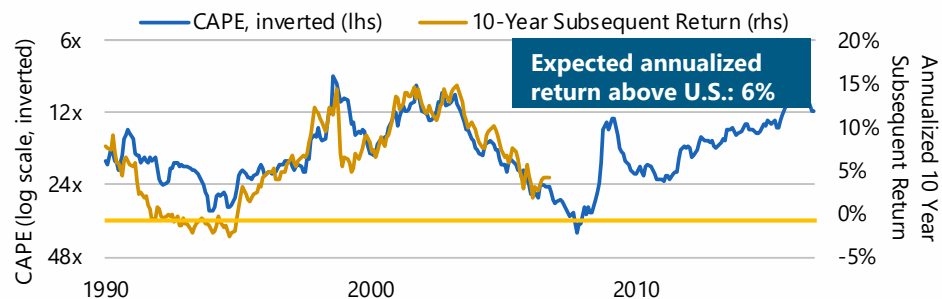
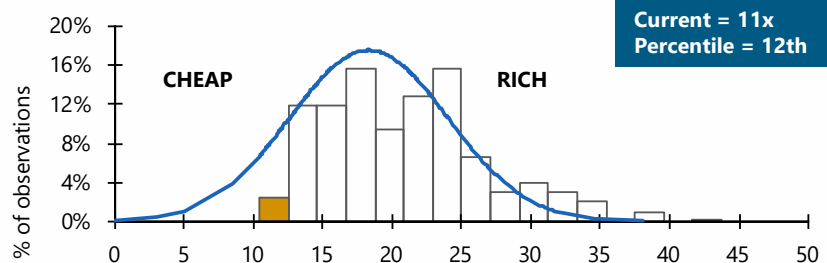
## U.S. valuations: Cyclically-adjusted P/E



## EAFE valuations: Cyclically-adjusted P/E

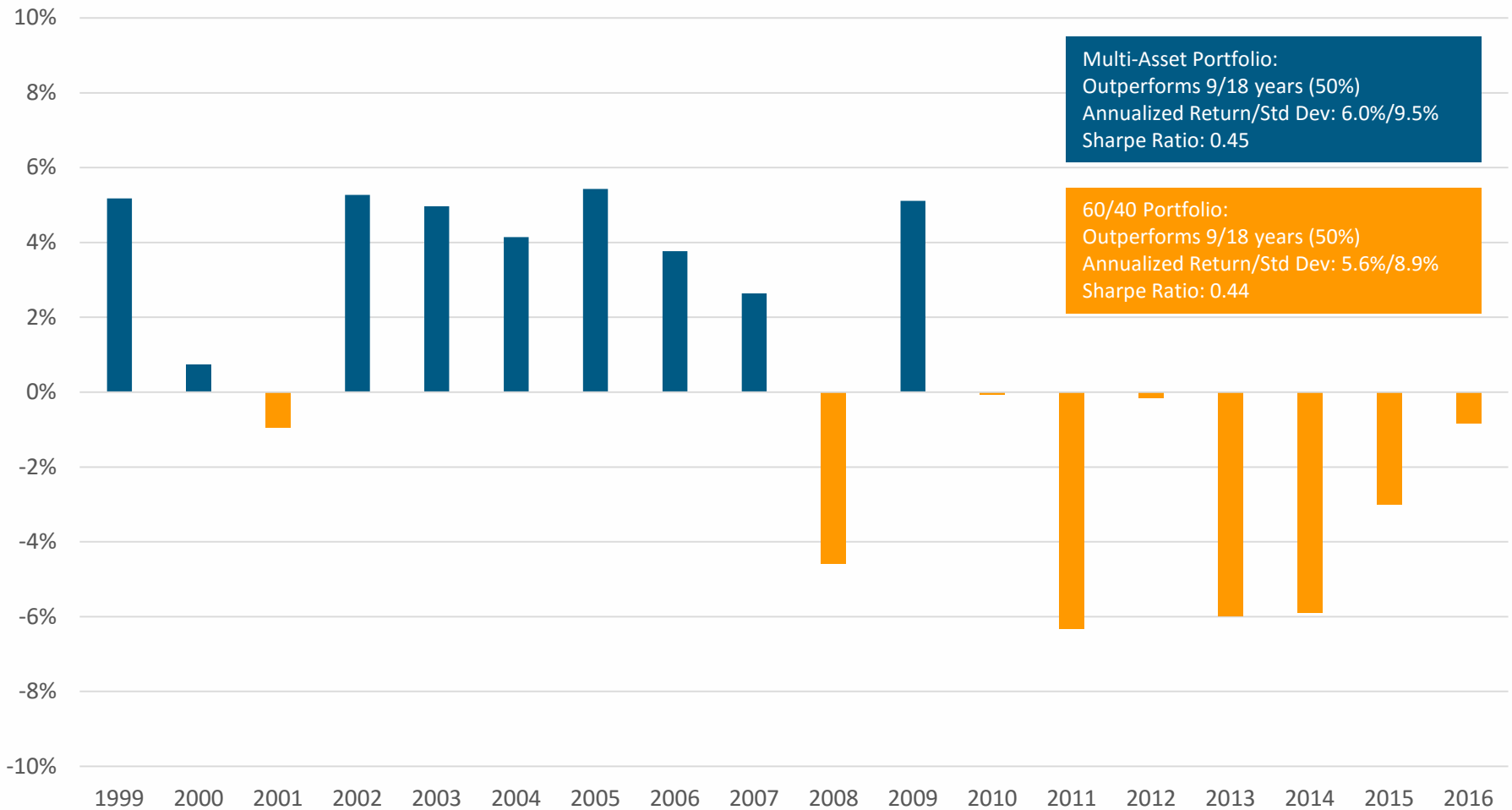


## EM valuations: Cyclically-adjusted P/E



# Diversified Portfolio Performance

Relative Performance of a Multi-Asset Portfolio vs. 60/40 Portfolio (1999 - Sept 2016)



Sources: FIA, MPI Stylus. Data as of 9/30/2016. The "60/40 Portfolio" consists of 60% S&P 500 Index, 40% Barclays U.S. Aggregate Index; rebalanced quarterly. The "Multi-Asset Portfolio" consists of 25% Russell 3000 Index, 18.75% MSCI EAFE Index, 6.25% MSCI EM Index, 10% HFRI Fund of Funds Composite Index, 5% FTSE NAREIT Equity REITS Index, 5% Bloomberg Commodity Index, 30% Barclays U.S. Aggregate Index; rebalanced quarterly.

## Pension Fund Results

## Amity Pension - Asset Allocation

As of September 30, 2016

|                                            | Asset<br>Allocation<br>(\$) | Asset<br>Allocation<br>(%) | Target<br>Allocation<br>(%) | Differences<br>(%) |
|--------------------------------------------|-----------------------------|----------------------------|-----------------------------|--------------------|
| <b>Total Plan</b>                          | <b>9,800,136</b>            | <b>100.0</b>               | <b>100.0</b>                | <b>0.0</b>         |
| <b>Short Term Liquidity</b>                | <b>75,414</b>               | <b>0.8</b>                 | <b>0.0</b>                  | <b>0.8</b>         |
| Wells Fargo Government Money Market Fund I | 75,414                      | 0.8                        | 0.0                         | 0.8                |
| <b>Fixed Income</b>                        | <b>3,375,538</b>            | <b>34.4</b>                | <b>35.0</b>                 | <b>-0.6</b>        |
| Vanguard Total Bond Market Index Adm       | 3,375,538                   | 34.4                       | 35.0                        | -0.6               |
| <b>Domestic Equity</b>                     | <b>4,851,269</b>            | <b>49.5</b>                | <b>50.0</b>                 | <b>-0.5</b>        |
| Vanguard 500 Index Adm                     | 966,780                     | 9.9                        | 10.0                        | -0.1               |
| Vanguard Value Index Adm                   | 1,441,437                   | 14.7                       | 15.0                        | -0.3               |
| Vanguard Growth Index Fund Adm             | 1,463,814                   | 14.9                       | 15.0                        | -0.1               |
| Vanguard Mid Cap Index Adm                 | 487,976                     | 5.0                        | 5.0                         | 0.0                |
| Vanguard Small Cap Index Adm               | 491,262                     | 5.0                        | 5.0                         | 0.0                |
| <b>International Equity</b>                | <b>1,497,914</b>            | <b>15.3</b>                | <b>15.0</b>                 | <b>0.3</b>         |
| Vanguard Developed Markets Adm             | 1,497,914                   | 15.3                       | 15.0                        | 0.3                |

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.



## Total Plan Performance Summary

As of September 30, 2016

### Account Reconciliation

|                        | QTR       | YTD       | Since Inception | Inception Date    |
|------------------------|-----------|-----------|-----------------|-------------------|
| <b>Total Plan</b>      |           |           |                 | <b>01/01/2007</b> |
| Beginning Market Value | 9,222,976 | 9,205,786 | 5,911,809       |                   |
| Net Contributions      | 275,806   | -4,665    | 144,772         |                   |
| Total Gain/Loss        | 301,355   | 599,015   | 3,743,555       |                   |
| Ending Market Value    | 9,800,136 | 9,800,136 | 9,800,136       |                   |

### Amity Pension Benchmark Composition

| Allocation Mandate                       | Weight (%) |
|------------------------------------------|------------|
| Blmbg. Barc. U.S. Aggregate              | 35.0       |
| S&P 500 Index                            | 10.0       |
| CRSP U.S. Large Cap Value TR Index       | 15.0       |
| CRSP U.S. Large Cap Growth TR Index      | 15.0       |
| CRSP U.S. Mid Cap TR Index               | 5.0        |
| CRSP U.S. Small Cap TR Index             | 5.0        |
| FTSE Global All Cap ex US Spliced Index^ | 15.0       |

### Trailing Performance Summary

|                         | QTR        | YTD        | Jul-2016 To Sep-2016 | 1 Year      | 3 Years    | 5 Years     | 7 Years    | 10 Years   | Since Inception | Inception Date    |
|-------------------------|------------|------------|----------------------|-------------|------------|-------------|------------|------------|-----------------|-------------------|
| <b>Total Plan</b>       | <b>3.2</b> | <b>6.6</b> | <b>3.2</b>           | <b>10.2</b> | <b>6.7</b> | <b>10.6</b> | <b>8.8</b> | <b>N/A</b> | <b>5.5</b>      | <b>01/01/2007</b> |
| Amity Pension Benchmark | 3.4        | 7.2        | 3.4                  | 10.9        | 7.0        | 10.5        | 8.9        | 6.0        | 5.6             |                   |
| Difference              | -0.2       | -0.6       | -0.2                 | -0.7        | -0.3       | 0.1         | -0.1       | N/A        | -0.1            |                   |

### Calendar Year Performance Summary

|                         | 2015       | 2014       | 2013        | 2012        | 2011       | 2010        | 2009        | 2008         |
|-------------------------|------------|------------|-------------|-------------|------------|-------------|-------------|--------------|
| <b>Total Plan</b>       | <b>0.3</b> | <b>7.2</b> | <b>18.8</b> | <b>13.4</b> | <b>0.6</b> | <b>12.4</b> | <b>18.2</b> | <b>-22.8</b> |
| Amity Pension Benchmark | 0.0        | 8.0        | 18.1        | 12.3        | 1.5        | 12.9        | 21.5        | -25.4        |
| Difference              | 0.3        | -0.8       | 0.7         | 1.1         | -0.9       | -0.5        | -3.3        | 2.6          |

## Benchmark Composition - Amity Pension Benchmark

As of September 30, 2016

| Allocation Mandate                       | Weight (%) | Allocation Mandate          | Weight (%) |
|------------------------------------------|------------|-----------------------------|------------|
| <b>Mar-2014</b>                          |            | <b>Feb-1978</b>             |            |
| Blmbg. Barc. U.S. Aggregate              | 35.0       | Blmbg. Barc. U.S. Aggregate | 35.0       |
| S&P 500 Index                            | 10.0       | S&P 500 Index               | 10.0       |
| CRSP U.S. Large Cap Value TR Index       | 15.0       | Russell 1000 Value Index    | 15.0       |
| CRSP U.S. Large Cap Growth TR Index      | 15.0       | Russell 1000 Growth Index   | 15.0       |
| CRSP U.S. Mid Cap TR Index               | 5.0        | Russell Midcap Index        | 5.0        |
| CRSP U.S. Small Cap TR Index             | 5.0        | Russell 2000 Index          | 5.0        |
| FTSE Global All Cap ex US Spliced Index^ | 15.0       | MSCI EAFE (Net) Index       | 15.0       |
| <b>Jun-2013</b>                          |            |                             |            |
| Blmbg. Barc. U.S. Aggregate              | 35.0       |                             |            |
| S&P 500 Index                            | 10.0       |                             |            |
| MSCI US Prime Market Value               | 15.0       |                             |            |
| MSCI US Prime Market Growth              | 15.0       |                             |            |
| MSCI US Mid Cap 450 Index                | 5.0        |                             |            |
| MSCI US Small Cap 1750                   | 5.0        |                             |            |
| FTSE Global All Cap ex US Spliced Index^ | 15.0       |                             |            |
| <b>Sep-2012</b>                          |            |                             |            |
| Blmbg. Barc. U.S. Aggregate              | 35.0       |                             |            |
| S&P 500 Index                            | 10.0       |                             |            |
| MSCI US Prime Market Value               | 15.0       |                             |            |
| MSCI US Prime Market Growth              | 15.0       |                             |            |
| MSCI US Mid Cap 450 Index                | 5.0        |                             |            |
| MSCI US Small Cap 1750                   | 5.0        |                             |            |
| MSCI EAFE (Net) Index                    | 15.0       |                             |            |

## Amity Pension

### Manager Performance Overview

As of September 30, 2016

|                                                    | QTR             | YTD             | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years       | 5<br>Years | Since<br>Inception | Inception<br>Date |
|----------------------------------------------------|-----------------|-----------------|----------------------------|------------------|------------------|------------|--------------------|-------------------|
| <u>Short Term Liquidity</u>                        |                 |                 |                            |                  |                  |            |                    |                   |
| <b>Wells Fargo Government Money Market Fund I</b>  | <b>0.1</b>      | <b>0.1</b>      | <b>0.1</b>                 | <b>0.1</b>       | <b>0.0</b>       | <b>0.0</b> | <b>0.8</b>         | <b>01/01/2007</b> |
| 90 Day U.S. Treasury Bill                          | 0.1             | 0.2             | 0.1                        | 0.2              | 0.1              | 0.1        | 0.8                |                   |
| <u>Fixed Income</u>                                |                 |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Total Bond Market Index Adm</b>        | <b>0.4 (79)</b> | <b>5.9 (44)</b> | <b>0.4 (79)</b>            | <b>5.3 (43)</b>  | <b>4.1 (27)</b>  | <b>N/A</b> | <b>2.6 (41)</b>    | <b>09/01/2012</b> |
| Blmbg. Barc. U.S. Aggregate                        | 0.5             | 5.8             | 0.5                        | 5.2              | 4.0              | 3.1        | 2.5                |                   |
| IM U.S. Broad Market Core Fixed Income (MF) Median | 0.7             | 5.8             | 0.7                        | 5.2              | 3.8              | 3.2        | 2.4                |                   |
| <u>Domestic Equity</u>                             |                 |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard 500 Index Adm</b>                      | <b>3.8 (51)</b> | <b>7.8 (23)</b> | <b>3.8 (51)</b>            | <b>15.4 (15)</b> | <b>11.1 (8)</b>  | <b>N/A</b> | <b>13.5 (13)</b>   | <b>09/01/2012</b> |
| S&P 500 Index                                      | 3.9             | 7.8             | 3.9                        | 15.4             | 11.2             | 16.4       | 13.6               |                   |
| IM U.S. Large Cap Core Equity (MF) Median          | 3.9             | 6.2             | 3.9                        | 12.8             | 9.1              | 15.0       | 12.3               |                   |
| <b>Vanguard Value Index Adm</b>                    | <b>3.0 (72)</b> | <b>8.7 (24)</b> | <b>3.0 (72)</b>            | <b>16.3 (14)</b> | <b>10.4 (4)</b>  | <b>N/A</b> | <b>13.7 (10)</b>   | <b>09/01/2012</b> |
| CRSP US Large Cap Value Spliced Index^             | 3.0             | 8.7             | 3.0                        | 16.3             | 10.4             | 16.1       | 13.8               |                   |
| IM U.S. Large Cap Value Equity (MF) Median         | 4.0             | 7.0             | 4.0                        | 12.5             | 7.8              | 14.5       | 11.8               |                   |
| <b>Vanguard Growth Index Fund Adm</b>              | <b>5.1 (60)</b> | <b>6.6 (8)</b>  | <b>5.1 (60)</b>            | <b>13.5 (19)</b> | <b>11.3 (24)</b> | <b>N/A</b> | <b>13.4 (34)</b>   | <b>09/01/2012</b> |
| CRSP US Large Cap Growth Spliced Index^            | 5.1             | 6.6             | 5.1                        | 13.6             | 11.4             | 16.6       | 13.4               |                   |
| IM U.S. Large Cap Growth Equity (MF) Median        | 5.8             | 3.2             | 5.8                        | 10.9             | 10.0             | 15.2       | 12.7               |                   |
| <b>Vanguard Mid Cap Index Adm</b>                  | <b>5.2 (41)</b> | <b>8.9 (50)</b> | <b>5.2 (41)</b>            | <b>12.6 (39)</b> | <b>9.9 (9)</b>   | <b>N/A</b> | <b>14.4 (10)</b>   | <b>09/01/2012</b> |
| CRSP US Mid Cap Spliced Index^                     | 5.2             | 8.9             | 5.2                        | 12.7             | 10.0             | 16.6       | 14.5               |                   |
| IM U.S. Mid Cap Core Equity (MF) Median            | 4.6             | 8.9             | 4.6                        | 11.8             | 7.4              | 15.0       | 12.7               |                   |

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Amity Pension

### Manager Performance Overview

As of September 30, 2016

|                                                    | QTR             | YTD              | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years      | 5<br>Years | Since<br>Inception | Inception<br>Date |
|----------------------------------------------------|-----------------|------------------|----------------------------|------------------|-----------------|------------|--------------------|-------------------|
| <b>Vanguard Small Cap Index Adm</b>                | <b>6.2 (89)</b> | <b>11.5 (37)</b> | <b>6.2 (89)</b>            | <b>15.0 (44)</b> | <b>7.9 (24)</b> | <b>N/A</b> | <b>13.6 (26)</b>   | <b>09/01/2012</b> |
| CRSP US Small Cap Spliced Index^                   | 6.2             | 11.5             | 6.2                        | 14.9             | 7.9             | 16.7       | 13.6               |                   |
| IM U.S. Small Cap Core Equity (MF) Median          | 8.4             | 10.9             | 8.4                        | 14.6             | 6.6             | 15.4       | 12.6               |                   |
| <u>International Equity</u>                        |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard Developed Markets Adm</b>              | <b>6.4 (41)</b> | <b>3.9 (38)</b>  | <b>6.4 (41)</b>            | <b>8.0 (31)</b>  | <b>1.1 (36)</b> | <b>N/A</b> | <b>7.0 (24)</b>    | <b>09/01/2012</b> |
| FTSE Developed ex US Spliced Index^                | 6.7             | 3.2              | 6.7                        | 8.2              | 1.0             | 7.7        | 6.9                |                   |
| IM International Multi-Cap Core Equity (MF) Median | 6.2             | 2.6              | 6.2                        | 5.9              | 0.6             | 7.3        | 6.0                |                   |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Commentary

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As of September 30, 2016

| Manager                     | Manager Status |
|-----------------------------|----------------|
| <b>Fixed Income</b>         |                |
| Vanguard ST Gvt Bd          | Maintain       |
| Vanguard ST InPS Idx        | Maintain       |
| Vanguard Tot Bd             | Maintain       |
| <b>Domestic Equity</b>      |                |
| Vanguard 500 Index          | Maintain       |
| Vanguard TSM Idx            | Maintain       |
| Vanguard Value Idx          | Maintain       |
| Vanguard Gro Idx            | Maintain       |
| Vanguard Md-Cp Idx          | Maintain       |
| Vanguard Sm-Cp Idx          | Maintain       |
| <b>International Equity</b> |                |
| Vanguard Dev Mkt            | Maintain       |

## Amity Pension

### Manager Investment Gain/Loss Summary

|                                            | Market Value<br>As of<br>07/01/2016 | Net Flows      | Return On<br>Investment | Market Value<br>As of<br>09/30/2016 |
|--------------------------------------------|-------------------------------------|----------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u>                |                                     |                |                         |                                     |
| Wells Fargo Government Money Market Fund I | 69,529                              | 5,806          | 80                      | 75,414                              |
| <b>Total Short Term Liquidity</b>          | <b>69,529</b>                       | <b>5,806</b>   | <b>80</b>               | <b>75,414</b>                       |
| <u>Fixed Income</u>                        |                                     |                |                         |                                     |
| Vanguard Total Bond Market Index Adm       | 3,290,014                           | 72,000         | 13,524                  | 3,375,538                           |
| <b>Total Fixed Income</b>                  | <b>3,290,014</b>                    | <b>72,000</b>  | <b>13,524</b>           | <b>3,375,538</b>                    |
| <u>Domestic Equity</u>                     |                                     |                |                         |                                     |
| Vanguard 500 Index Adm                     | 917,422                             | 14,000         | 35,358                  | 966,780                             |
| Vanguard Value Index Adm                   | 1,363,915                           | 36,000         | 41,522                  | 1,441,437                           |
| Vanguard Growth Index Fund Adm             | 1,363,280                           | 30,000         | 70,534                  | 1,463,814                           |
| Vanguard Mid Cap Index Adm                 | 454,242                             | 10,000         | 23,734                  | 487,976                             |
| Vanguard Small Cap Index Adm               | 454,991                             | 8,000          | 28,271                  | 491,262                             |
| <b>Total Domestic Equity</b>               | <b>4,553,850</b>                    | <b>98,000</b>  | <b>199,419</b>          | <b>4,851,269</b>                    |
| <u>International Equity</u>                |                                     |                |                         |                                     |
| Vanguard Developed Markets Adm             | 1,309,582                           | 100,000        | 88,332                  | 1,497,914                           |
| <b>Total International Equity</b>          | <b>1,309,582</b>                    | <b>100,000</b> | <b>88,332</b>           | <b>1,497,914</b>                    |
| <b>Total Plan</b>                          | <b>9,222,976</b>                    | <b>275,806</b> | <b>301,355</b>          | <b>9,800,136</b>                    |

## Amity Pension

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Dec-2006       | -                                 | -                        | -                 | 5,911,809                      | N/A      |
| Mar-2007       | 5,911,809                         | -126,919                 | 108,227           | 5,893,116                      | 1.9      |
| Jun-2007       | 5,893,116                         | -127,417                 | 202,138           | 5,967,837                      | 3.4      |
| Sep-2007       | 5,967,837                         | 276,936                  | 123,140           | 6,367,912                      | 2.0      |
| Dec-2007       | 6,367,912                         | -128,226                 | -85,700           | 6,153,986                      | -1.4     |
| Mar-2008       | 6,153,986                         | -127,169                 | -311,685          | 5,715,132                      | -5.1     |
| Jun-2008       | 5,715,132                         | -128,659                 | -82,615           | 5,503,858                      | -1.6     |
| Sep-2008       | 5,503,858                         | 297,623                  | -407,460          | 5,394,022                      | -7.1     |
| Dec-2008       | 5,394,022                         | -141,344                 | -594,469          | 4,658,209                      | -11.1    |
| Mar-2009       | 4,658,209                         | -136,302                 | -351,150          | 4,170,757                      | -7.5     |
| Jun-2009       | 4,170,757                         | -131,817                 | 450,914           | 4,489,854                      | 11.0     |
| Sep-2009       | 4,489,854                         | 312,896                  | 557,229           | 5,359,979                      | 11.7     |
| Dec-2009       | 5,359,979                         | -134,759                 | 158,595           | 5,383,815                      | 3.0      |
| Mar-2010       | 5,383,815                         | -139,407                 | 202,610           | 5,447,017                      | 3.9      |
| Jun-2010       | 5,447,017                         | -137,079                 | -341,948          | 4,967,990                      | -6.4     |
| Sep-2010       | 4,967,990                         | 383,126                  | 439,625           | 5,790,741                      | 8.6      |
| Dec-2010       | 5,790,741                         | -138,166                 | 361,056           | 6,013,631                      | 6.4      |
| Mar-2011       | 6,013,631                         | -152,528                 | 237,524           | 6,098,627                      | 4.0      |
| Jun-2011       | 6,098,627                         | -147,208                 | 54,946            | 6,006,366                      | 0.9      |
| Sep-2011       | 6,006,366                         | 450,579                  | -658,611          | 5,798,334                      | -10.3    |
| Dec-2011       | 5,798,334                         | -144,369                 | 396,030           | 6,049,996                      | 6.9      |
| Mar-2012       | 6,049,996                         | -141,160                 | 502,103           | 6,410,939                      | 8.4      |
| Jun-2012       | 6,410,939                         | -145,381                 | -112,453          | 6,153,105                      | -1.8     |
| Sep-2012       | 6,153,105                         | 518,076                  | 304,381           | 6,975,562                      | 4.9      |
| Dec-2012       | 6,975,562                         | -161,257                 | 101,950           | 6,916,256                      | 1.5      |
| Mar-2013       | 6,916,256                         | -152,199                 | 429,788           | 7,193,844                      | 6.3      |
| Jun-2013       | 7,193,844                         | -154,883                 | 13,761            | 7,052,722                      | 0.2      |
| Sep-2013       | 7,052,722                         | -163,413                 | 369,080           | 7,258,389                      | 5.3      |
| Dec-2013       | 7,258,389                         | 546,074                  | 459,564           | 8,264,027                      | 6.0      |
| Mar-2014       | 8,264,027                         | -161,243                 | 123,395           | 8,226,179                      | 1.5      |

## Amity Pension

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

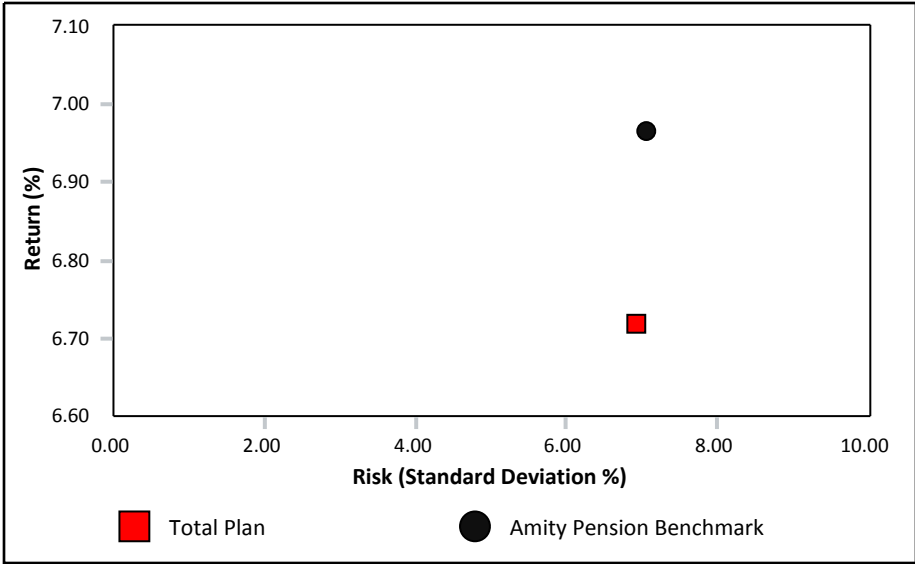
| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Jun-2014       | 8,226,179                         | -149,491                 | 324,061           | 8,400,749                      | 4.0      |
| Sep-2014       | 8,400,749                         | 207,706                  | -82,993           | 8,525,461                      | -1.0     |
| Dec-2014       | 8,525,461                         | -148,704                 | 216,237           | 8,592,994                      | 2.6      |
| Mar-2015       | 8,592,994                         | 223,388                  | 201,466           | 9,017,848                      | 2.3      |
| Jun-2015       | 9,017,848                         | -150,175                 | -45,017           | 8,822,656                      | -0.5     |
| Sep-2015       | 8,822,656                         | 243,709                  | -406,523          | 8,659,843                      | -4.6     |
| Dec-2015       | 8,659,843                         | 258,601                  | 287,342           | 9,205,786                      | 3.4      |
| Mar-2016       | 9,205,786                         | -142,870                 | 111,571           | 9,174,486                      | 1.3      |
| Jun-2016       | 9,174,486                         | -137,601                 | 186,090           | 9,222,976                      | 2.0      |
| Sep-2016       | 9,222,976                         | 275,806                  | 301,355           | 9,800,136                      | 3.2      |



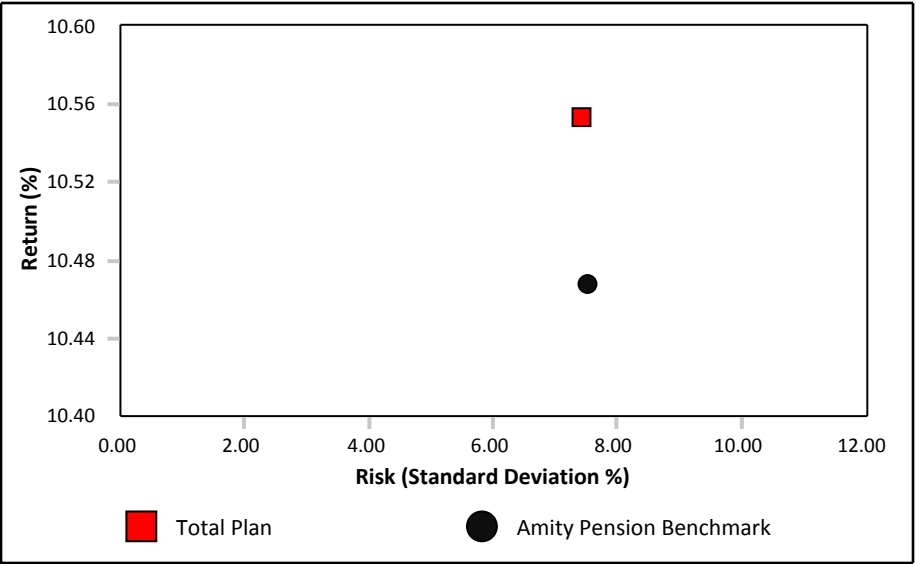
# Risk vs. Return

As of September 30, 2016

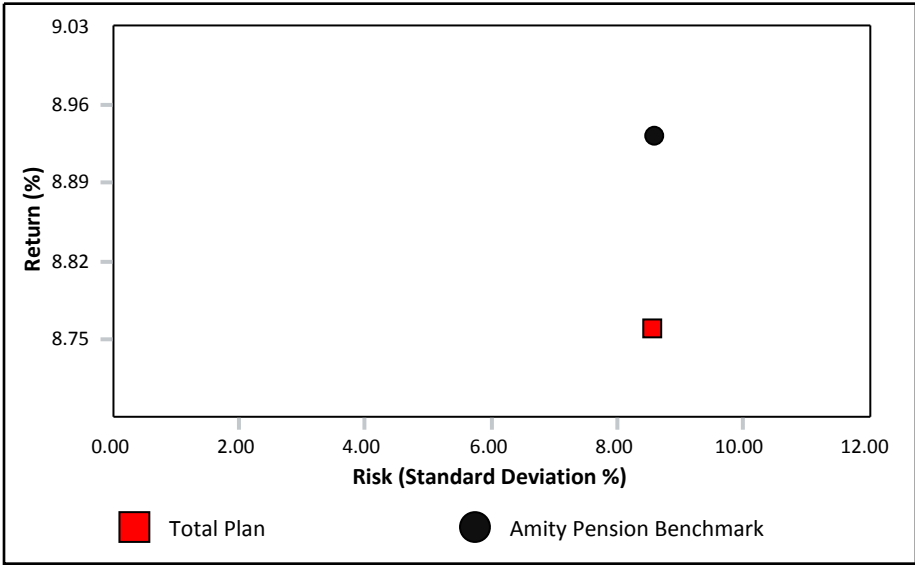
3 Year Risk and Return



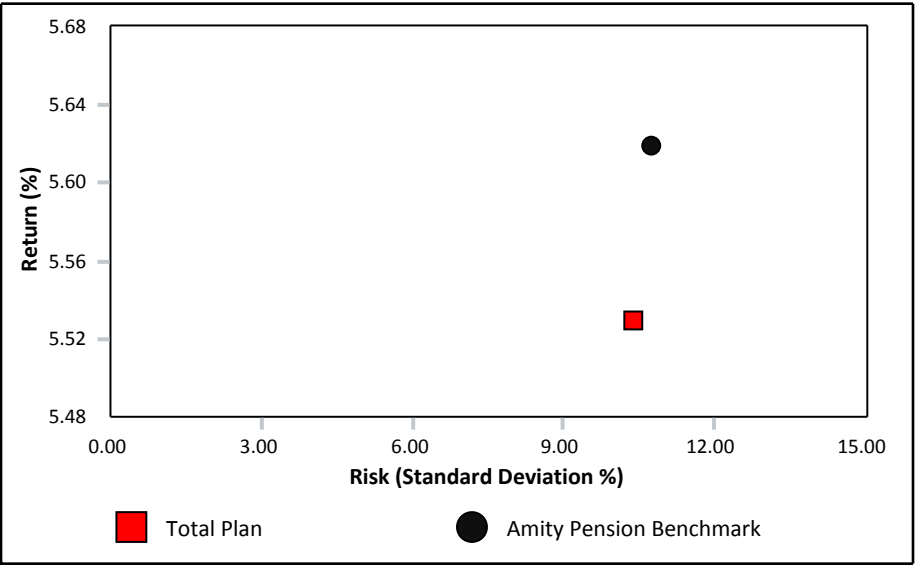
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



## MPT Statistics

As of September 30, 2016

### 3 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 6.72   | 6.93               | 3.90          | 0.96         | -0.46             | 0.53           | 0.99      | 0.98 | -0.09 |
| Amity Pension Benchmark   | 6.96   | 7.07               | 3.91          | 0.98         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.05               | 0.02          | N/A          | -0.98             | 7.07           | 0.00      | 0.00 | 0.08  |

### 5 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 10.55  | 7.45               | 3.80          | 1.38         | 0.13              | 0.56           | 0.99      | 0.98 | 0.23  |
| Amity Pension Benchmark   | 10.47  | 7.55               | 3.85          | 1.35         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.08   | 0.04               | 0.01          | N/A          | -1.35             | 7.55           | 0.00      | 0.00 | 0.08  |

### 7 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 8.76   | 8.58               | 4.90          | 1.01         | -0.28             | 0.57           | 1.00      | 1.00 | -0.12 |
| Amity Pension Benchmark   | 8.93   | 8.60               | 4.86          | 1.03         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.04               | 0.01          | N/A          | -1.03             | 8.60           | 0.00      | 0.00 | 0.09  |

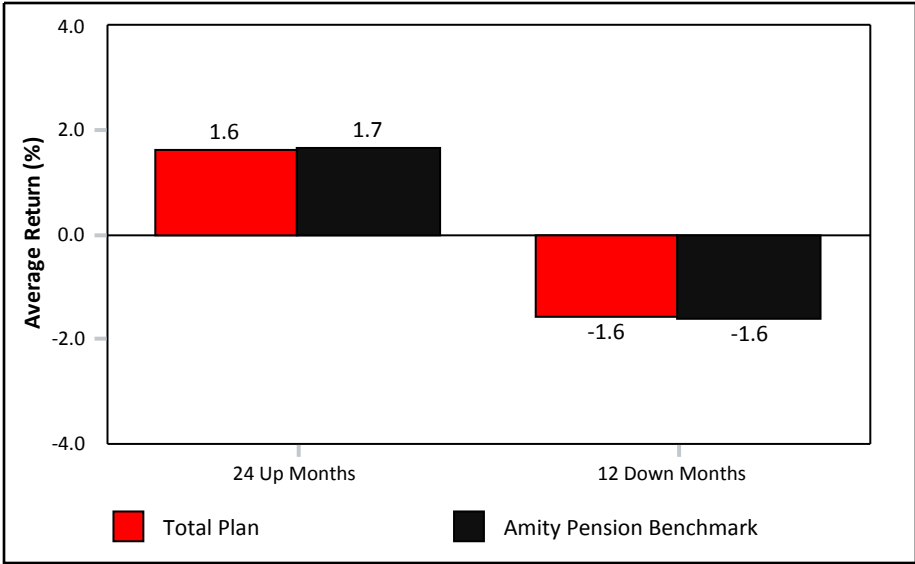
### Since Inception Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta  | Alpha | Inception Date |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|-------|-------|----------------|
| Total Plan                | 5.53   | 10.41              | 7.18          | 0.49         | -0.12             | 1.04           | 0.99      | 0.96  | 0.09  | 01/01/2007     |
| Amity Pension Benchmark   | 5.62   | 10.75              | 7.45          | 0.49         | N/A               | 0.00           | 1.00      | 1.00  | 0.00  | 01/01/2007     |
| 90 Day U.S. Treasury Bill | 0.79   | 0.46               | 0.01          | N/A          | -0.49             | 10.82          | 0.02      | -0.01 | 0.83  | 01/01/2007     |

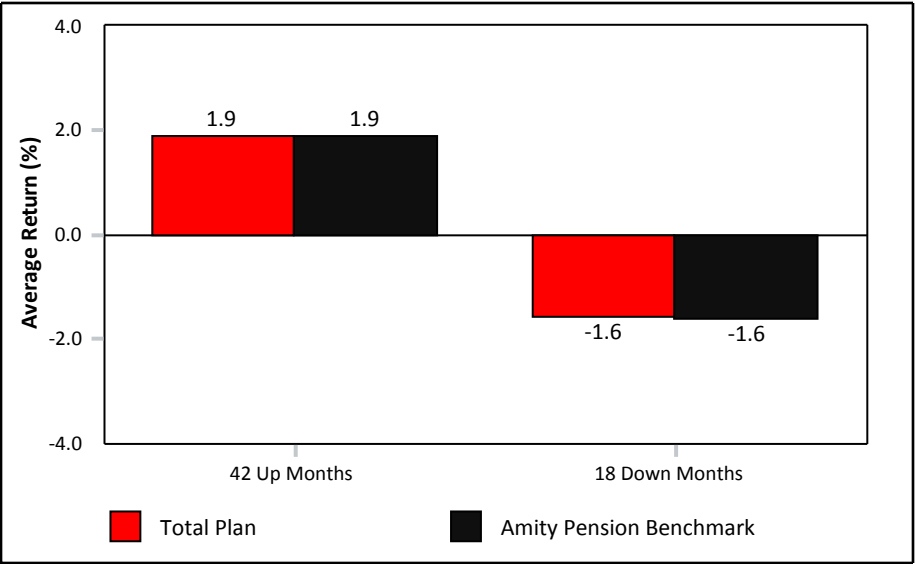
# Market Capture Report

As of September 30, 2016

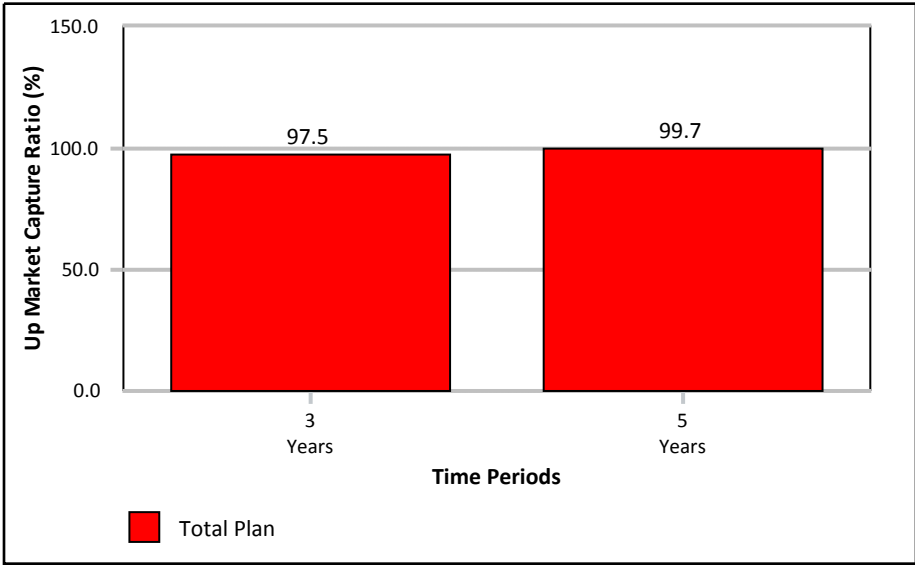
Up/Down Markets - 3 Years



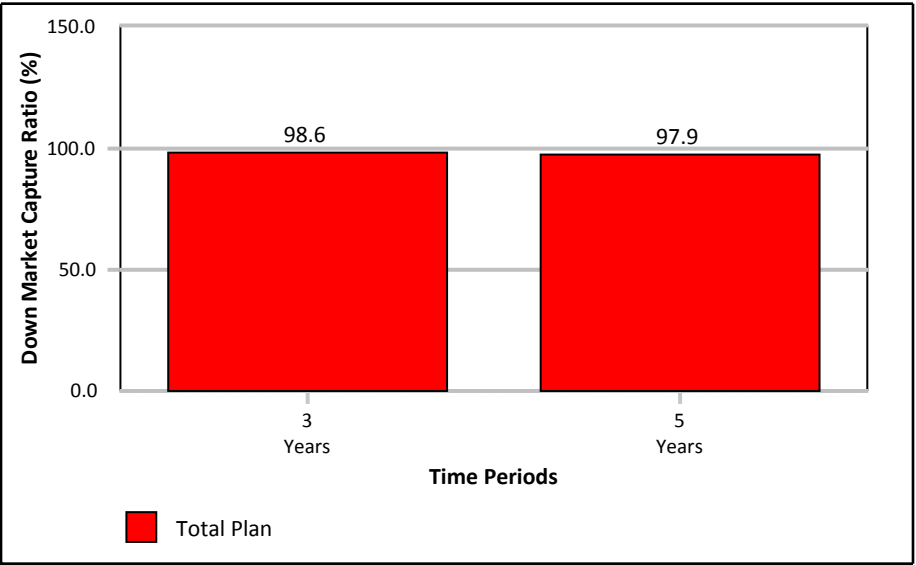
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



## Estimated Fee Analysis

As of September 30, 2016

| MANAGER                              | FEE SCHEDULE | TARGET ALLOCATION |
|--------------------------------------|--------------|-------------------|
| Vanguard Total Bond Market Index Adm | 0.06%        | 35.0%             |
| Vanguard 500 Index Adm               | 0.05%        | 10.0%             |
| Vanguard Value Index Adm             | 0.08%        | 15.0%             |
| Vanguard Growth Index Fund Adm       | 0.08%        | 15.0%             |
| Vanguard Mid Cap Index Adm           | 0.08%        | 5.0%              |
| Vanguard Small Cap Index Adm         | 0.08%        | 5.0%              |
| Vanguard Developed Markets Adm       | 0.09%        | 15.0%             |
| <b>AVERAGE WEIGHTED FEE</b>          |              | <b>0.07%</b>      |

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

## Sick & Severance Fund Results

## Amity Sick & Severance - Asset Allocation

As of September 30, 2016

|                                               | Asset<br>Allocation<br>(\$) | Asset<br>Allocation<br>(%) | Target<br>Allocation<br>(%) | Differences<br>(%) |
|-----------------------------------------------|-----------------------------|----------------------------|-----------------------------|--------------------|
| <b>Total Plan</b>                             | <b>752,138</b>              | <b>100.0</b>               | <b>100.0</b>                | <b>0.0</b>         |
| <b>Short Term Liquidity</b>                   | <b>7,350</b>                | <b>1.0</b>                 | <b>0.0</b>                  | <b>1.0</b>         |
| Wells Fargo Government Money Market Fund I    | 7,350                       | 1.0                        | 0.0                         | 1.0                |
| <b>Fixed Income</b>                           | <b>369,523</b>              | <b>49.1</b>                | <b>50.0</b>                 | <b>-0.9</b>        |
| Vanguard Short-Term Government Bond Index Adm | 161,381                     | 21.5                       | 22.5                        | -1.0               |
| Vanguard Short Term Inflation Protection Adm  | 35,837                      | 4.8                        | 5.0                         | -0.2               |
| Vanguard Total Bond Market Index Adm          | 172,306                     | 22.9                       | 22.5                        | 0.4                |
| <b>Domestic Equity</b>                        | <b>310,392</b>              | <b>41.3</b>                | <b>40.0</b>                 | <b>1.3</b>         |
| Vanguard Total Stock Market Index Adm         | 310,392                     | 41.3                       | 40.0                        | 1.3                |
| <b>International Equity</b>                   | <b>64,872</b>               | <b>8.6</b>                 | <b>10.0</b>                 | <b>-1.4</b>        |
| Vanguard Developed Markets Adm                | 64,872                      | 8.6                        | 10.0                        | -1.4               |

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

## Total Plan Performance Summary

As of September 30, 2016

### Account Reconciliation

|                        | QTR     | YTD     | Since Inception | Inception Date    |
|------------------------|---------|---------|-----------------|-------------------|
| <b>Total Plan</b>      |         |         |                 | <b>01/01/2007</b> |
| Beginning Market Value | 735,169 | 715,562 | 897,135         |                   |
| Net Contributions      | -583    | -1,753  | -490,927        |                   |
| Total Gain/Loss        | 17,552  | 38,329  | 345,930         |                   |
| Ending Market Value    | 752,138 | 752,138 | 752,138         |                   |

### Amity Sick & Severance Benchmark Composition

| Allocation Mandate                       | Weight (%) |
|------------------------------------------|------------|
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| CRSP U.S. Total Market TR Index          | 40.0       |
| FTSE Global All Cap ex US Spliced Index^ | 10.0       |

### Trailing Performance Summary

|                                  | QTR        | YTD        | Jul-2016 To Sep-2016 | 1 Year     | 3 Years    | 5 Years    | 7 Years    | 10 Years   | Since Inception | Inception Date    |
|----------------------------------|------------|------------|----------------------|------------|------------|------------|------------|------------|-----------------|-------------------|
| <b>Total Plan</b>                | <b>2.4</b> | <b>5.4</b> | <b>2.4</b>           | <b>8.0</b> | <b>5.4</b> | <b>8.0</b> | <b>6.9</b> | <b>N/A</b> | <b>5.0</b>      | <b>01/01/2007</b> |
| Amity Sick & Severance Benchmark | 2.6        | 6.0        | 2.6                  | 8.8        | 5.6        | 8.2        | 7.2        | 5.4        | 5.1             |                   |
| Difference                       | -0.2       | -0.6       | -0.2                 | -0.8       | -0.2       | -0.2       | -0.3       | N/A        | -0.1            |                   |

### Calendar Year Performance Summary

|                                  | 2015       | 2014       | 2013        | 2012       | 2011       | 2010       | 2009        | 2008         |
|----------------------------------|------------|------------|-------------|------------|------------|------------|-------------|--------------|
| <b>Total Plan</b>                | <b>0.3</b> | <b>5.9</b> | <b>14.5</b> | <b>9.5</b> | <b>1.4</b> | <b>9.5</b> | <b>11.2</b> | <b>-13.6</b> |
| Amity Sick & Severance Benchmark | 0.1        | 6.3        | 13.6        | 9.7        | 2.2        | 10.3       | 14.3        | -16.6        |
| Difference                       | 0.2        | -0.4       | 0.9         | -0.2       | -0.8       | -0.8       | -3.1        | 3.0          |

## Benchmark Composition - Amity Sick & Severance Blended Benchmark

As of September 30, 2016

| Allocation Mandate                       | Weight (%) |
|------------------------------------------|------------|
| <b>Mar-2014</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| CRSP U.S. Total Market TR Index          | 40.0       |
| FTSE Global All Cap ex US Spliced Index^ | 10.0       |
| <b>Jun-2013</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| MSCI US Broad Market Index               | 40.0       |
| FTSE Global All Cap ex US Spliced Index^ | 10.0       |
| <b>Sep-2012</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| MSCI US Broad Market Index               | 40.0       |
| MSCI EAFE (Net) Index                    | 10.0       |
| <b>Nov-2009</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| Russell 3000 Index                       | 40.0       |
| MSCI EAFE (Net) Index                    | 10.0       |
| <b>Mar-1997</b>                          |            |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Treasury: 7-10 Year    | 22.5       |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Russell 3000 Index                       | 40.0       |
| MSCI EAFE (Net) Index                    | 10.0       |



## Amity Sick & Severance

### Manager Performance Overview

As of September 30, 2016

|                                                      | QTR              | YTD             | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years       | 5<br>Years | Since<br>Inception | Inception<br>Date |
|------------------------------------------------------|------------------|-----------------|----------------------------|------------------|------------------|------------|--------------------|-------------------|
| <u>Short Term Liquidity</u>                          |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Wells Fargo Government Money Market Fund I</b>    | <b>0.1</b>       | <b>0.1</b>      | <b>0.1</b>                 | <b>0.1</b>       | <b>0.0</b>       | <b>0.0</b> | <b>0.8</b>         | <b>01/01/2007</b> |
| 90 Day U.S. Treasury Bill                            | 0.1              | 0.2             | 0.1                        | 0.2              | 0.1              | 0.1        | 0.8                |                   |
| <u>Fixed Income</u>                                  |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Short-Term Government Bond Index Adm</b> | <b>-0.1 (65)</b> | <b>1.2 (52)</b> | <b>-0.1 (65)</b>           | <b>0.8 (50)</b>  | <b>0.8 (48)</b>  | <b>N/A</b> | <b>0.6 (34)</b>    | <b>09/01/2012</b> |
| Bloomberg Barclays 1-3 Year Govt Index               | -0.1             | 1.3             | -0.1                       | 0.9              | 0.9              | 0.7        | 0.7                |                   |
| IM U.S. Short Term Treasury/Govt Bonds (MF) Median   | -0.1             | 1.3             | -0.1                       | 0.8              | 0.7              | 0.6        | 0.5                |                   |
| <b>Vanguard Short Term Inflation Protection Adm</b>  | <b>0.2 (97)</b>  | <b>2.9 (93)</b> | <b>0.2 (97)</b>            | <b>2.5 (94)</b>  | <b>0.4 (85)</b>  | <b>N/A</b> | <b>0.4 (85)</b>    | <b>10/01/2013</b> |
| Bloomberg Barclays US TIPS 0-5 Year Index            | 0.3              | 3.0             | 0.3                        | 2.6              | 0.5              | 0.7        | 0.5                |                   |
| IM U.S. TIPS (MF) Median                             | 1.0              | 6.7             | 1.0                        | 5.8              | 1.4              | 1.2        | 1.4                |                   |
| <b>Vanguard Total Bond Market Index Adm</b>          | <b>0.4 (78)</b>  | <b>6.0 (44)</b> | <b>0.4 (78)</b>            | <b>5.3 (41)</b>  | <b>4.1 (30)</b>  | <b>N/A</b> | <b>2.6 (40)</b>    | <b>08/01/2012</b> |
| Blmbg. Barc. U.S. Aggregate                          | 0.5              | 5.8             | 0.5                        | 5.2              | 4.0              | 3.1        | 2.5                |                   |
| IM U.S. Broad Market Core Fixed Income (MF) Median   | 0.7              | 5.8             | 0.7                        | 5.2              | 3.8              | 3.2        | 2.4                |                   |
| <u>Domestic Equity</u>                               |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Total Stock Market Index Adm</b>         | <b>4.4 (57)</b>  | <b>8.2 (26)</b> | <b>4.4 (57)</b>            | <b>15.0 (12)</b> | <b>10.4 (14)</b> | <b>N/A</b> | <b>13.5 (26)</b>   | <b>09/01/2012</b> |
| CRSP US Total Market Spliced Index^                  | 4.4              | 8.2             | 4.4                        | 15.0             | 10.4             | 16.3       | 13.5               |                   |
| IM U.S. Multi-Cap Core Equity (MF) Median            | 4.6              | 6.2             | 4.6                        | 11.3             | 8.4              | 14.9       | 12.6               |                   |
| <u>International Equity</u>                          |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Developed Markets Adm</b>                | <b>6.4 (41)</b>  | <b>3.9 (38)</b> | <b>6.4 (41)</b>            | <b>8.0 (31)</b>  | <b>1.1 (36)</b>  | <b>N/A</b> | <b>7.0 (24)</b>    | <b>09/01/2012</b> |
| FTSE Developed ex US Spliced Index^                  | 6.7              | 3.2             | 6.7                        | 8.2              | 1.0              | 7.7        | 6.9                |                   |
| IM International Multi-Cap Core Equity (MF) Median   | 6.2              | 2.6             | 6.2                        | 5.9              | 0.6              | 7.3        | 6.0                |                   |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Amity Sick & Severance

### Manager Investment Gain/Loss Summary

|                                               | Market Value<br>As of<br>07/01/2016 | Net Flows   | Return On<br>Investment | Market Value<br>As of<br>09/30/2016 |
|-----------------------------------------------|-------------------------------------|-------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u>                   |                                     |             |                         |                                     |
| Wells Fargo Government Money Market Fund I    | 7,928                               | -583        | 5                       | 7,350                               |
| <b>Total Short Term Liquidity</b>             | <b>7,928</b>                        | <b>-583</b> | <b>5</b>                | <b>7,350</b>                        |
| <u>Fixed Income</u>                           |                                     |             |                         |                                     |
| Vanguard Short-Term Government Bond Index Adm | 161,594                             | -           | -213                    | 161,381                             |
| Vanguard Short Term Inflation Protection Adm  | 35,750                              | -           | 86                      | 35,837                              |
| Vanguard Total Bond Market Index Adm          | 171,608                             | -           | 698                     | 172,306                             |
| <b>Total Fixed Income</b>                     | <b>368,952</b>                      | <b>-</b>    | <b>571</b>              | <b>369,523</b>                      |
| <u>Domestic Equity</u>                        |                                     |             |                         |                                     |
| Vanguard Total Stock Market Index Adm         | 297,321                             | -           | 13,072                  | 310,392                             |
| <b>Total Domestic Equity</b>                  | <b>297,321</b>                      | <b>-</b>    | <b>13,072</b>           | <b>310,392</b>                      |
| <u>International Equity</u>                   |                                     |             |                         |                                     |
| Vanguard Developed Markets Adm                | 60,968                              | -           | 3,904                   | 64,872                              |
| <b>Total International Equity</b>             | <b>60,968</b>                       | <b>-</b>    | <b>3,904</b>            | <b>64,872</b>                       |
| <b>Total Plan</b>                             | <b>735,169</b>                      | <b>-583</b> | <b>17,552</b>           | <b>752,138</b>                      |

## Amity Sick & Severance

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Dec-2006       | -                                 | -                        | -                 | 897,135                        | N/A      |
| Mar-2007       | 897,135                           | -85,176                  | 16,277            | 828,236                        | 1.8      |
| Jun-2007       | 828,236                           | 85,103                   | 22,664            | 936,003                        | 2.7      |
| Sep-2007       | 936,003                           | -1,250                   | 25,016            | 959,769                        | 2.7      |
| Dec-2007       | 959,769                           | -1,250                   | 1,696             | 960,215                        | 0.2      |
| Mar-2008       | 960,215                           | -1,250                   | -21,379           | 937,586                        | -2.2     |
| Jun-2008       | 937,586                           | -24,586                  | -17,358           | 895,642                        | -1.9     |
| Sep-2008       | 895,642                           | -1,260                   | -33,357           | 861,025                        | -3.7     |
| Dec-2008       | 861,025                           | -1,250                   | -55,768           | 804,007                        | -6.5     |
| Mar-2009       | 804,007                           | -1,250                   | -36,625           | 766,132                        | -4.6     |
| Jun-2009       | 766,132                           | -190,578                 | 33,279            | 608,833                        | 4.3      |
| Sep-2009       | 608,833                           | 3,629                    | 55,104            | 667,566                        | 9.0      |
| Dec-2009       | 667,566                           | -1,250                   | 15,810            | 682,125                        | 2.4      |
| Mar-2010       | 682,125                           | -1,250                   | 20,801            | 701,676                        | 3.1      |
| Jun-2010       | 701,676                           | -1,250                   | -36,542           | 663,884                        | -5.2     |
| Sep-2010       | 663,884                           | 41,888                   | 46,933            | 752,706                        | 6.9      |
| Dec-2010       | 752,706                           | -1,250                   | 37,200            | 788,655                        | 4.9      |
| Mar-2011       | 788,655                           | -1,156                   | 24,415            | 811,914                        | 3.1      |
| Jun-2011       | 811,914                           | -225,111                 | 394               | 587,197                        | 0.0      |
| Sep-2011       | 587,197                           | -4,138                   | -36,623           | 546,437                        | -6.3     |
| Dec-2011       | 546,437                           | -1,250                   | 26,614            | 571,801                        | 4.9      |
| Mar-2012       | 571,801                           | -584                     | 31,420            | 602,636                        | 5.5      |
| Jun-2012       | 602,636                           | -584                     | -6,460            | 595,592                        | -1.1     |
| Sep-2012       | 595,592                           | 129,342                  | 27,908            | 752,842                        | 4.0      |
| Dec-2012       | 752,842                           | -587                     | 6,519             | 758,775                        | 0.9      |
| Mar-2013       | 758,775                           | -585                     | 37,075            | 795,264                        | 4.9      |
| Jun-2013       | 795,264                           | -584                     | 1,787             | 796,467                        | 0.2      |
| Sep-2013       | 796,467                           | -1,939                   | 32,608            | 827,136                        | 4.1      |
| Dec-2013       | 827,136                           | -665                     | 38,196            | 864,667                        | 4.6      |
| Mar-2014       | 864,667                           | -600                     | 11,711            | 875,778                        | 1.4      |

## Amity Sick & Severance

### Market Value and Flows Summary

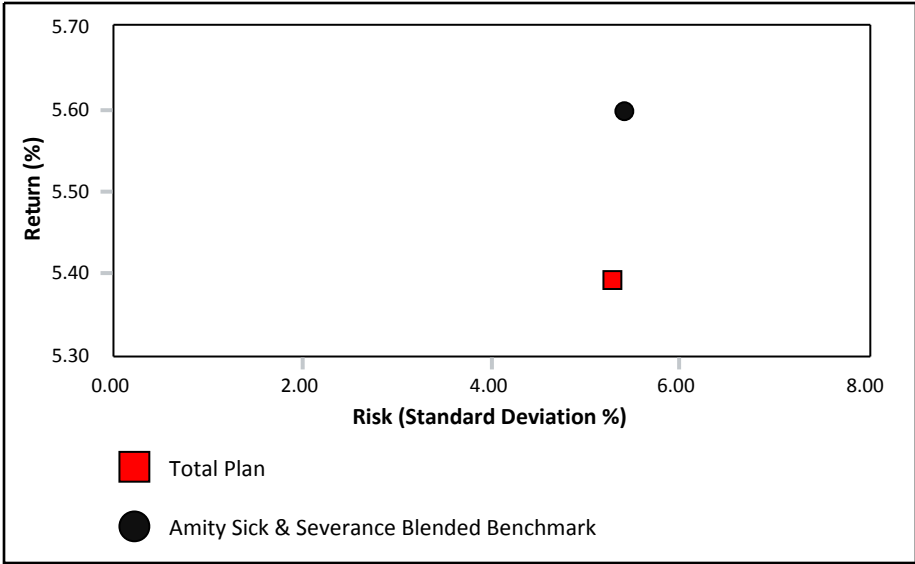
Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Jun-2014       | 875,778                           | -194,883                 | 26,184            | 707,080                        | 3.0      |
| Sep-2014       | 707,080                           | -654                     | -4,645            | 701,781                        | -0.7     |
| Dec-2014       | 701,781                           | -593                     | 14,622            | 715,810                        | 2.1      |
| Mar-2015       | 715,810                           | -593                     | 12,324            | 727,541                        | 1.7      |
| Jun-2015       | 727,541                           | -592                     | -1,599            | 725,350                        | -0.2     |
| Sep-2015       | 725,350                           | -603                     | -26,050           | 698,697                        | -3.6     |
| Dec-2015       | 698,697                           | -585                     | 17,450            | 715,562                        | 2.5      |
| Mar-2016       | 715,562                           | -586                     | 8,114             | 723,090                        | 1.1      |
| Jun-2016       | 723,090                           | -584                     | 12,663            | 735,169                        | 1.8      |
| Sep-2016       | 735,169                           | -583                     | 17,552            | 752,138                        | 2.4      |

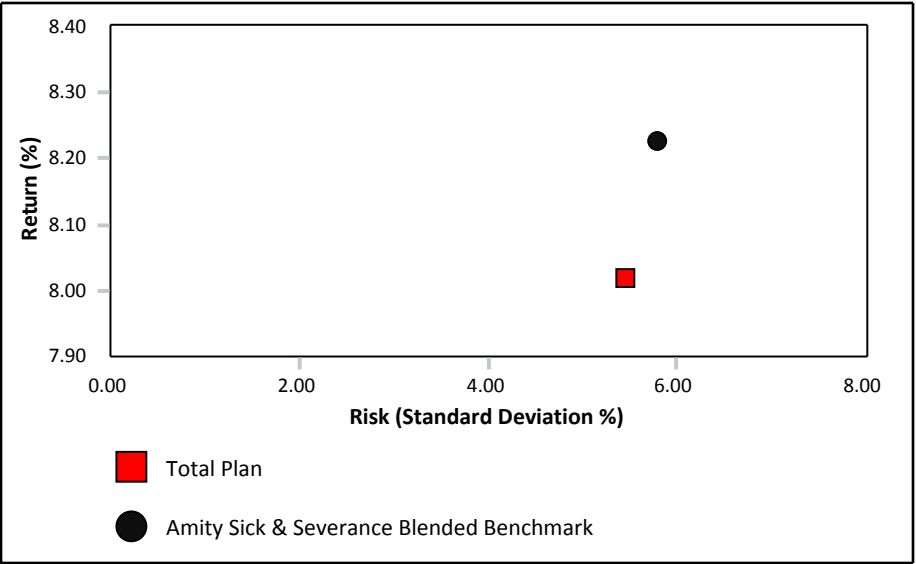
# Risk vs. Return

As of September 30, 2016

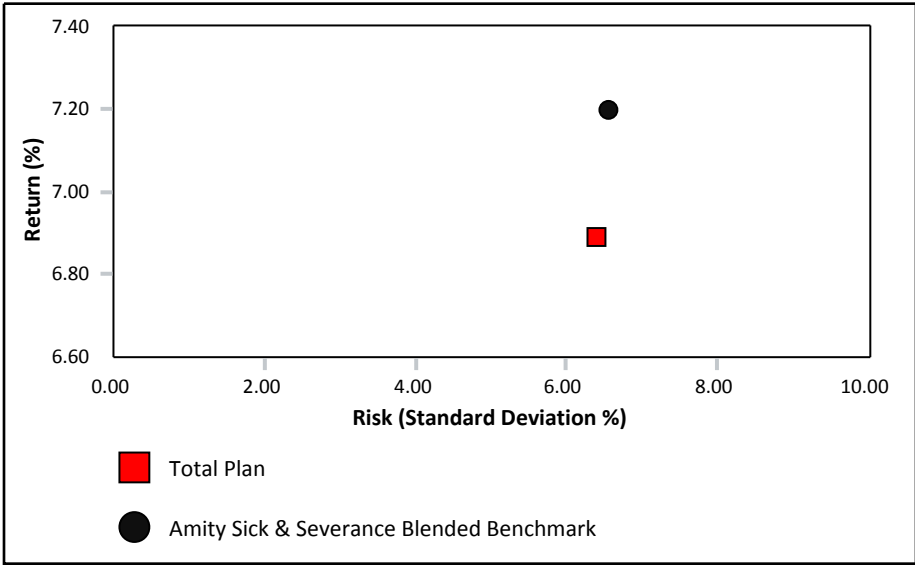
3 Year Risk and Return



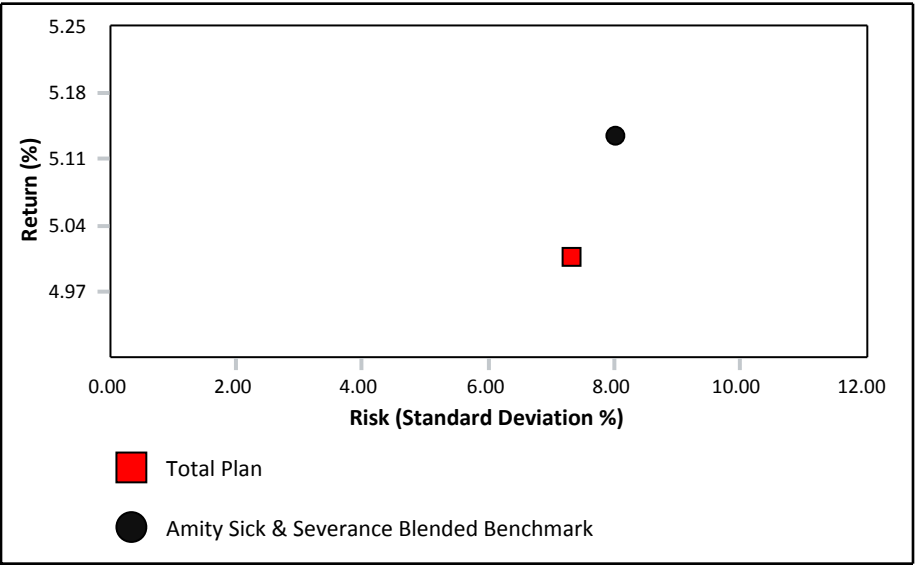
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



## MPT Statistics

As of September 30, 2016

### 3 Year Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                               | 5.39   | 5.30               | 2.97          | 1.00         | -0.46             | 0.44           | 0.99      | 0.97 | -0.05 |
| Amity Sick & Severance Blended Benchmark | 5.60   | 5.43               | 2.97          | 1.02         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill                | 0.09   | 0.05               | 0.02          | N/A          | -1.02             | 5.42           | 0.00      | 0.00 | 0.08  |

### 5 Year Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                               | 8.02   | 5.47               | 2.80          | 1.43         | -0.29             | 0.71           | 0.99      | 0.94 | 0.29  |
| Amity Sick & Severance Blended Benchmark | 8.22   | 5.80               | 2.92          | 1.38         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill                | 0.08   | 0.04               | 0.01          | N/A          | -1.38             | 5.80           | 0.00      | 0.00 | 0.08  |

### 7 Year Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                               | 6.89   | 6.41               | 3.60          | 1.06         | -0.37             | 0.81           | 0.99      | 0.97 | -0.07 |
| Amity Sick & Severance Blended Benchmark | 7.20   | 6.58               | 3.65          | 1.08         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill                | 0.09   | 0.04               | 0.01          | N/A          | -1.08             | 6.58           | 0.00      | 0.00 | 0.09  |

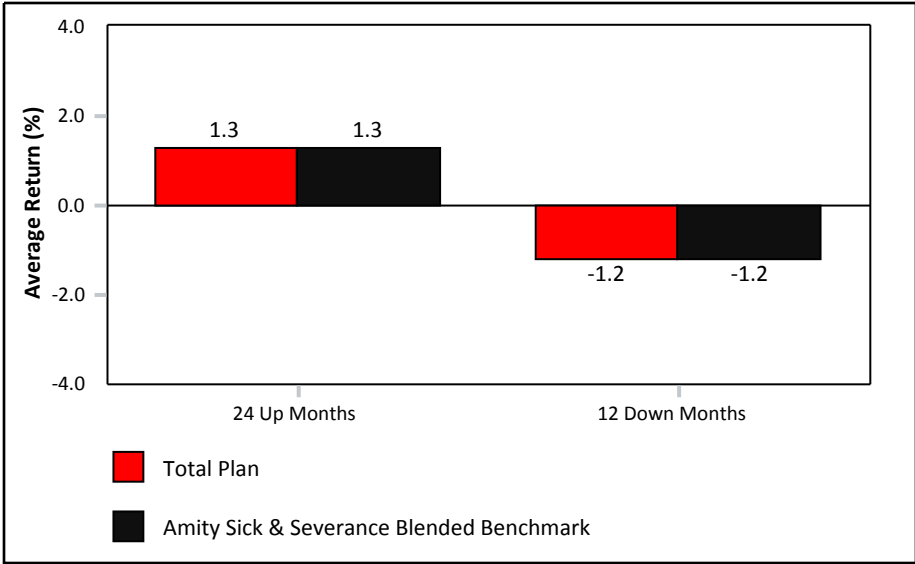
### Since Inception Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta  | Alpha | Inception Date |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|-------|-------|----------------|
| Total Plan                               | 5.00   | 7.34               | 4.94          | 0.59         | -0.13             | 1.37           | 0.98      | 0.90  | 0.34  | 01/01/2007     |
| Amity Sick & Severance Blended Benchmark | 5.13   | 8.04               | 5.49          | 0.56         | N/A               | 0.00           | 1.00      | 1.00  | 0.00  | 01/01/2007     |
| 90 Day U.S. Treasury Bill                | 0.79   | 0.46               | 0.01          | N/A          | -0.56             | 8.10           | 0.01      | -0.01 | 0.82  | 01/01/2007     |

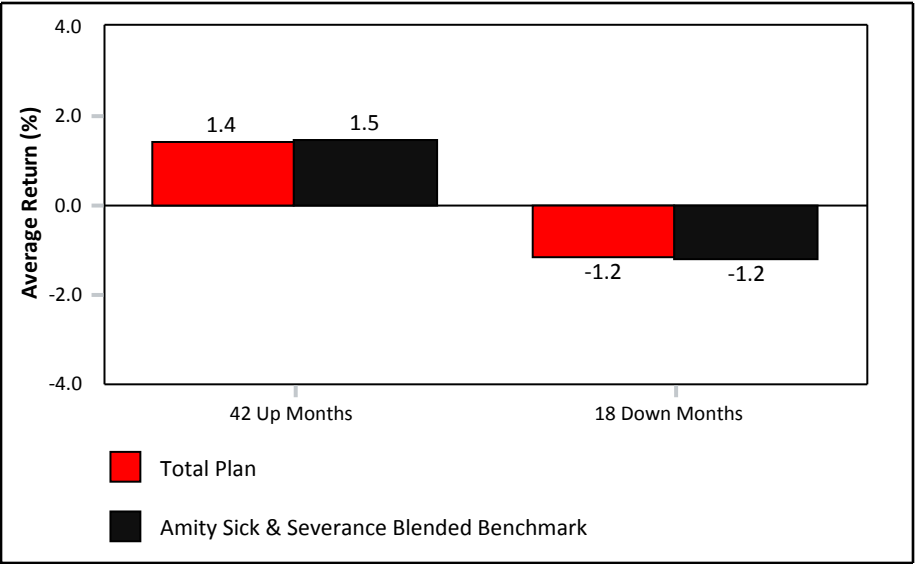
# Market Capture Report

As of September 30, 2016

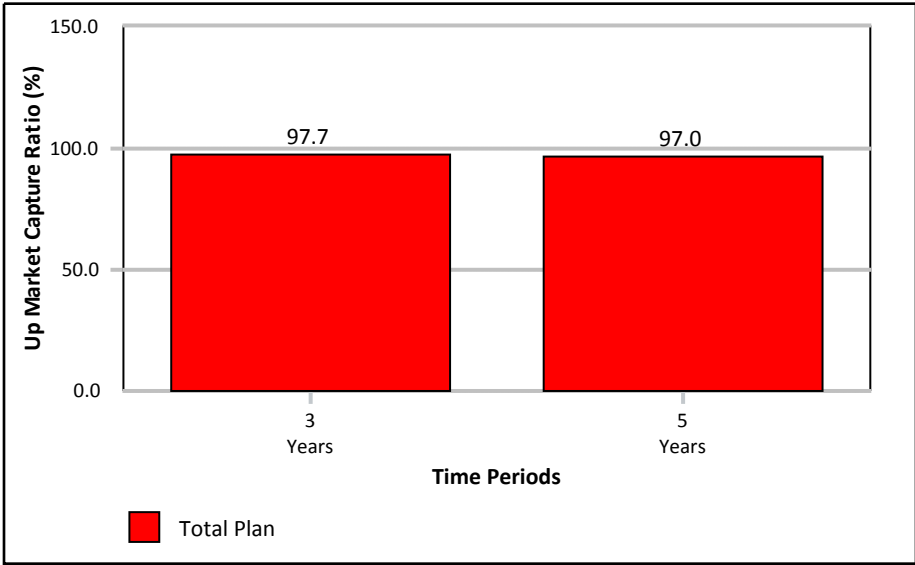
Up/Down Markets - 3 Years



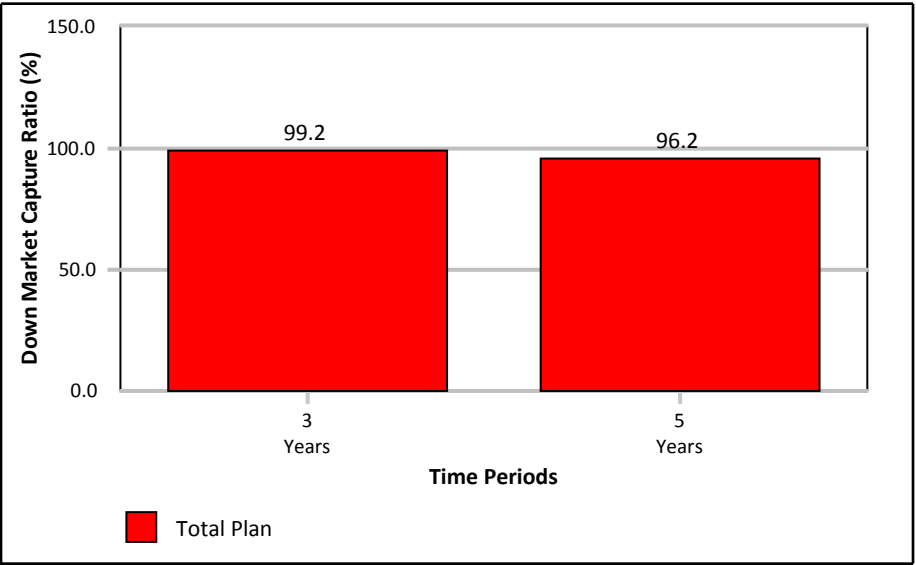
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



## Estimated Fee Analysis

As of September 30, 2016

| MANAGER                                      | FEE SCHEDULE | TARGET ALLOCATION |
|----------------------------------------------|--------------|-------------------|
| Vanguard Short-Term Govt Bd Adm              | 0.10%        | 22.5%             |
| Vanguard Short Term Inflation Protection Adm | 0.08%        | 5.0%              |
| Vanguard Total Bond Market Index Adm         | 0.06%        | 22.5%             |
| Vanguard Total Stock Mkt Idx Adm             | 0.05%        | 40.0%             |
| Vanguard Developed Markets Adm               | 0.09%        | 10.0%             |
| <b>AVERAGE WEIGHTED FEE</b>                  |              | <b>0.07%</b>      |

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*



## OPEB Trust Results

## Amity OPEB - Asset Allocation

As of September 30, 2016

|                                              | Asset<br>Allocation<br>(\$) | Asset<br>Allocation<br>(%) | Target<br>Allocation<br>(%) | Differences<br>(%) |
|----------------------------------------------|-----------------------------|----------------------------|-----------------------------|--------------------|
| <b>Total Plan</b>                            | <b>1,733,601</b>            | <b>100.0</b>               | <b>100.0</b>                | <b>0.0</b>         |
| <b>Short Term Liquidity</b>                  | <b>20,380</b>               | <b>1.2</b>                 | <b>0.0</b>                  | <b>1.2</b>         |
| Wells Fargo Government Money Market Fund I   | 20,380                      | 1.2                        | 0.0                         | 1.2                |
| <b>Fixed Income</b>                          | <b>680,710</b>              | <b>39.3</b>                | <b>40.0</b>                 | <b>-0.7</b>        |
| Vanguard Short Term Inflation Protection Adm | 340,335                     | 19.6                       | 20.0                        | -0.4               |
| Vanguard Total Bond Market Index Adm         | 340,376                     | 19.6                       | 20.0                        | -0.4               |
| <b>Domestic Equity</b>                       | <b>687,640</b>              | <b>39.7</b>                | <b>40.0</b>                 | <b>-0.3</b>        |
| Vanguard 500 Index Adm                       | 515,386                     | 29.7                       | 30.0                        | -0.3               |
| Vanguard Small Cap Index Adm                 | 172,254                     | 9.9                        | 10.0                        | -0.1               |
| <b>International Equity</b>                  | <b>344,870</b>              | <b>19.9</b>                | <b>20.0</b>                 | <b>-0.1</b>        |
| Vanguard Developed Markets Index Fund Adm    | 344,870                     | 19.9                       | 20.0                        | -0.1               |

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

## Total Plan Performance Summary

As of September 30, 2016

### Account Reconciliation

|                        | QTR       | YTD       | Since Inception | Inception Date    |
|------------------------|-----------|-----------|-----------------|-------------------|
| <b>Total Plan</b>      |           |           |                 | <b>12/01/2007</b> |
| Beginning Market Value | 1,540,664 | 1,500,812 | 507,703         |                   |
| Net Contributions      | 144,858   | 143,528   | 555,452         |                   |
| Total Gain/Loss        | 48,079    | 89,261    | 670,446         |                   |
| Ending Market Value    | 1,733,601 | 1,733,601 | 1,733,601       |                   |

### Amity OPEB Benchmark Composition

| Allocation Mandate                        | Weight (%) |
|-------------------------------------------|------------|
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Bloomberg Barclays US TIPS 0-5 Year Index | 20.0       |
| S&P 500 Index                             | 30.0       |
| CRSP U.S. Small Cap TR Index              | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |

### Trailing Performance Summary

|                      | QTR        | YTD        | Jul-2016 To Sep-2016 | 1 Year     | 3 Years    | 5 Years    | 7 Years    | 10 Years   | Since Inception | Inception Date    |
|----------------------|------------|------------|----------------------|------------|------------|------------|------------|------------|-----------------|-------------------|
| <b>Total Plan</b>    | <b>3.1</b> | <b>5.9</b> | <b>3.1</b>           | <b>9.0</b> | <b>5.2</b> | <b>8.8</b> | <b>6.8</b> | <b>N/A</b> | <b>5.8</b>      | <b>12/01/2007</b> |
| Amity OPEB Benchmark | 3.3        | 6.6        | 3.3                  | 9.8        | 5.4        | 8.8        | 7.8        | 5.4        | 4.6             |                   |
| Difference           | -0.2       | -0.7       | -0.2                 | -0.8       | -0.2       | 0.0        | -1.0       | N/A        | 1.2             |                   |

### Calendar Year Performance Summary

|                      | 2015       | 2014       | 2013        | 2012        | 2011       | 2010       | 2009        | 2008        |
|----------------------|------------|------------|-------------|-------------|------------|------------|-------------|-------------|
| <b>Total Plan</b>    | <b>0.1</b> | <b>4.5</b> | <b>15.5</b> | <b>11.7</b> | <b>1.4</b> | <b>7.4</b> | <b>14.7</b> | <b>-6.6</b> |
| Amity OPEB Benchmark | -0.5       | 5.1        | 14.3        | 12.4        | 2.1        | 11.9       | 20.9        | -24.3       |
| Difference           | 0.6        | -0.6       | 1.2         | -0.7        | -0.7       | -4.5       | -6.2        | 17.7        |

## Benchmark Composition - Amity OPEB Benchmark

As of September 30, 2016

| Allocation Mandate                        | Weight (%) |
|-------------------------------------------|------------|
| <b>Jan-2014</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Bloomberg Barclays US TIPS 0-5 Year Index | 20.0       |
| S&P 500 Index                             | 30.0       |
| CRSP U.S. Small Cap TR Index              | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |
| <b>Sep-2013</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Bloomberg Barclays US TIPS 0-5 Year Index | 20.0       |
| S&P 500 Index                             | 30.0       |
| MSCI US Small Cap 1750                    | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |
| <b>Jun-2013</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Blmbg. Barc. U.S. TIPS                    | 20.0       |
| S&P 500 Index                             | 30.0       |
| MSCI US Small Cap 1750                    | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |
| <b>Sep-2012</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Blmbg. Barc. U.S. TIPS                    | 20.0       |
| S&P 500 Index                             | 30.0       |
| MSCI US Small Cap 1750                    | 10.0       |
| MSCI EAFE (Net) Index                     | 20.0       |
| <b>Mar-1997</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Blmbg. Barc. U.S. TIPS                    | 20.0       |
| S&P 500 Index                             | 30.0       |
| Russell 2000 Index                        | 10.0       |
| MSCI EAFE (Net) Index                     | 20.0       |

## Amity OPEB

### Manager Performance Overview

As of September 30, 2016

|                                                     | QTR             | YTD              | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years      | 5<br>Years | Since<br>Inception | Inception<br>Date |
|-----------------------------------------------------|-----------------|------------------|----------------------------|------------------|-----------------|------------|--------------------|-------------------|
| <u>Short Term Liquidity</u>                         |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Wells Fargo Government Money Market Fund I</b>   | <b>0.1</b>      | <b>0.1</b>       | <b>0.1</b>                 | <b>0.1</b>       | <b>0.0</b>      | <b>0.0</b> | <b>0.4</b>         | <b>12/01/2007</b> |
| 90 Day U.S. Treasury Bill                           | 0.1             | 0.2              | 0.1                        | 0.2              | 0.1             | 0.1        | 0.3                |                   |
| <u>Fixed Income</u>                                 |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard Short Term Inflation Protection Adm</b> | <b>0.2 (97)</b> | <b>2.9 (93)</b>  | <b>0.2 (97)</b>            | <b>2.5 (94)</b>  | <b>0.4 (85)</b> | <b>N/A</b> | <b>0.4 (85)</b>    | <b>10/01/2013</b> |
| Bloomberg Barclays US TIPS 0-5 Year Index           | 0.3             | 3.0              | 0.3                        | 2.6              | 0.5             | 0.7        | 0.5                |                   |
| IM U.S. TIPS (MF) Median                            | 1.0             | 6.7              | 1.0                        | 5.8              | 1.4             | 1.2        | 1.4                |                   |
| <b>Vanguard Total Bond Market Index Adm</b>         | <b>0.4 (78)</b> | <b>6.0 (44)</b>  | <b>0.4 (78)</b>            | <b>5.3 (41)</b>  | <b>4.1 (31)</b> | <b>N/A</b> | <b>2.5 (42)</b>    | <b>09/01/2012</b> |
| Blmbg. Barc. U.S. Aggregate                         | 0.5             | 5.8              | 0.5                        | 5.2              | 4.0             | 3.1        | 2.5                |                   |
| IM U.S. Broad Market Core Fixed Income (MF) Median  | 0.7             | 5.8              | 0.7                        | 5.2              | 3.8             | 3.2        | 2.4                |                   |
| <u>Domestic Equity</u>                              |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard 500 Index Adm</b>                       | <b>3.8 (51)</b> | <b>7.8 (23)</b>  | <b>3.8 (51)</b>            | <b>15.4 (15)</b> | <b>11.1 (8)</b> | <b>N/A</b> | <b>13.5 (13)</b>   | <b>09/01/2012</b> |
| S&P 500 Index                                       | 3.9             | 7.8              | 3.9                        | 15.4             | 11.2            | 16.4       | 13.6               |                   |
| IM U.S. Large Cap Core Equity (MF) Median           | 3.9             | 6.2              | 3.9                        | 12.8             | 9.1             | 15.0       | 12.3               |                   |
| <b>Vanguard Small Cap Index Adm</b>                 | <b>6.2 (89)</b> | <b>11.5 (37)</b> | <b>6.2 (89)</b>            | <b>15.0 (44)</b> | <b>7.9 (24)</b> | <b>N/A</b> | <b>13.6 (26)</b>   | <b>09/01/2012</b> |
| CRSP US Small Cap Spliced Index^                    | 6.2             | 11.5             | 6.2                        | 14.9             | 7.9             | 16.7       | 13.6               |                   |
| IM U.S. Small Cap Core Equity (MF) Median           | 8.4             | 10.9             | 8.4                        | 14.6             | 6.6             | 15.4       | 12.6               |                   |
| <u>International Equity</u>                         |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard Developed Markets Index Fund Adm</b>    | <b>6.4 (41)</b> | <b>3.9 (38)</b>  | <b>6.4 (41)</b>            | <b>8.0 (31)</b>  | <b>1.1 (36)</b> | <b>N/A</b> | <b>7.1 (24)</b>    | <b>09/01/2012</b> |
| FTSE Developed ex US Spliced Index^                 | 6.7             | 3.2              | 6.7                        | 8.2              | 1.0             | 7.7        | 6.9                |                   |
| IM International Multi-Cap Core Equity (MF) Median  | 6.2             | 2.6              | 6.2                        | 5.9              | 0.6             | 7.3        | 6.0                |                   |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Amity OPEB

### Manager Investment Gain/Loss Summary

|                                              | Market Value<br>As of<br>07/01/2016 | Net Flows      | Return On<br>Investment | Market Value<br>As of<br>09/30/2016 |
|----------------------------------------------|-------------------------------------|----------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u>                  |                                     |                |                         |                                     |
| Wells Fargo Government Money Market Fund I   | 25,498                              | -5,142         | 24                      | 20,380                              |
| <b>Total Short Term Liquidity</b>            | <b>25,498</b>                       | <b>-5,142</b>  | <b>24</b>               | <b>20,380</b>                       |
| <u>Fixed Income</u>                          |                                     |                |                         |                                     |
| Vanguard Short Term Inflation Protection Adm | 297,531                             | 42,000         | 804                     | 340,335                             |
| Vanguard Total Bond Market Index Adm         | 307,178                             | 32,000         | 1,198                   | 340,376                             |
| <b>Total Fixed Income</b>                    | <b>604,708</b>                      | <b>74,000</b>  | <b>2,002</b>            | <b>680,710</b>                      |
| <u>Domestic Equity</u>                       |                                     |                |                         |                                     |
| Vanguard 500 Index Adm                       | 475,034                             | 22,000         | 18,352                  | 515,386                             |
| Vanguard Small Cap Index Adm                 | 150,880                             | 12,000         | 9,374                   | 172,254                             |
| <b>Total Domestic Equity</b>                 | <b>625,914</b>                      | <b>34,000</b>  | <b>27,726</b>           | <b>687,640</b>                      |
| <u>International Equity</u>                  |                                     |                |                         |                                     |
| Vanguard Developed Markets Index Fund Adm    | 284,543                             | 42,000         | 18,327                  | 344,870                             |
| <b>Total International Equity</b>            | <b>284,543</b>                      | <b>42,000</b>  | <b>18,327</b>           | <b>344,870</b>                      |
| <b>Total Plan</b>                            | <b>1,540,664</b>                    | <b>144,858</b> | <b>48,079</b>           | <b>1,733,601</b>                    |

## Amity OPEB

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Dec-2007       | -                                 | -                        | -                 | 503,165                        | N/A      |
| Mar-2008       | 503,165                           | -                        | -20,366           | 482,800                        | -4.0     |
| Jun-2008       | 482,800                           | -                        | -3,927            | 478,872                        | -0.9     |
| Sep-2008       | 478,872                           | 300,763                  | -10,630           | 769,006                        | -1.3     |
| Dec-2008       | 769,006                           | -                        | -3,356            | 765,650                        | -0.4     |
| Mar-2009       | 765,650                           | -                        | -56,724           | 708,926                        | -7.4     |
| Jun-2009       | 708,926                           | -306,395                 | 79,763            | 482,294                        | 11.1     |
| Sep-2009       | 482,294                           | 419,352                  | 53,677            | 955,323                        | 9.7      |
| Dec-2009       | 955,323                           | -                        | 16,221            | 971,544                        | 1.7      |
| Mar-2010       | 971,544                           | -                        | 17,233            | 988,777                        | 1.8      |
| Jun-2010       | 988,777                           | -137,439                 | -35,065           | 816,273                        | -3.6     |
| Sep-2010       | 816,273                           | 61,250                   | 46,295            | 923,818                        | 5.5      |
| Dec-2010       | 923,818                           | 183,750                  | 38,153            | 1,145,721                      | 3.7      |
| Mar-2011       | 1,145,721                         | 122,557                  | 32,965            | 1,301,243                      | 2.7      |
| Jun-2011       | 1,301,243                         | -367,549                 | 12,585            | 946,279                        | 0.8      |
| Sep-2011       | 946,279                           | 376,753                  | -85,614           | 1,237,419                      | -8.1     |
| Dec-2011       | 1,237,419                         | -                        | 80,550            | 1,317,969                      | 6.5      |
| Mar-2012       | 1,317,969                         | -165                     | 96,522            | 1,414,326                      | 7.3      |
| Jun-2012       | 1,414,326                         | -326,337                 | -31,383           | 1,056,606                      | -2.2     |
| Sep-2012       | 1,056,606                         | 393,700                  | 53,993            | 1,504,298                      | 4.5      |
| Dec-2012       | 1,504,298                         | -663                     | 26,940            | 1,530,575                      | 1.8      |
| Mar-2013       | 1,530,575                         | -665                     | 80,911            | 1,610,821                      | 5.3      |
| Jun-2013       | 1,610,821                         | -666                     | -12,641           | 1,597,514                      | -0.8     |
| Sep-2013       | 1,597,514                         | -395,012                 | 83,008            | 1,285,510                      | 5.3      |
| Dec-2013       | 1,285,510                         | -615                     | 64,184            | 1,349,079                      | 5.0      |
| Mar-2014       | 1,349,079                         | -650                     | 17,817            | 1,366,246                      | 1.3      |
| Jun-2014       | 1,366,246                         | -128,041                 | 44,117            | 1,282,323                      | 3.4      |
| Sep-2014       | 1,282,323                         | 54,654                   | -22,090           | 1,314,887                      | -1.7     |
| Dec-2014       | 1,314,887                         | -657                     | 18,598            | 1,332,827                      | 1.4      |
| Mar-2015       | 1,332,827                         | -657                     | 29,530            | 1,361,700                      | 2.2      |

## Amity OPEB

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

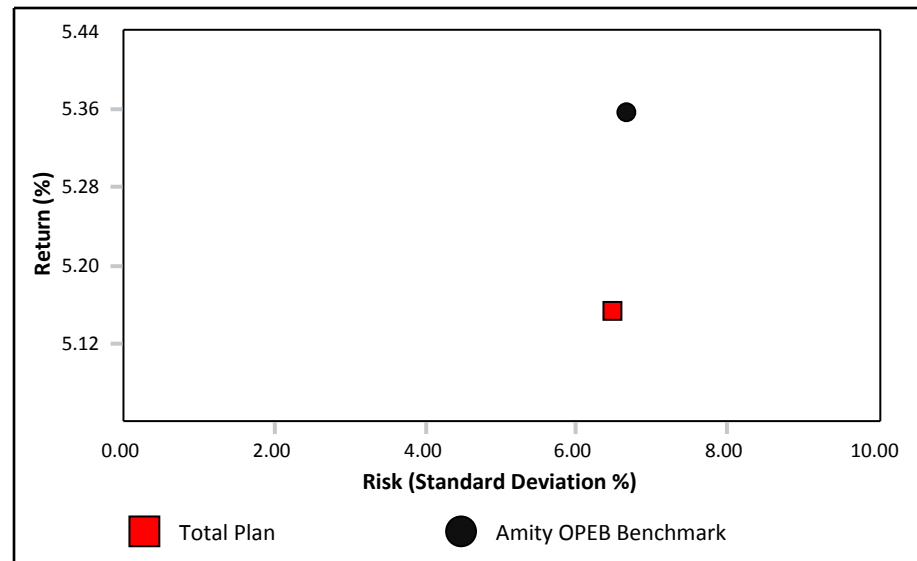
| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Jun-2015       | 1,361,700                         | -9,018                   | -150              | 1,352,531                      | 0.0      |
| Sep-2015       | 1,352,531                         | 174,338                  | -67,962           | 1,458,908                      | -4.9     |
| Dec-2015       | 1,458,908                         | -665                     | 42,569            | 1,500,812                      | 2.9      |
| Mar-2016       | 1,500,812                         | -664                     | 15,299            | 1,515,446                      | 1.0      |
| Jun-2016       | 1,515,446                         | -666                     | 25,883            | 1,540,664                      | 1.7      |
| Sep-2016       | 1,540,664                         | 144,858                  | 48,079            | 1,733,601                      | 3.1      |



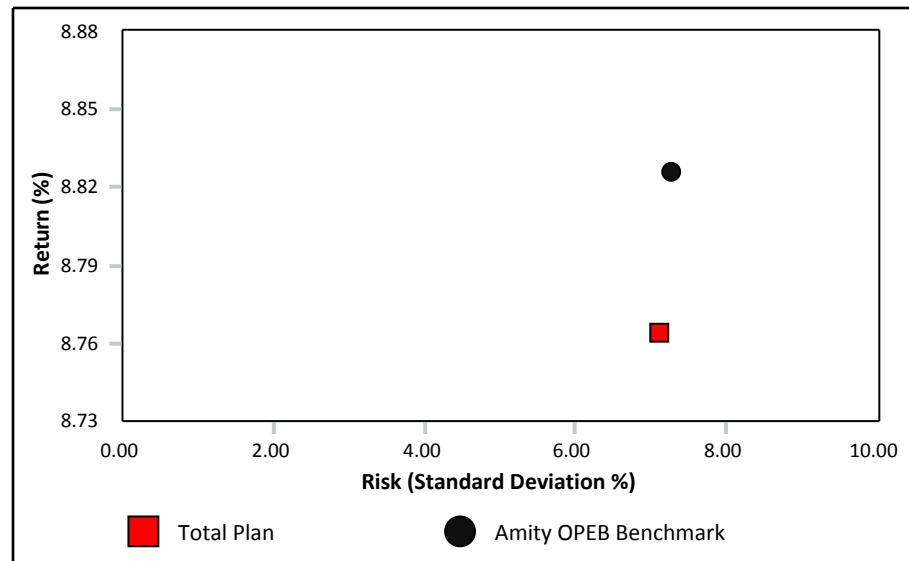
## Risk vs. Return

As of September 30, 2016

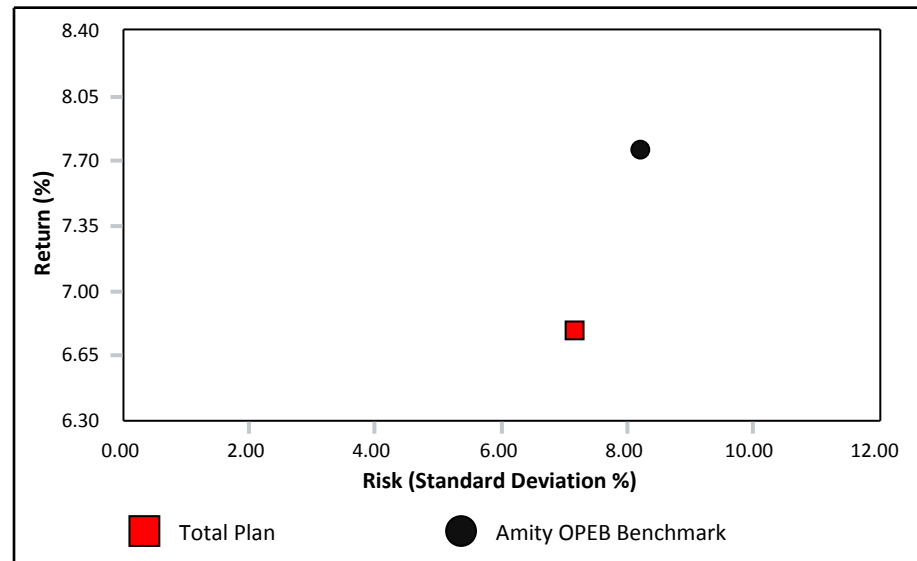
3 Year Risk and Return



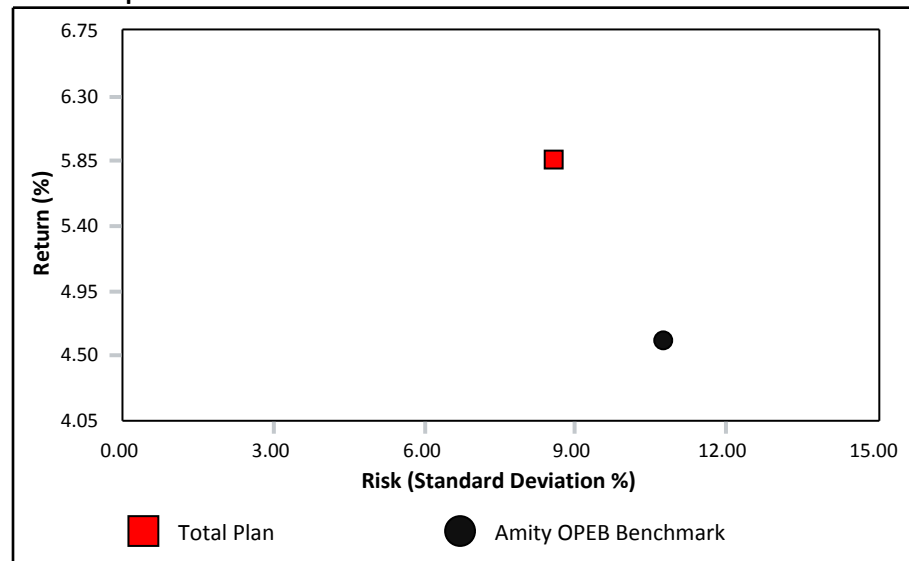
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



## MPT Statistics

As of September 30, 2016

### 3 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 5.15   | 6.48               | 3.81          | 0.80         | -0.35             | 0.59           | 0.99      | 0.97 | -0.03 |
| Amity OPEB Benchmark      | 5.36   | 6.67               | 3.86          | 0.80         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.05               | 0.02          | N/A          | -0.80             | 6.66           | 0.00      | 0.00 | 0.08  |

### 5 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 8.76   | 7.12               | 3.75          | 1.21         | -0.09             | 0.74           | 0.99      | 0.97 | 0.16  |
| Amity OPEB Benchmark      | 8.83   | 7.28               | 3.82          | 1.19         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.08   | 0.04               | 0.01          | N/A          | -1.19             | 7.28           | 0.00      | 0.00 | 0.08  |

### 7 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 6.78   | 7.18               | 4.14          | 0.94         | -0.51             | 1.96           | 0.95      | 0.85 | 0.16  |
| Amity OPEB Benchmark      | 7.76   | 8.24               | 4.73          | 0.94         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.04               | 0.01          | N/A          | -0.94             | 8.24           | 0.00      | 0.00 | 0.09  |

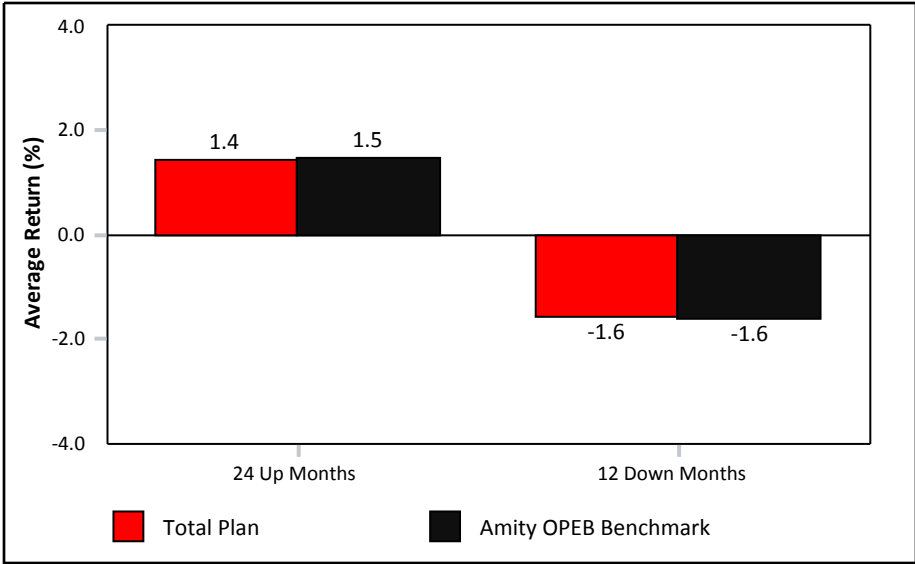
### Since Inception Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta  | Alpha | Inception Date |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|-------|-------|----------------|
| Total Plan                | 5.85   | 8.59               | 5.32          | 0.66         | 0.20              | 4.93           | 0.80      | 0.71  | 2.46  | 12/01/2007     |
| Amity OPEB Benchmark      | 4.60   | 10.78              | 7.63          | 0.44         | N/A               | 0.00           | 1.00      | 1.00  | 0.00  | 12/01/2007     |
| 90 Day U.S. Treasury Bill | 0.35   | 0.25               | 0.01          | N/A          | -0.44             | 10.86          | 0.10      | -0.01 | 0.38  | 12/01/2007     |

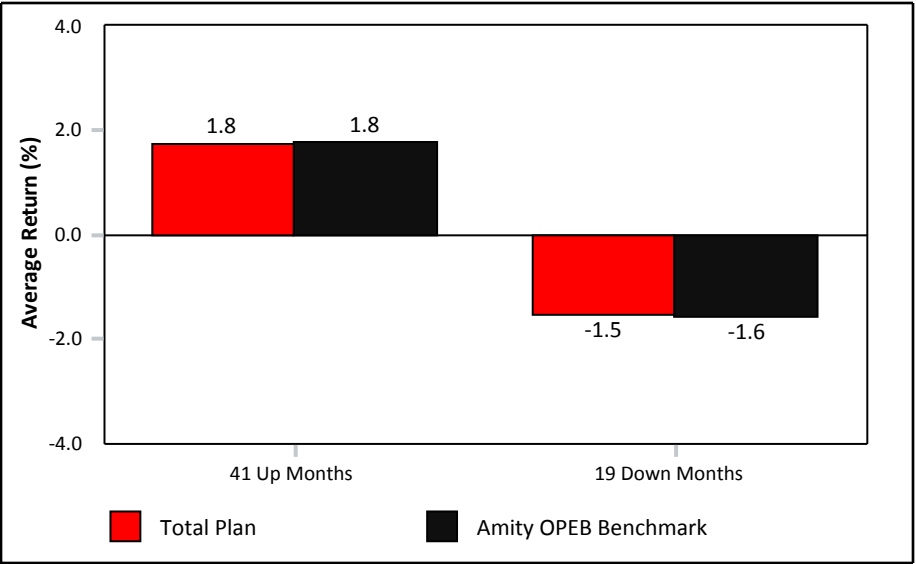
# Market Capture Report

As of September 30, 2016

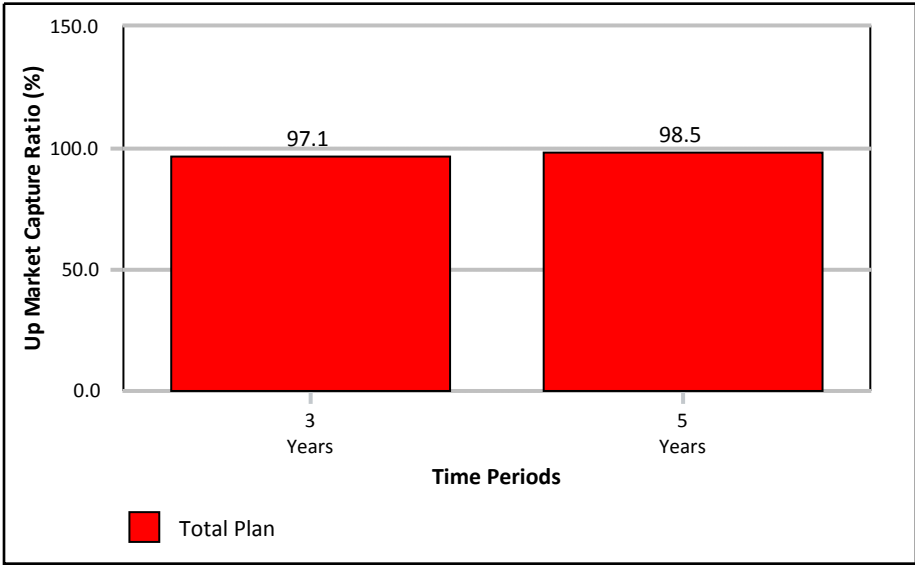
Up/Down Markets - 3 Years



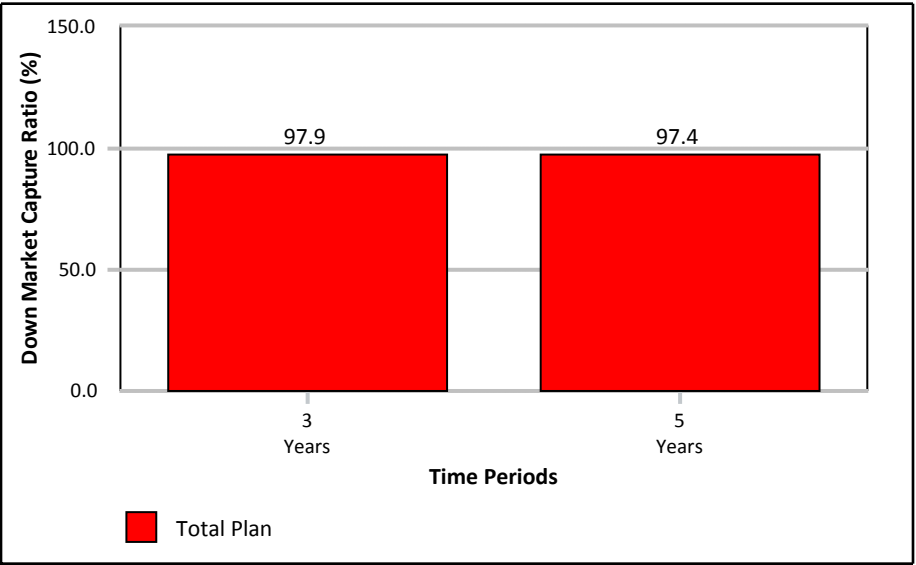
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



## Estimated Fee Analysis

As of September 30, 2016

| MANAGER                                      | FEE SCHEDULE | TARGET ALLOCATION |
|----------------------------------------------|--------------|-------------------|
| Vanguard Short Term Inflation Protection Adm | 0.08%        | 20.0%             |
| Vanguard Total Bond Market Index Adm         | 0.06%        | 20.0%             |
| Vanguard 500 Index Adm                       | 0.05%        | 30.0%             |
| Vanguard Small Cap Index Adm                 | 0.08%        | 10.0%             |
| Vanguard Developed Markets Adm               | 0.09%        | 20.0%             |
| <b>AVERAGE WEIGHTED FEE</b>                  |              | <b>0.07%</b>      |

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

## Prospectus Links

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As of September 30, 2016

| <b><u>FUND FAMILY</u></b> | <b><u>WEB SITE</u></b>                                 |
|---------------------------|--------------------------------------------------------|
| Vanguard                  | <a href="http://www.vanguard.com">www.vanguard.com</a> |

## Custom Index Descriptions

**CRSP U.S. Large Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

**CRSP U.S. Large Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

**CRSP U.S. Large Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

**CRSP U.S. Mid Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

**CRSP U.S. Mid Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

**CRSP U.S. Small Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Growth.

**CRSP U.S. Small Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

**CRSP U.S. Small Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

**CRSP U.S. Total Market Spliced Index** – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2003: MSCI U.S. Broad Market.

**FTSE Developed Asia Pacific Spliced Index** – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

**FTSE Developed Europe Spliced Index** – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

**FTSE Developed ex US Spliced Index** – Following December 1, 2015: FTSE Developed All Cap Ex US Transition Index. Periods between May 1, 2013 and December 1, 2015: FTSE Developed ex NA Index. Periods before May 1, 2013: MSCI EAFE (net).

**FTSE Emerging Markets All Cap China A Inclusion Spliced Index** – Following November 1, 2015: FTSE Emerging Markets All Cap China A Inclusion Transition Index. Periods between July 1, 2013 and November 1, 2015: FTSE Emerging Markets (net). Periods between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

**FTSE Global All Cap ex U.S. Spliced Index** – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and July 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

**MSCI AC World ex USA (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

**MSCI AC World ex USA Growth (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

**MSCI AC World ex USA Value (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.

## Statistics Definitions

| Statistics                    | Description                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sharpe Ratio                  | -- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.                                                       |
| Alpha                         | -- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.                                       |
| Beta                          | -- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.                                                                                                                                                                            |
| R-Squared                     | -- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.                                                                                                                     |
| Treynor Ratio                 | -- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance. |
| Tracking Error                | -- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.                                                                                                                                                                                              |
| Information Ratio             | -- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.                                                                                                                                                                     |
| Consistency                   | -- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.                                                                                                              |
| Excess Return                 | -- Arithmetic difference between the manager's return and the risk-free return over a specified time period.                                                                                                                                                                                                                     |
| Active Return                 | -- Arithmetic difference between the manager's return and the benchmark return over a specified time period.                                                                                                                                                                                                                     |
| Excess Risk                   | -- A measure of the standard deviation of a portfolio's performance relative to the risk free return.                                                                                                                                                                                                                            |
| Up Market Capture             | -- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.                                                                                                                                                                      |
| Down Market Capture           | -- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.                                                                                                                                                                       |
| Internal Rate of Return (IRR) | -- The IRR is the discount rate (effective compound rate) that makes the present value of the since inception paid-in capital associated with an investment equal to zero.                                                                                                                                                       |
| Investment Multiple (TVPI)    | -- Also known as the total value paid-in. Calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital. Gives an investor the ability to see the fund's total value as a multiple of its cost basis.                                                                                     |
| Realization Multiple (DPI)    | -- Also known as the distributions to paid-in multiple. This is calculated by dividing the total accumulation of distributions by paid-in capital. This gives investors insight into how much of the fund's return has been paid out to investors.                                                                               |
| RVPI Multiple                 | -- Calculated by dividing paid-in capital by committed capital, it allows the investor see how much of the fund's return is unrealized and dependent on the market value of its investments.                                                                                                                                     |
| PIC Multiple                  | -- Calculated by dividing paid-in capital by committed capital. This ratio allows a potential investor to see the percentage of a fund's committed capital that has actually been drawn down.                                                                                                                                    |



**FIDUCIARY**  
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# Amity Regional School District #5

Quarterly Investment Review - Third Quarter 2016



**Important Disclosure Information:** Past performance may not be indicative of future results. Account information has been compiled solely by Fiduciary Investment Advisors, LLC, has not been independently verified, and does not reflect the impact of taxes on non-qualified accounts. In preparing this report, Fiduciary Investment Advisors, LLC has relied upon information provided by third party sources. A copy of our current written disclosure statement discussing our advisory services and fees continues to remain available for your review upon request. Historical performance results for investment indices and/or categories have been provided for general comparison purposes only, and generally do not reflect the deduction of transaction and/or custodial charges, the deduction of an investment management fee, nor the impact of taxes, the incurrence of which would have the effect of decreasing historical performance results. It should not be assumed that your account holdings correspond directly to any comparative indices.

# Table of Contents

## Section 1

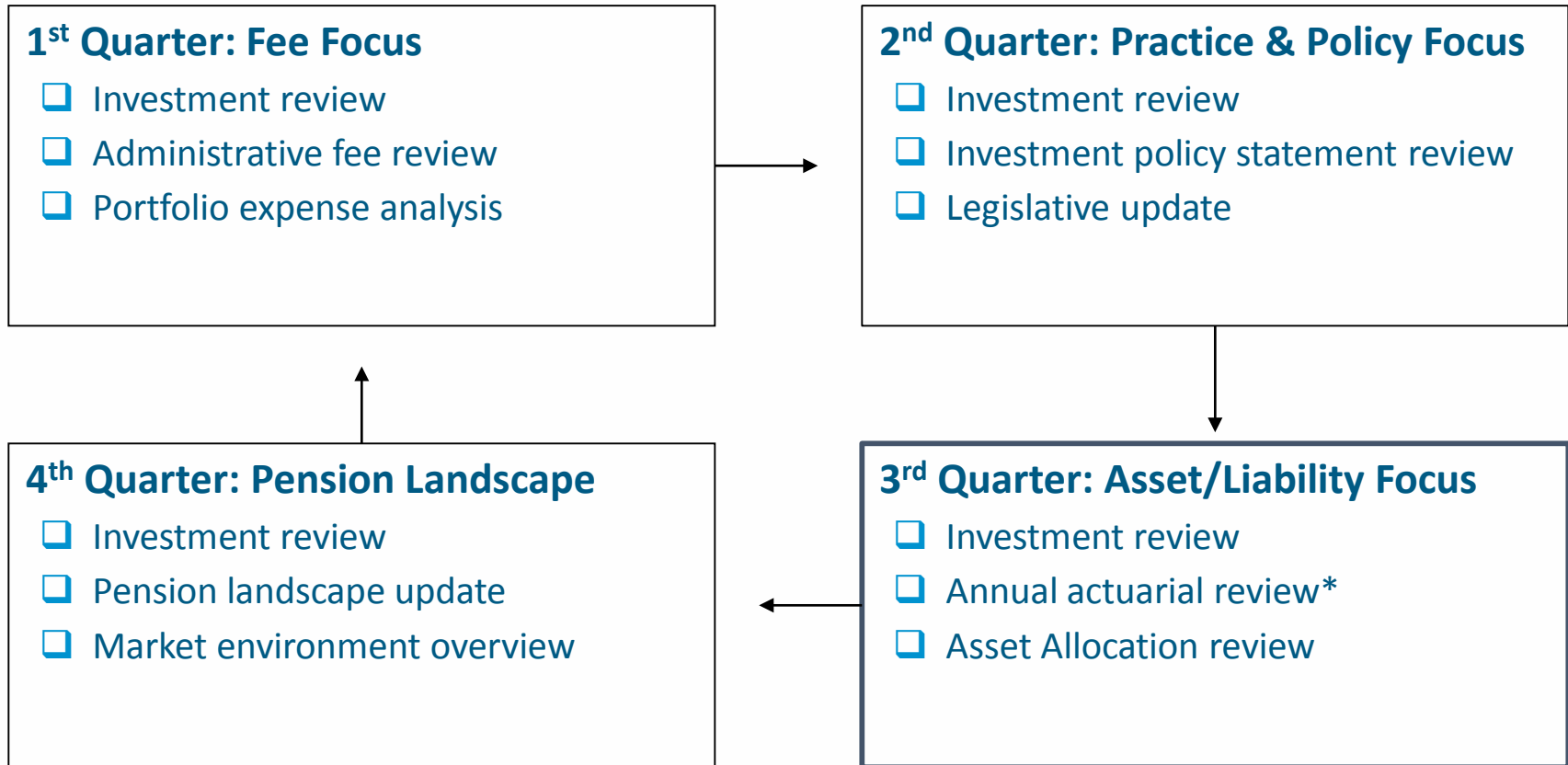
## Section 2

*Capital Markets Overview*

## Section 3

*Portfolio and Manager Review*

# Defined Benefit Fiduciary Governance Calendar



\* Timing of actuarial and liability review dependent on client's individual plan and /or fiscal year and actuarial input.

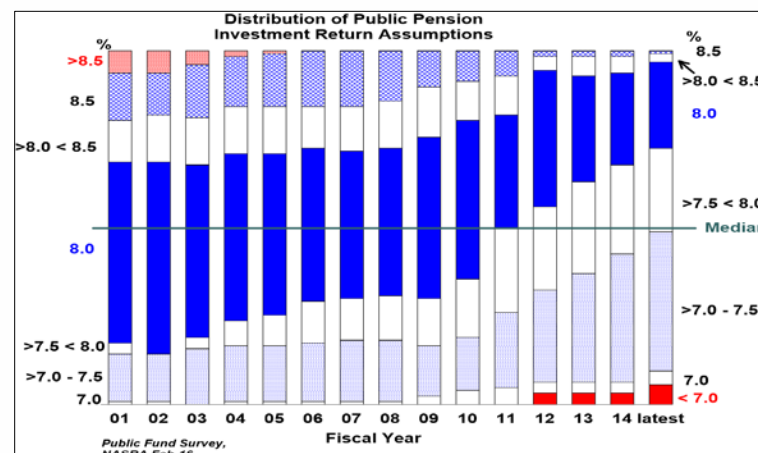
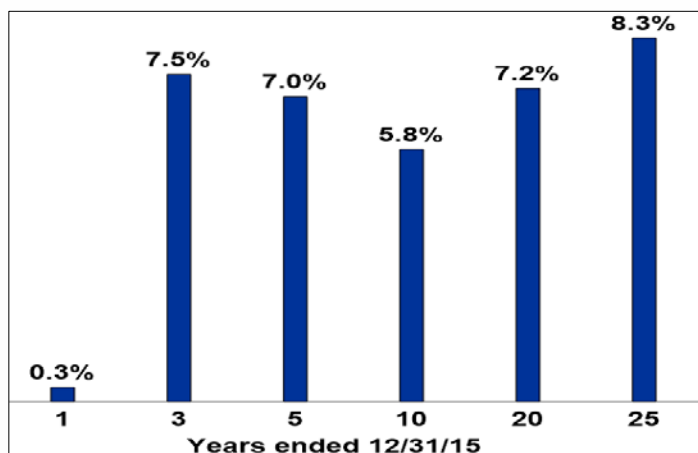
# Amity Regional #5 Pension Plan Actuarial Review

| Hooker & Holcombe Actuarial Valuation Report, July 1, 2015 |                                |                                  |
|------------------------------------------------------------|--------------------------------|----------------------------------|
|                                                            | Most Recent Date<br>(7/1/2015) | Previous Year Date<br>(7/1/2014) |
| Actuarial Value of Assets                                  | 9,108,692                      | \$8,395,548                      |
| Total Accrued Liability                                    | \$13,473,409                   | \$12,263,982                     |
| Funded Ratio                                               | 67.6%                          | 68.5%                            |
| Actuarial Return Assumption                                | 7.50%                          | 7.50%                            |

# Public Plans – Investment Return Assumptions

*Consistent with other actuarial assumptions, projecting investment returns for public pension plans requires a focus on the long term.*

- Investment earnings account for a significant portion of revenue for a public pension plan. An investment return that is **set too low** can overstate liabilities and costs, while a rate **set too high** will understate liabilities at the expense of future taxpayers.
- A plan's actuary and its investment advisor can assist in establishing an investment policy by predicting the cost of future benefits and working collaboratively with the plan sponsor to determine an asset allocation which, when combined with adequate contributions, will generate sufficient growth to meet pension obligations.
- As illustrated below, over the last 25 years ending December 31, 2015, pension fund investment returns have exceeded their assumed rates of return. This time frame spans three economic recessions and four years when median public pension fund investment returns were negative.\*
- Directionally, investment return assumptions for public plans have trended lower, influenced by changes in economic and financial conditions.\*



\*Source: Callan Associates, NASRA. Distribution of Public Pension Investment Return Assumptions among 127 plans measured.

# Asset Allocation Analysis

- **Asset allocation** is the primary determinant of long-term investment results.<sup>1</sup>
- FIA utilizes **mean-variance optimization**, which is augmented by **Monte Carlo simulation**, as the basis for asset allocation analysis. These exercises are conducted via a software package called Stylus.
- The analysis relies heavily on data input. FIA develops **risk and return assumptions** for each major asset class on an annual basis. The annual process is as follows:
  - ✓ The FIA Investment Committee discusses the current economic landscape, reviews the previous year's assumptions, and compares FIA's current thinking with that of other industry thought leaders
  - ✓ FIA gathers survey data of the risk/return assumptions from over 20 investment firms
  - ✓ Standing assumptions are either verified or updated
  - ✓ Assumptions are developed for both a **full market cycle** outlook (7-10 year) and a **long term** outlook (20 year)
- **Correlations** (how asset classes behave in reference to one another) also significantly impact asset allocation analysis.
  - ✓ Correlation information is historical in nature (rather than forward-looking)
- The industry trend has been to lower **actuarial investment return assumptions** based on lower capital market expectations. Given the current market environment, full market cycle (7-10 year) return assumptions are lower than long term (20 year) assumptions.

<sup>1</sup> Brinson, G.P., Singer, B.D. and Beebower, G.I., "Determinants of Portfolio Performance II: An Update", Financial Analysts Journal, May-June 1991.

# Asset Allocation Analysis

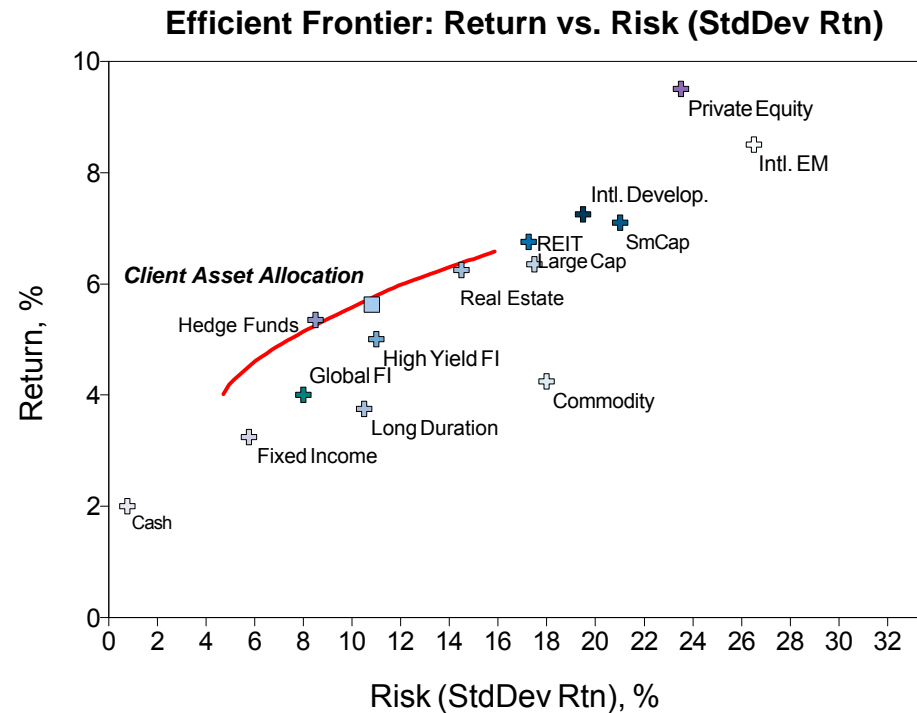
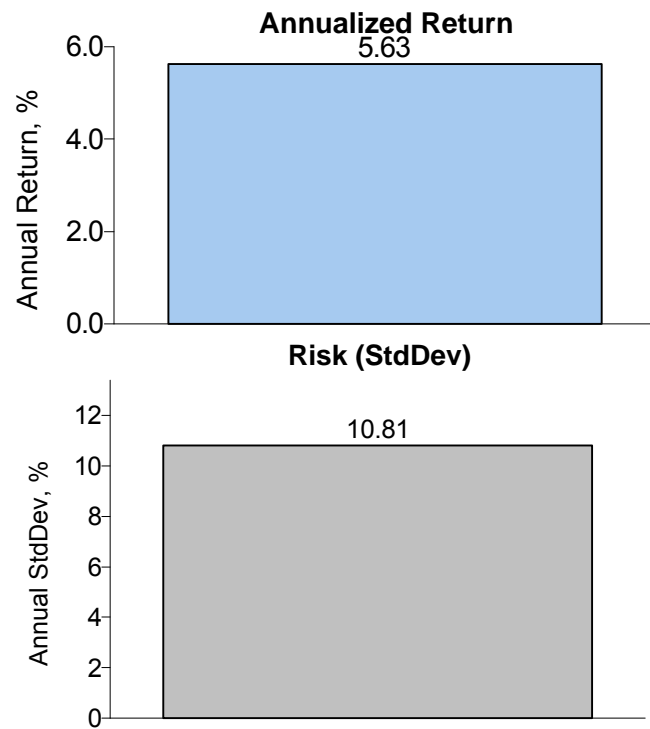
## FIA Asset Class Assumptions:

| Asset Class                | Amity Regional #5 Pension<br>Target Allocation | Return Assumption:<br>Full Market Cycle<br>(7-10 Year) | Return Assumption:<br>Long Term (20 Year) | Risk (StdDev) |
|----------------------------|------------------------------------------------|--------------------------------------------------------|-------------------------------------------|---------------|
| Cash                       | 0.00                                           | 2.00                                                   | 2.75                                      | 0.75          |
| Core Fixed Income          | 35.00                                          | 3.25                                                   | 4.00                                      | 5.75          |
| Global Fixed Income        | 0.00                                           | 4.00                                                   | 4.25                                      | 8.00          |
| Long Duration Fixed Income | 0.00                                           | 3.75                                                   | 4.50                                      | 10.50         |
| U.S. Large Cap             | 42.50                                          | 6.75                                                   | 7.85                                      | 17.25         |
| U.S. Small Cap             | 7.50                                           | 7.10                                                   | 8.15                                      | 21.00         |
| International Developed    | 15.00                                          | 7.25                                                   | 8.05                                      | 19.50         |
| Emerging Markets           | 0.00                                           | 8.50                                                   | 9.10                                      | 26.50         |
| Commodities                | 0.00                                           | 4.25                                                   | 4.50                                      | 18.00         |
| REITs                      | 0.00                                           | 6.35                                                   | 6.75                                      | 17.50         |
| Physical Real Estate       | 0.00                                           | 6.25                                                   | 6.50                                      | 14.50         |
| Hedge Funds                | 0.00                                           | 5.35                                                   | 5.85                                      | 8.50          |
| Private Equity             | 0.00                                           | 9.50                                                   | 9.50                                      | 23.50         |

- Risk/return assumptions are developed on an annual basis
- Risk/return assumptions are forward-looking in nature
- Return assumptions are nominal (not real)

# Asset Allocation Analysis

## Portfolio Risk & Return - Full Market Cycle (7-10 Year)



## Portfolio Return Distributions

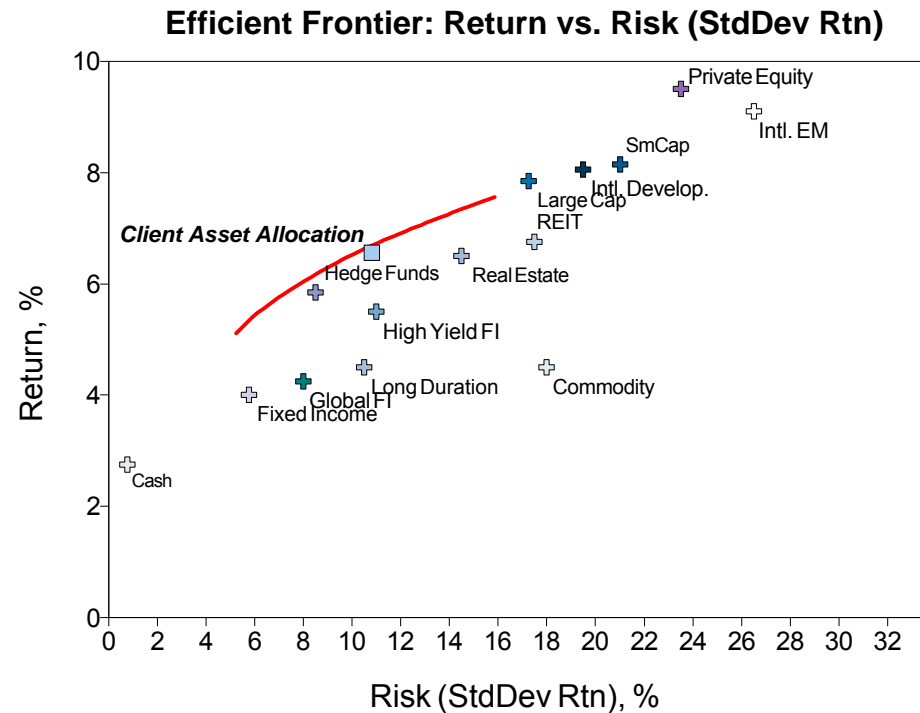
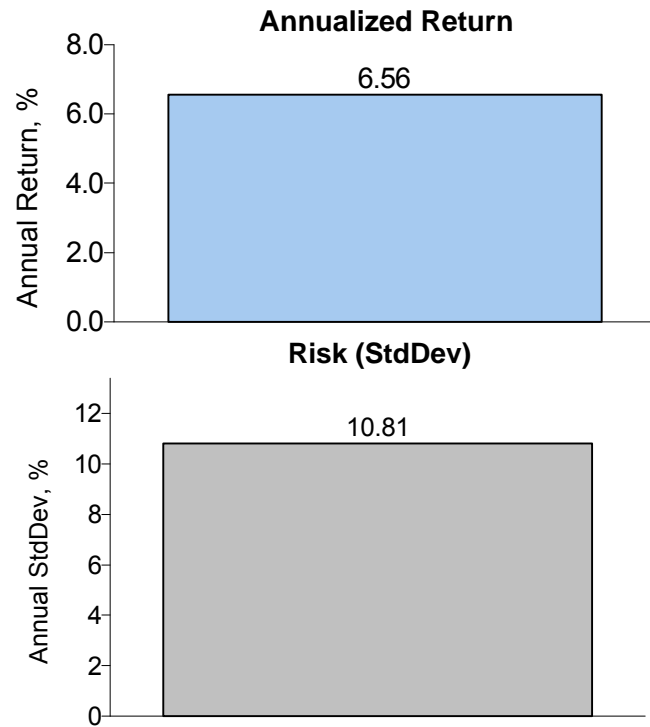
Annual Return, %

|                 | Client Asset Allocation |      |      |      |
|-----------------|-------------------------|------|------|------|
|                 | 1Y                      | 3Y   | 5Y   | 10Y  |
| 5th Percentile  | -9.8                    | -4.1 | -2.0 | 0.0  |
| 25th Percentile | -1.4                    | 1.2  | 2.2  | 2.9  |
| 50th Percentile | 5.1                     | 5.0  | 5.1  | 5.1  |
| 75th Percentile | 12.1                    | 9.2  | 8.2  | 7.3  |
| 95th Percentile | 23.1                    | 15.3 | 13.0 | 10.5 |



# Asset Allocation Analysis

## Portfolio Risk & Return - Long Term (20 Year)



## Portfolio Return Distributions

Annual Return, %

|                 | Client Asset Allocation |      |      |      |
|-----------------|-------------------------|------|------|------|
|                 | 1Y                      | 3Y   | 5Y   | 10Y  |
| 5th Percentile  | -9.3                    | -3.1 | -1.1 | 0.8  |
| 25th Percentile | -0.7                    | 2.3  | 3.0  | 3.9  |
| 50th Percentile | 5.9                     | 6.1  | 6.2  | 6.0  |
| 75th Percentile | 13.0                    | 10.1 | 9.1  | 8.3  |
| 95th Percentile | 24.3                    | 16.3 | 13.8 | 11.5 |

# Market Review

While investor expectations continue to center on December for the next Fed rate hike, attention now shifts to **the campaign's ultimate duration and magnitude**. The deeper scope of policy responses in place overseas, motivated by particularly vexing economic conditions, suggest that **this rate hike campaign may conclude as among the shallowest on record**.

**The U.S. economy continues to advance** but ever so gradually, bracketed by generally favorable data on the consumer front but more constrained business statistics. The Federal Reserve Bank of Atlanta's **latest estimate for Q3 GDP growth stands at an annualized rate of 2.1%**.

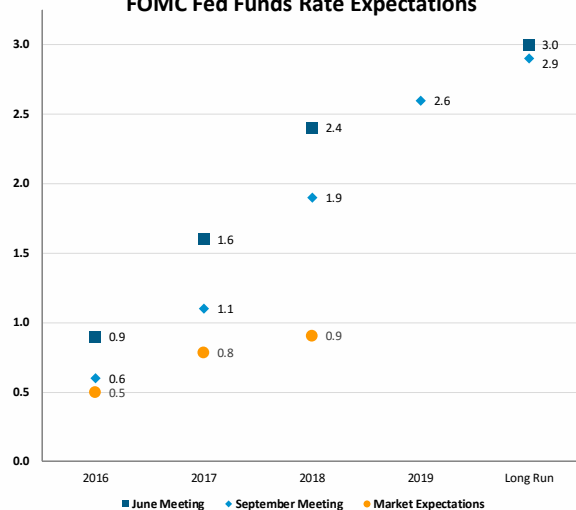
The **macroeconomic backdrop elsewhere is more muddled**. Both the Eurozone and Japan profile with more subdued realizations of (and expectations for) growth in addition to below desired levels of inflation. China continues along its path of moderated growth but at a level meaningfully higher than the developed world, sourcing much of this advantage from robust gains in consumption.

**Equities advanced in a largely universal manner** across the global opportunity set although the **strongest performance was reserved for international equities, particularly emerging market stocks** which mustered support from reasonably stable currency and commodity markets. **Within the U.S., small capitalization names possessed a sizable performance advantage** over their larger cap counterparts as their relative insulation from foreign economic sluggishness united with a buoyant earnings environment. While growth outpaced value across the capitalization spectrum, the differences were largely inconsequential.

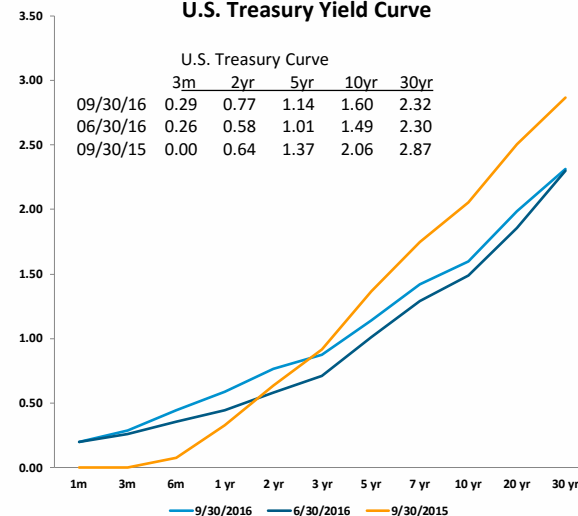
**Fixed income markets collectively delivered positive returns** with the **highest performance once again provided by the yield-advantaged credit segments** (investment grade, high yield, and bank loan). Interest rates spiked marginally higher across the developed markets which stressed government bond returns.

**Commodity prices consolidated marginally** as lingering concerns of excess supply, seasonal adjustments, and the prospects for higher interest rates diminished enthusiasm in the arena. Production cuts announced by OPEC as the quarter ended have lent more recent support to oil prices.

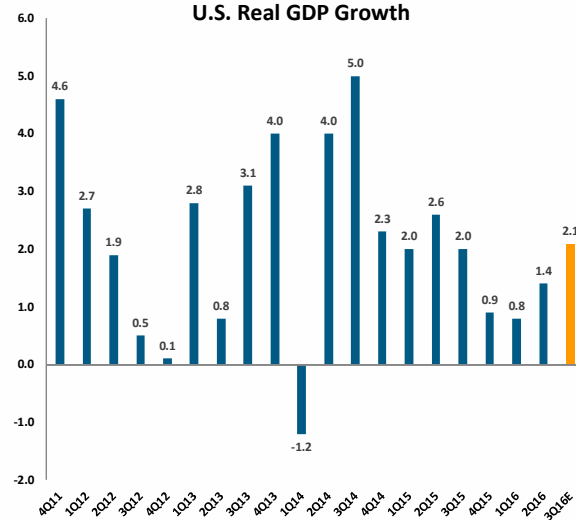
## FOMC Fed Funds Rate Expectations



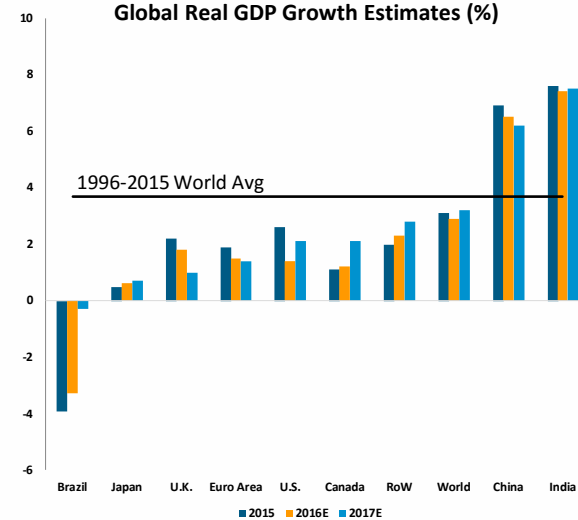
## U.S. Treasury Yield Curve



## U.S. Real GDP Growth



## Global Real GDP Growth Estimates (%)



# Index Results

| U.S. EQUITY                         | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
|-------------------------------------|---------|-------|--------|--------|--------|---------|
| S&P 500                             | 3.9     | 7.8   | 15.4   | 11.2   | 16.4   | 7.2     |
| Russell 1000                        | 4.0     | 7.9   | 14.9   | 10.8   | 16.4   | 7.4     |
| Russell 1000 Value                  | 3.5     | 10.0  | 16.2   | 9.7    | 16.2   | 5.9     |
| Russell 1000 Growth                 | 4.6     | 6.0   | 13.8   | 11.8   | 16.6   | 8.8     |
| Russell Mid Cap                     | 4.5     | 10.3  | 14.2   | 9.7    | 16.7   | 8.3     |
| Russell Mid Cap Value               | 4.4     | 13.7  | 17.3   | 10.5   | 17.4   | 7.9     |
| Russell Mid Cap Growth              | 4.6     | 6.8   | 11.2   | 8.9    | 15.8   | 8.5     |
| Russell 2000                        | 9.0     | 11.5  | 15.5   | 6.7    | 15.8   | 7.1     |
| Russell 2000 Value                  | 8.9     | 15.5  | 18.8   | 6.8    | 15.4   | 5.8     |
| Russell 2000 Growth                 | 9.2     | 7.5   | 12.1   | 6.6    | 16.1   | 8.3     |
| Russell 3000                        | 4.4     | 8.2   | 15.0   | 10.4   | 16.4   | 7.4     |
| FTSE NAREIT Equity REITs Index      | (1.4)   | 11.8  | 19.9   | 14.2   | 15.9   | 6.3     |
| INTERNATIONAL EQUITY                | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| MSCI ACWI ex-US                     | 6.9     | 5.8   | 9.3    | 0.2    | 6.0    | 2.2     |
| MSCI EAFE                           | 6.4     | 1.7   | 6.5    | 0.5    | 7.4    | 1.8     |
| MSCI EAFE Value                     | 8.0     | 0.8   | 3.5    | (1.5)  | 6.0    | 0.4     |
| MSCI EAFE Growth                    | 5.0     | 2.6   | 9.5    | 2.4    | 8.7    | 3.1     |
| MSCI EAFE Small Cap                 | 8.6     | 5.2   | 12.3   | 5.1    | 11.1   | 4.4     |
| MSCI EM (Emerging Markets)          | 9.0     | 16.0  | 16.8   | (0.6)  | 3.0    | 3.9     |
| FIXED INCOME                        | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| Barclays U.S. Aggregate Bond        | 0.5     | 5.8   | 5.2    | 4.0    | 3.1    | 4.8     |
| Barclays U.S. Gov/Credit Bond       | 0.4     | 6.7   | 5.9    | 4.2    | 3.2    | 4.9     |
| Barclays Gov/Credit Long Bond       | 1.2     | 15.7  | 14.7   | 10.1   | 6.3    | 7.8     |
| Barclays U.S. Corp High Yield       | 5.6     | 15.1  | 12.7   | 5.3    | 8.3    | 7.7     |
| Barclays Municipal Bond             | (0.3)   | 4.0   | 5.6    | 5.5    | 4.5    | 4.7     |
| Barclays U.S. TIPS                  | 1.0     | 7.3   | 6.6    | 2.4    | 1.9    | 4.5     |
| BofA Merrill 3-Month T-Bill         | 0.1     | 0.2   | 0.3    | 0.1    | 0.1    | 0.9     |
| NON-TRADITIONAL                     | QUARTER | YTD   | 1 YEAR | 3 YEAR | 5 YEAR | 10 YEAR |
| Bloomberg Commodity Index           | (3.9)   | 8.9   | (2.6)  | (12.3) | (9.4)  | (5.3)   |
| HFRI Fund of Funds Index            | 2.5     | (0.1) | 0.6    | 2.2    | 3.2    | 1.8     |
| NCREIF Property Index (quarter lag) | 2.0     | 4.3   | 10.6   | 11.6   | 11.5   | 7.4     |
| CPI (quarter lag)                   | 0.8     | 0.8   | 1.1    | 1.1    | 1.3    | 1.8     |

# Equity & Fixed Income Review

## U.S. Equity Size and Style Returns

| QTR   |       |        |       | 1-Year |       |        |
|-------|-------|--------|-------|--------|-------|--------|
| Value | Blend | Growth |       | Value  | Blend | Growth |
| 3.5   | 4.0   | 4.6    | Large | 16.2   | 14.9  | 13.8   |
| 4.4   | 4.5   | 4.6    | Mid   | 17.3   | 14.2  | 11.2   |
| 8.9   | 9.0   | 9.2    | Small | 18.8   | 15.5  | 12.1   |

Equity markets moved higher on the back of marginally positive economic data and the Fed's decision to hold its policy rate stable. Growth outpaced value during the quarter, led by strong results within the information technology sector. Yield-advantaged areas of the market, such as utilities and REITs, sold off as interest rates moved modestly higher. Smaller capitalization stocks outpaced their larger market capitalization counterparts.

## International Equity Size and Region Returns (USD)

| QTR   |     |       |     | 1-Year |      |       |
|-------|-----|-------|-----|--------|------|-------|
| Small | Mid | Large |     | Small  | Mid  | Large |
| 8.6   | 7.5 | 6.1   | Dev | 12.3   | 9.1  | 5.8   |
| 7.6   | 7.3 | 9.4   | EM  | 12.6   | 12.7 | 17.6  |

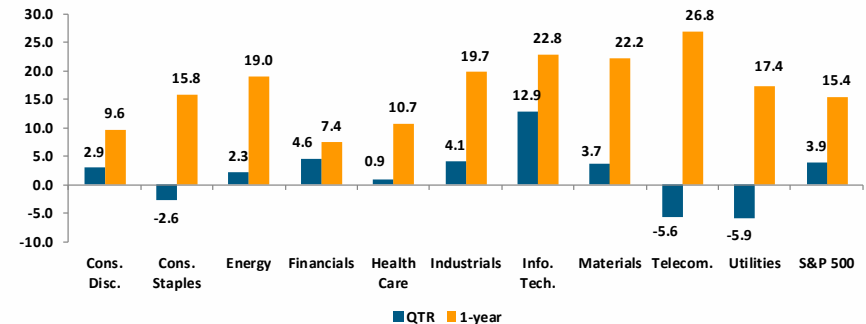
Emerging market equities had another strong quarter, outpacing international developed equities. Commodity exporting countries saw notable strength due to stabilized commodity prices and European stocks rebounded as the "Brexit" vote might have a smaller impact on economic growth than originally expected. The euro and Japanese yen gained ground, while emerging market currencies, such as the Mexican peso and Brazilian real, generally declined against the U.S. dollar.

## Fixed Income Term and Quality Returns (USD)

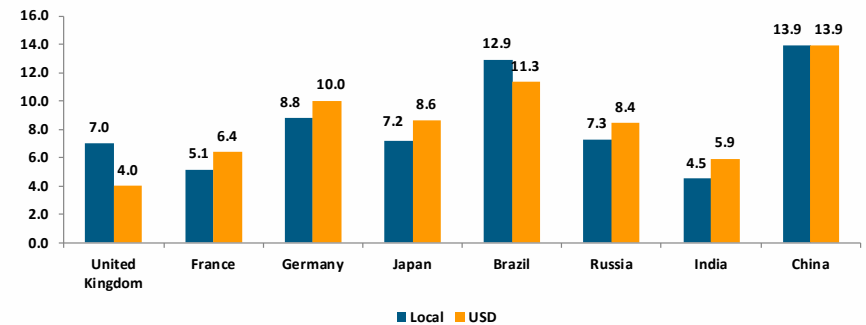
| QTR   |        |      |       | 1-Year |        |      |
|-------|--------|------|-------|--------|--------|------|
| Short | Interm | Long |       | Short  | Interm | Long |
| -0.1  | -0.2   | -0.3 | Gov't | 0.9    | 2.4    | 13.0 |
| 0.3   | 0.9    | 2.6  | Corp  | 2.4    | 5.6    | 15.7 |

Interest rates rose slightly during the quarter and longer dated government issues underperformed shorter dated bonds as a result. On the other hand, investment grade and high yield corporate spreads, despite declining fundamentals, tightened due to strong demand from abroad as investors continue to search for income in this yield-starved environment.

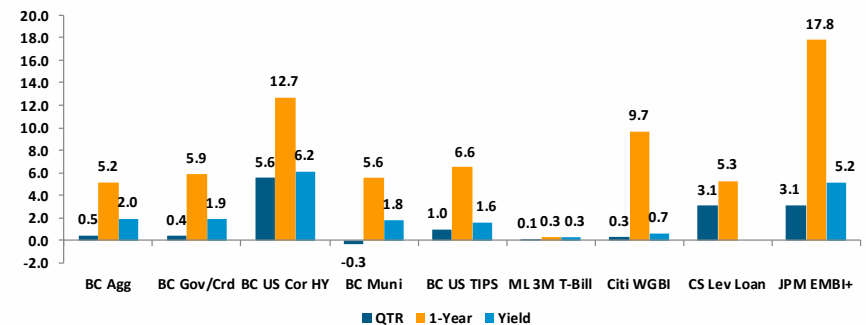
## S&P 500 Sector Returns



## MSCI Country Results 3Q 2016



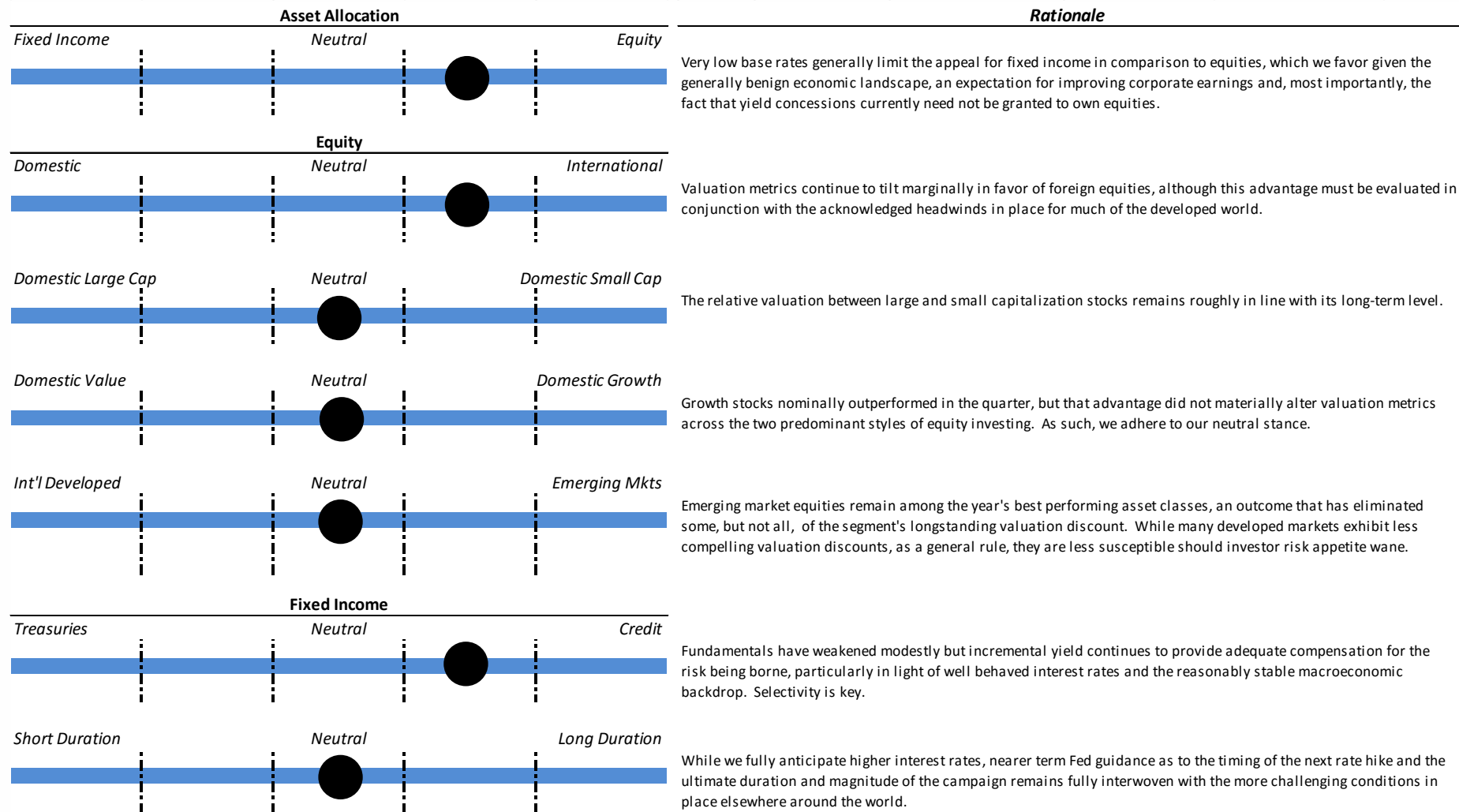
## Fixed Income Returns and Yields (%)



## Macro Themes (End Q3/Start Q4)

- ❑ **Certain “headline” events that may influence investors’ psyche loom as the year draws to an end.**
    - ❖ Geopolitical considerations may figure prominently with forthcoming elections in the U.S. and Italy alongside the ongoing orchestration of Britain’s exit from the European Union.
    - ❖ Consensus centers on a December interest rate hike by the Fed, although the campaign’s ultimate duration and magnitude remain in question. Central banks elsewhere may need to offer additional stimulus over and above the accommodations already granted.
    - ❖ Investors also cast a nervous eye toward the European financial sector.
  - ❑ **The global economy continues to strike a delicate balance – characterized by somewhat uninspired, but persistent, growth yet likely removed from the immediate possibility of recession.**
    - ❖ The more resilient footprint afforded the U.S. consumer stands in contrast to the somewhat more apathetic corporate profile.
    - ❖ Economic data across developed markets elsewhere reaffirms a tenuous stability whereby pockets of reassurance are countered by less encouraging readings among the segment’s other large constituents.
    - ❖ Emerging markets impart, perhaps, the most encouraging profile; bolstered most directly by stabilizing growth in China but also drawing vigor from well-behaved interest rates across developed economies and solidified commodity prices.
  - ❑ **Our aggregated investment stance remains modestly constructive but is tempered by valuations that offer little room for error.**
    - ❖ Elevated bouts of capital market volatility in the coming months are likely.
    - ❖ Earnings growth reparation in the U.S. is anticipated and may be needed to sustain current equity market pricing. Larger macroeconomic factors overseas may dictate if further consolidation of existing discounts to “fair” value can be achieved.
    - ❖ Very low base rates and somewhat deteriorated company fundamentals feasibly conspire to restrain bond returns.
-

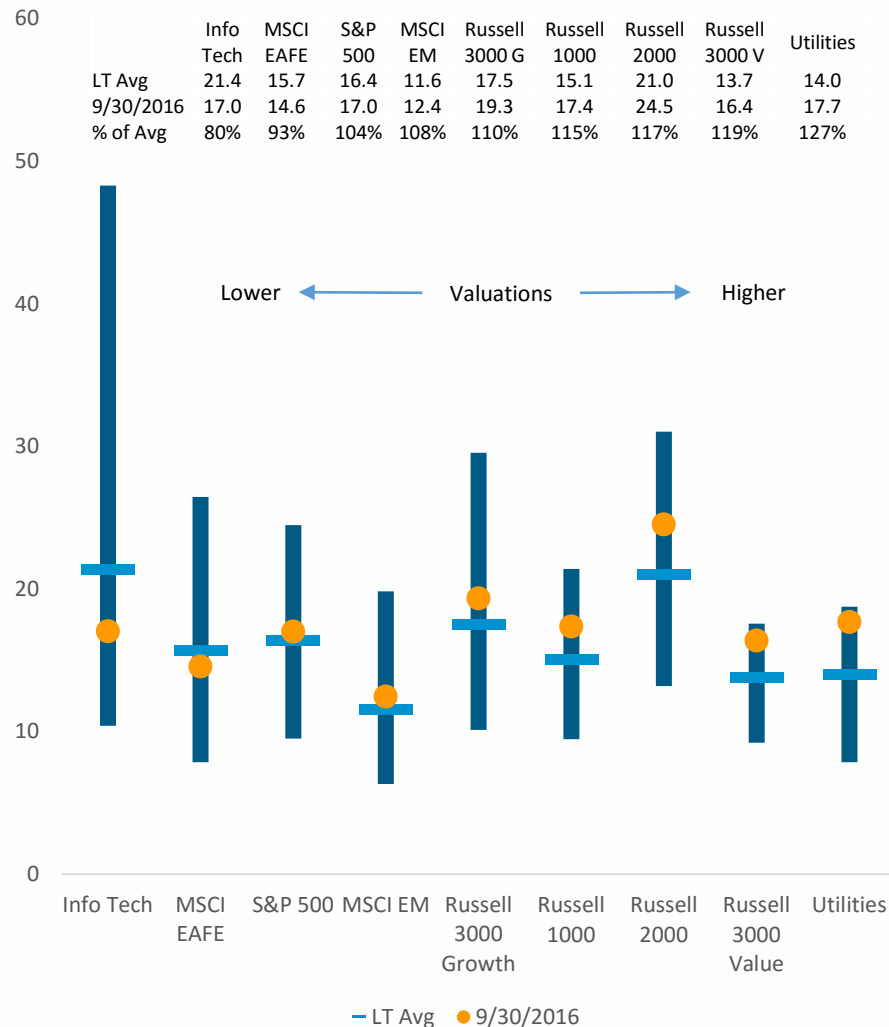
# Market Viewpoints



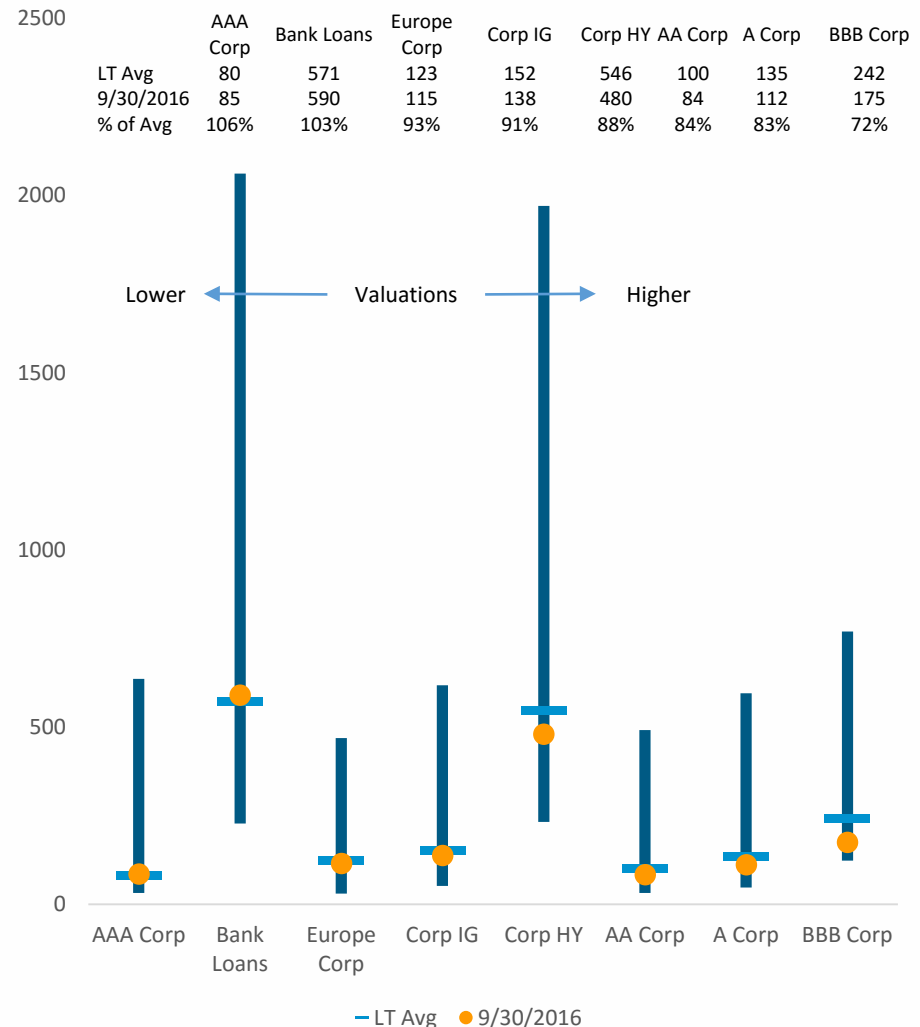
These viewpoints represent FIA's general assessment of the highlighted capital markets comparisons over the next 36 months. These opinions are subject to modification as conditions in the markets change. Clients should utilize these rankings in conjunction with other considerations that may be relevant to their particular circumstances.

# Market Valuations

## Historical 12M Forward P/E Ratios

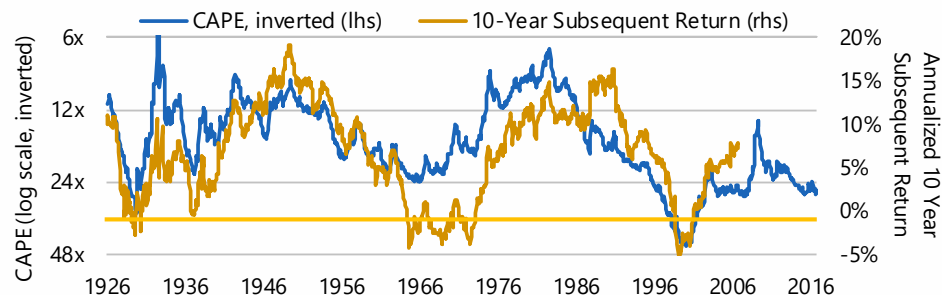
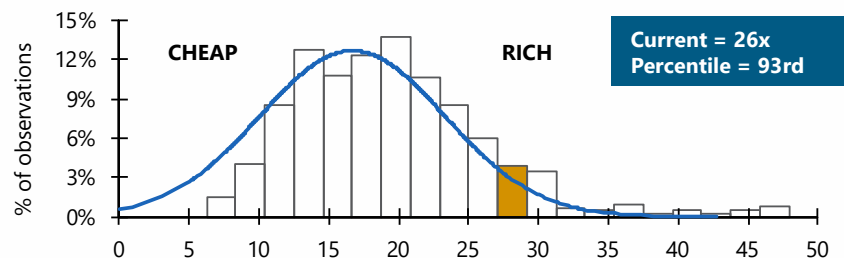


## Historical Option Adjusted Spread

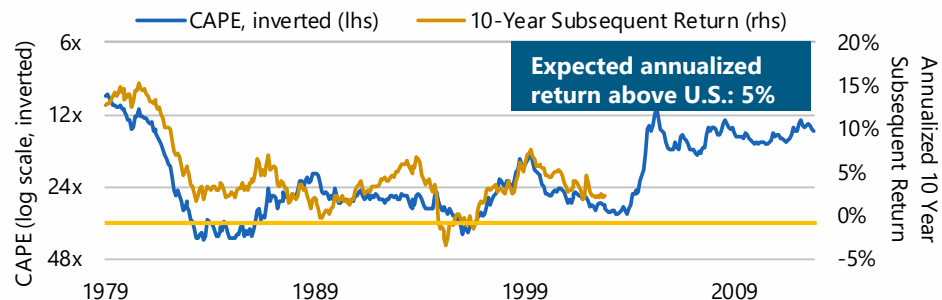
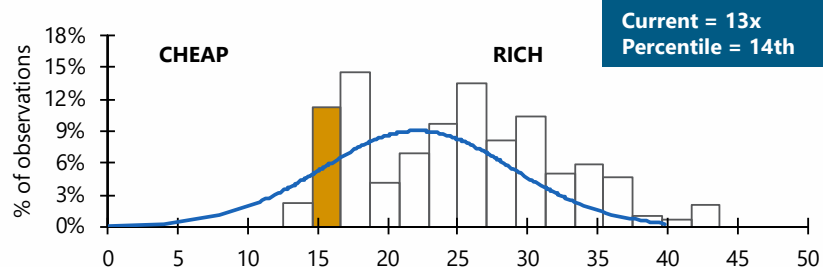


# Equity Valuations

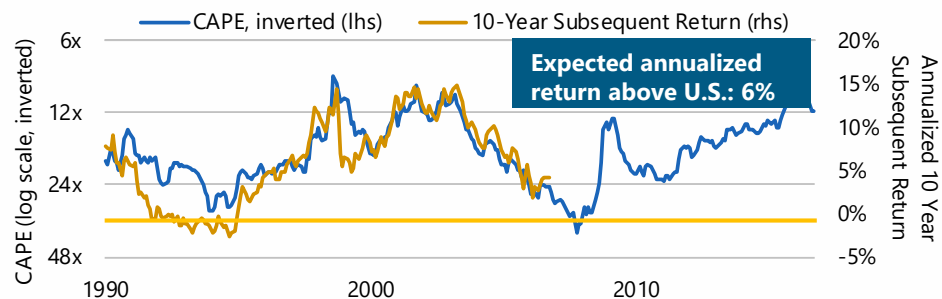
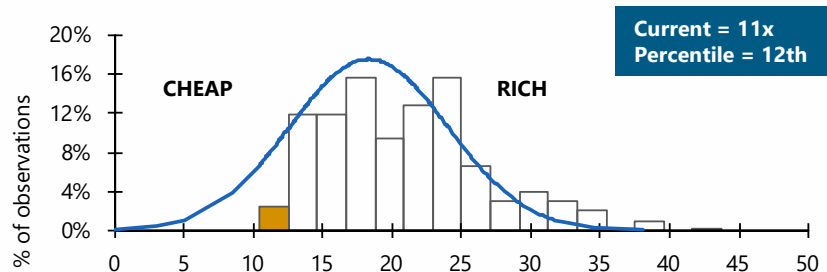
## U.S. valuations: Cyclically-adjusted P/E



## EAFE valuations: Cyclically-adjusted P/E



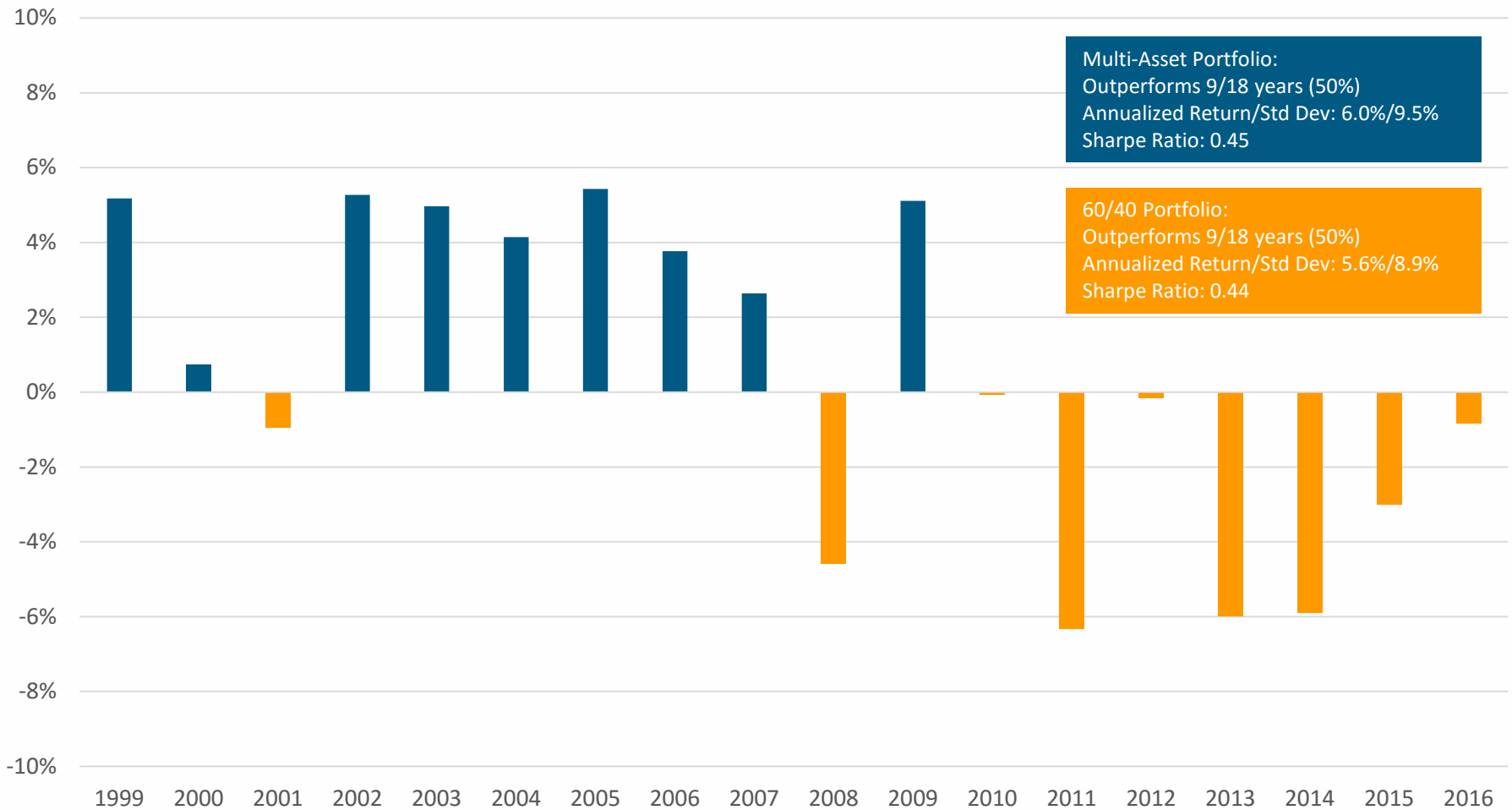
## EM valuations: Cyclically-adjusted P/E





# Diversified Portfolio Performance

Relative Performance of a Multi-Asset Portfolio vs. 60/40 Portfolio (1999 - Sept 2016)



Sources: FIA, MPI Stylus. Data as of 9/30/2016. The "60/40 Portfolio" consists of 60% S&P 500 Index, 40% Barclays U.S. Aggregate Index; rebalanced quarterly. The "Multi-Asset Portfolio" consists of 25% Russell 3000 Index, 18.75% MSCI EAFE Index, 6.25% MSCI EM Index, 10% HFRI Fund of Funds Composite Index, 5% FTSE NAREIT Equity REITS Index, 5% Bloomberg Commodity Index, 30% Barclays U.S. Aggregate Index; rebalanced quarterly.

# Pension Fund Results

## Amity Pension - Asset Allocation

As of September 30, 2016

|                                            | Asset<br>Allocation<br>(\$) | Asset<br>Allocation<br>(%) | Target<br>Allocation<br>(%) | Differences<br>(%) |
|--------------------------------------------|-----------------------------|----------------------------|-----------------------------|--------------------|
| <b>Total Plan</b>                          | <b>9,800,136</b>            | <b>100.0</b>               | <b>100.0</b>                | <b>0.0</b>         |
| <b>Short Term Liquidity</b>                | <b>75,414</b>               | <b>0.8</b>                 | <b>0.0</b>                  | <b>0.8</b>         |
| Wells Fargo Government Money Market Fund I | 75,414                      | 0.8                        | 0.0                         | 0.8                |
| <b>Fixed Income</b>                        | <b>3,375,538</b>            | <b>34.4</b>                | <b>35.0</b>                 | <b>-0.6</b>        |
| Vanguard Total Bond Market Index Adm       | 3,375,538                   | 34.4                       | 35.0                        | -0.6               |
| <b>Domestic Equity</b>                     | <b>4,851,269</b>            | <b>49.5</b>                | <b>50.0</b>                 | <b>-0.5</b>        |
| Vanguard 500 Index Adm                     | 966,780                     | 9.9                        | 10.0                        | -0.1               |
| Vanguard Value Index Adm                   | 1,441,437                   | 14.7                       | 15.0                        | -0.3               |
| Vanguard Growth Index Fund Adm             | 1,463,814                   | 14.9                       | 15.0                        | -0.1               |
| Vanguard Mid Cap Index Adm                 | 487,976                     | 5.0                        | 5.0                         | 0.0                |
| Vanguard Small Cap Index Adm               | 491,262                     | 5.0                        | 5.0                         | 0.0                |
| <b>International Equity</b>                | <b>1,497,914</b>            | <b>15.3</b>                | <b>15.0</b>                 | <b>0.3</b>         |
| Vanguard Developed Markets Adm             | 1,497,914                   | 15.3                       | 15.0                        | 0.3                |

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

## Total Plan Performance Summary

As of September 30, 2016

### Account Reconciliation

|                        | QTR       | YTD       | Since Inception | Inception Date    |
|------------------------|-----------|-----------|-----------------|-------------------|
| <b>Total Plan</b>      |           |           |                 | <b>01/01/2007</b> |
| Beginning Market Value | 9,222,976 | 9,205,786 | 5,911,809       |                   |
| Net Contributions      | 275,806   | -4,665    | 144,772         |                   |
| Total Gain/Loss        | 301,355   | 599,015   | 3,743,555       |                   |
| Ending Market Value    | 9,800,136 | 9,800,136 | 9,800,136       |                   |

### Amity Pension Benchmark Composition

| Allocation Mandate                       | Weight (%) |
|------------------------------------------|------------|
| Blmbg. Barc. U.S. Aggregate              | 35.0       |
| S&P 500 Index                            | 10.0       |
| CRSP U.S. Large Cap Value TR Index       | 15.0       |
| CRSP U.S. Large Cap Growth TR Index      | 15.0       |
| CRSP U.S. Mid Cap TR Index               | 5.0        |
| CRSP U.S. Small Cap TR Index             | 5.0        |
| FTSE Global All Cap ex US Spliced Index^ | 15.0       |

### Trailing Performance Summary

|                         | QTR        | YTD        | Jul-2016 To Sep-2016 | 1 Year      | 3 Years    | 5 Years     | 7 Years    | 10 Years   | Since Inception | Inception Date    |
|-------------------------|------------|------------|----------------------|-------------|------------|-------------|------------|------------|-----------------|-------------------|
| <b>Total Plan</b>       | <b>3.2</b> | <b>6.6</b> | <b>3.2</b>           | <b>10.2</b> | <b>6.7</b> | <b>10.6</b> | <b>8.8</b> | <b>N/A</b> | <b>5.5</b>      | <b>01/01/2007</b> |
| Amity Pension Benchmark | 3.4        | 7.2        | 3.4                  | 10.9        | 7.0        | 10.5        | 8.9        | 6.0        | 5.6             |                   |
| Difference              | -0.2       | -0.6       | -0.2                 | -0.7        | -0.3       | 0.1         | -0.1       | N/A        | -0.1            |                   |

### Calendar Year Performance Summary

|                         | 2015       | 2014       | 2013        | 2012        | 2011       | 2010        | 2009        | 2008         |
|-------------------------|------------|------------|-------------|-------------|------------|-------------|-------------|--------------|
| <b>Total Plan</b>       | <b>0.3</b> | <b>7.2</b> | <b>18.8</b> | <b>13.4</b> | <b>0.6</b> | <b>12.4</b> | <b>18.2</b> | <b>-22.8</b> |
| Amity Pension Benchmark | 0.0        | 8.0        | 18.1        | 12.3        | 1.5        | 12.9        | 21.5        | -25.4        |
| Difference              | 0.3        | -0.8       | 0.7         | 1.1         | -0.9       | -0.5        | -3.3        | 2.6          |

## Benchmark Composition - Amity Pension Benchmark

As of September 30, 2016

| Allocation Mandate                       | Weight (%) | Allocation Mandate          | Weight (%) |
|------------------------------------------|------------|-----------------------------|------------|
| <b>Mar-2014</b>                          |            | <b>Feb-1978</b>             |            |
| Blmbg. Barc. U.S. Aggregate              | 35.0       | Blmbg. Barc. U.S. Aggregate | 35.0       |
| S&P 500 Index                            | 10.0       | S&P 500 Index               | 10.0       |
| CRSP U.S. Large Cap Value TR Index       | 15.0       | Russell 1000 Value Index    | 15.0       |
| CRSP U.S. Large Cap Growth TR Index      | 15.0       | Russell 1000 Growth Index   | 15.0       |
| CRSP U.S. Mid Cap TR Index               | 5.0        | Russell Midcap Index        | 5.0        |
| CRSP U.S. Small Cap TR Index             | 5.0        | Russell 2000 Index          | 5.0        |
| FTSE Global All Cap ex US Spliced Index^ | 15.0       | MSCI EAFE (Net) Index       | 15.0       |
| <b>Jun-2013</b>                          |            |                             |            |
| Blmbg. Barc. U.S. Aggregate              | 35.0       |                             |            |
| S&P 500 Index                            | 10.0       |                             |            |
| MSCI US Prime Market Value               | 15.0       |                             |            |
| MSCI US Prime Market Growth              | 15.0       |                             |            |
| MSCI US Mid Cap 450 Index                | 5.0        |                             |            |
| MSCI US Small Cap 1750                   | 5.0        |                             |            |
| FTSE Global All Cap ex US Spliced Index^ | 15.0       |                             |            |
| <b>Sep-2012</b>                          |            |                             |            |
| Blmbg. Barc. U.S. Aggregate              | 35.0       |                             |            |
| S&P 500 Index                            | 10.0       |                             |            |
| MSCI US Prime Market Value               | 15.0       |                             |            |
| MSCI US Prime Market Growth              | 15.0       |                             |            |
| MSCI US Mid Cap 450 Index                | 5.0        |                             |            |
| MSCI US Small Cap 1750                   | 5.0        |                             |            |
| MSCI EAFE (Net) Index                    | 15.0       |                             |            |

## Amity Pension

### Manager Performance Overview

As of September 30, 2016

|                                                    | QTR             | YTD             | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years       | 5<br>Years | Since<br>Inception | Inception<br>Date |
|----------------------------------------------------|-----------------|-----------------|----------------------------|------------------|------------------|------------|--------------------|-------------------|
| <u>Short Term Liquidity</u>                        |                 |                 |                            |                  |                  |            |                    |                   |
| <b>Wells Fargo Government Money Market Fund I</b>  | <b>0.1</b>      | <b>0.1</b>      | <b>0.1</b>                 | <b>0.1</b>       | <b>0.0</b>       | <b>0.0</b> | <b>0.8</b>         | <b>01/01/2007</b> |
| 90 Day U.S. Treasury Bill                          | 0.1             | 0.2             | 0.1                        | 0.2              | 0.1              | 0.1        | 0.8                |                   |
| <u>Fixed Income</u>                                |                 |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Total Bond Market Index Adm</b>        | <b>0.4 (79)</b> | <b>5.9 (44)</b> | <b>0.4 (79)</b>            | <b>5.3 (43)</b>  | <b>4.1 (27)</b>  | <b>N/A</b> | <b>2.6 (41)</b>    | <b>09/01/2012</b> |
| Blmbg. Barc. U.S. Aggregate                        | 0.5             | 5.8             | 0.5                        | 5.2              | 4.0              | 3.1        | 2.5                |                   |
| IM U.S. Broad Market Core Fixed Income (MF) Median | 0.7             | 5.8             | 0.7                        | 5.2              | 3.8              | 3.2        | 2.4                |                   |
| <u>Domestic Equity</u>                             |                 |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard 500 Index Adm</b>                      | <b>3.8 (51)</b> | <b>7.8 (23)</b> | <b>3.8 (51)</b>            | <b>15.4 (15)</b> | <b>11.1 (8)</b>  | <b>N/A</b> | <b>13.5 (13)</b>   | <b>09/01/2012</b> |
| S&P 500 Index                                      | 3.9             | 7.8             | 3.9                        | 15.4             | 11.2             | 16.4       | 13.6               |                   |
| IM U.S. Large Cap Core Equity (MF) Median          | 3.9             | 6.2             | 3.9                        | 12.8             | 9.1              | 15.0       | 12.3               |                   |
| <b>Vanguard Value Index Adm</b>                    | <b>3.0 (72)</b> | <b>8.7 (24)</b> | <b>3.0 (72)</b>            | <b>16.3 (14)</b> | <b>10.4 (4)</b>  | <b>N/A</b> | <b>13.7 (10)</b>   | <b>09/01/2012</b> |
| CRSP US Large Cap Value Spliced Index^             | 3.0             | 8.7             | 3.0                        | 16.3             | 10.4             | 16.1       | 13.8               |                   |
| IM U.S. Large Cap Value Equity (MF) Median         | 4.0             | 7.0             | 4.0                        | 12.5             | 7.8              | 14.5       | 11.8               |                   |
| <b>Vanguard Growth Index Fund Adm</b>              | <b>5.1 (60)</b> | <b>6.6 (8)</b>  | <b>5.1 (60)</b>            | <b>13.5 (19)</b> | <b>11.3 (24)</b> | <b>N/A</b> | <b>13.4 (34)</b>   | <b>09/01/2012</b> |
| CRSP US Large Cap Growth Spliced Index^            | 5.1             | 6.6             | 5.1                        | 13.6             | 11.4             | 16.6       | 13.4               |                   |
| IM U.S. Large Cap Growth Equity (MF) Median        | 5.8             | 3.2             | 5.8                        | 10.9             | 10.0             | 15.2       | 12.7               |                   |
| <b>Vanguard Mid Cap Index Adm</b>                  | <b>5.2 (41)</b> | <b>8.9 (50)</b> | <b>5.2 (41)</b>            | <b>12.6 (39)</b> | <b>9.9 (9)</b>   | <b>N/A</b> | <b>14.4 (10)</b>   | <b>09/01/2012</b> |
| CRSP US Mid Cap Spliced Index^                     | 5.2             | 8.9             | 5.2                        | 12.7             | 10.0             | 16.6       | 14.5               |                   |
| IM U.S. Mid Cap Core Equity (MF) Median            | 4.6             | 8.9             | 4.6                        | 11.8             | 7.4              | 15.0       | 12.7               |                   |

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Amity Pension

### Manager Performance Overview

As of September 30, 2016

|                                                    | QTR             | YTD              | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years      | 5<br>Years | Since<br>Inception | Inception<br>Date |
|----------------------------------------------------|-----------------|------------------|----------------------------|------------------|-----------------|------------|--------------------|-------------------|
| <b>Vanguard Small Cap Index Adm</b>                | <b>6.2 (89)</b> | <b>11.5 (37)</b> | <b>6.2 (89)</b>            | <b>15.0 (44)</b> | <b>7.9 (24)</b> | <b>N/A</b> | <b>13.6 (26)</b>   | <b>09/01/2012</b> |
| CRSP US Small Cap Spliced Index^                   | 6.2             | 11.5             | 6.2                        | 14.9             | 7.9             | 16.7       | 13.6               |                   |
| IM U.S. Small Cap Core Equity (MF) Median          | 8.4             | 10.9             | 8.4                        | 14.6             | 6.6             | 15.4       | 12.6               |                   |
| <u>International Equity</u>                        |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard Developed Markets Adm</b>              | <b>6.4 (41)</b> | <b>3.9 (38)</b>  | <b>6.4 (41)</b>            | <b>8.0 (31)</b>  | <b>1.1 (36)</b> | <b>N/A</b> | <b>7.0 (24)</b>    | <b>09/01/2012</b> |
| FTSE Developed ex US Spliced Index^                | 6.7             | 3.2              | 6.7                        | 8.2              | 1.0             | 7.7        | 6.9                |                   |
| IM International Multi-Cap Core Equity (MF) Median | 6.2             | 2.6              | 6.2                        | 5.9              | 0.6             | 7.3        | 6.0                |                   |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Manager Commentary

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As of September 30, 2016

| Manager                     | Manager Status |
|-----------------------------|----------------|
| <b>Fixed Income</b>         |                |
| Vanguard ST Gvt Bd          | Maintain       |
| Vanguard ST InPS Idx        | Maintain       |
| Vanguard Tot Bd             | Maintain       |
| <b>Domestic Equity</b>      |                |
| Vanguard 500 Index          | Maintain       |
| Vanguard TSM Idx            | Maintain       |
| Vanguard Value Idx          | Maintain       |
| Vanguard Gro Idx            | Maintain       |
| Vanguard Md-Cp Idx          | Maintain       |
| Vanguard Sm-Cp Idx          | Maintain       |
| <b>International Equity</b> |                |
| Vanguard Dev Mkt            | Maintain       |



## Amity Pension

### Manager Investment Gain/Loss Summary

|                                            | Market Value<br>As of<br>07/01/2016 | Net Flows      | Return On<br>Investment | Market Value<br>As of<br>09/30/2016 |
|--------------------------------------------|-------------------------------------|----------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u>                |                                     |                |                         |                                     |
| Wells Fargo Government Money Market Fund I | 69,529                              | 5,806          | 80                      | 75,414                              |
| <b>Total Short Term Liquidity</b>          | <b>69,529</b>                       | <b>5,806</b>   | <b>80</b>               | <b>75,414</b>                       |
| <u>Fixed Income</u>                        |                                     |                |                         |                                     |
| Vanguard Total Bond Market Index Adm       | 3,290,014                           | 72,000         | 13,524                  | 3,375,538                           |
| <b>Total Fixed Income</b>                  | <b>3,290,014</b>                    | <b>72,000</b>  | <b>13,524</b>           | <b>3,375,538</b>                    |
| <u>Domestic Equity</u>                     |                                     |                |                         |                                     |
| Vanguard 500 Index Adm                     | 917,422                             | 14,000         | 35,358                  | 966,780                             |
| Vanguard Value Index Adm                   | 1,363,915                           | 36,000         | 41,522                  | 1,441,437                           |
| Vanguard Growth Index Fund Adm             | 1,363,280                           | 30,000         | 70,534                  | 1,463,814                           |
| Vanguard Mid Cap Index Adm                 | 454,242                             | 10,000         | 23,734                  | 487,976                             |
| Vanguard Small Cap Index Adm               | 454,991                             | 8,000          | 28,271                  | 491,262                             |
| <b>Total Domestic Equity</b>               | <b>4,553,850</b>                    | <b>98,000</b>  | <b>199,419</b>          | <b>4,851,269</b>                    |
| <u>International Equity</u>                |                                     |                |                         |                                     |
| Vanguard Developed Markets Adm             | 1,309,582                           | 100,000        | 88,332                  | 1,497,914                           |
| <b>Total International Equity</b>          | <b>1,309,582</b>                    | <b>100,000</b> | <b>88,332</b>           | <b>1,497,914</b>                    |
| <b>Total Plan</b>                          | <b>9,222,976</b>                    | <b>275,806</b> | <b>301,355</b>          | <b>9,800,136</b>                    |

## Amity Pension

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Dec-2006       | -                                 | -                        | -                 | 5,911,809                      | N/A      |
| Mar-2007       | 5,911,809                         | -126,919                 | 108,227           | 5,893,116                      | 1.9      |
| Jun-2007       | 5,893,116                         | -127,417                 | 202,138           | 5,967,837                      | 3.4      |
| Sep-2007       | 5,967,837                         | 276,936                  | 123,140           | 6,367,912                      | 2.0      |
| Dec-2007       | 6,367,912                         | -128,226                 | -85,700           | 6,153,986                      | -1.4     |
| Mar-2008       | 6,153,986                         | -127,169                 | -311,685          | 5,715,132                      | -5.1     |
| Jun-2008       | 5,715,132                         | -128,659                 | -82,615           | 5,503,858                      | -1.6     |
| Sep-2008       | 5,503,858                         | 297,623                  | -407,460          | 5,394,022                      | -7.1     |
| Dec-2008       | 5,394,022                         | -141,344                 | -594,469          | 4,658,209                      | -11.1    |
| Mar-2009       | 4,658,209                         | -136,302                 | -351,150          | 4,170,757                      | -7.5     |
| Jun-2009       | 4,170,757                         | -131,817                 | 450,914           | 4,489,854                      | 11.0     |
| Sep-2009       | 4,489,854                         | 312,896                  | 557,229           | 5,359,979                      | 11.7     |
| Dec-2009       | 5,359,979                         | -134,759                 | 158,595           | 5,383,815                      | 3.0      |
| Mar-2010       | 5,383,815                         | -139,407                 | 202,610           | 5,447,017                      | 3.9      |
| Jun-2010       | 5,447,017                         | -137,079                 | -341,948          | 4,967,990                      | -6.4     |
| Sep-2010       | 4,967,990                         | 383,126                  | 439,625           | 5,790,741                      | 8.6      |
| Dec-2010       | 5,790,741                         | -138,166                 | 361,056           | 6,013,631                      | 6.4      |
| Mar-2011       | 6,013,631                         | -152,528                 | 237,524           | 6,098,627                      | 4.0      |
| Jun-2011       | 6,098,627                         | -147,208                 | 54,946            | 6,006,366                      | 0.9      |
| Sep-2011       | 6,006,366                         | 450,579                  | -658,611          | 5,798,334                      | -10.3    |
| Dec-2011       | 5,798,334                         | -144,369                 | 396,030           | 6,049,996                      | 6.9      |
| Mar-2012       | 6,049,996                         | -141,160                 | 502,103           | 6,410,939                      | 8.4      |
| Jun-2012       | 6,410,939                         | -145,381                 | -112,453          | 6,153,105                      | -1.8     |
| Sep-2012       | 6,153,105                         | 518,076                  | 304,381           | 6,975,562                      | 4.9      |
| Dec-2012       | 6,975,562                         | -161,257                 | 101,950           | 6,916,256                      | 1.5      |
| Mar-2013       | 6,916,256                         | -152,199                 | 429,788           | 7,193,844                      | 6.3      |
| Jun-2013       | 7,193,844                         | -154,883                 | 13,761            | 7,052,722                      | 0.2      |
| Sep-2013       | 7,052,722                         | -163,413                 | 369,080           | 7,258,389                      | 5.3      |
| Dec-2013       | 7,258,389                         | 546,074                  | 459,564           | 8,264,027                      | 6.0      |
| Mar-2014       | 8,264,027                         | -161,243                 | 123,395           | 8,226,179                      | 1.5      |

## Amity Pension

### Market Value and Flows Summary

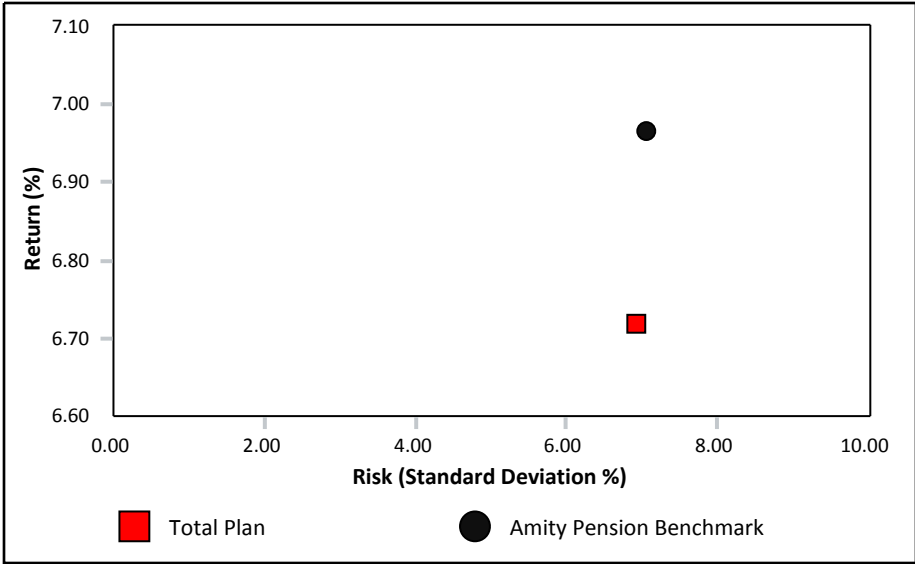
Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Jun-2014       | 8,226,179                         | -149,491                 | 324,061           | 8,400,749                      | 4.0      |
| Sep-2014       | 8,400,749                         | 207,706                  | -82,993           | 8,525,461                      | -1.0     |
| Dec-2014       | 8,525,461                         | -148,704                 | 216,237           | 8,592,994                      | 2.6      |
| Mar-2015       | 8,592,994                         | 223,388                  | 201,466           | 9,017,848                      | 2.3      |
| Jun-2015       | 9,017,848                         | -150,175                 | -45,017           | 8,822,656                      | -0.5     |
| Sep-2015       | 8,822,656                         | 243,709                  | -406,523          | 8,659,843                      | -4.6     |
| Dec-2015       | 8,659,843                         | 258,601                  | 287,342           | 9,205,786                      | 3.4      |
| Mar-2016       | 9,205,786                         | -142,870                 | 111,571           | 9,174,486                      | 1.3      |
| Jun-2016       | 9,174,486                         | -137,601                 | 186,090           | 9,222,976                      | 2.0      |
| Sep-2016       | 9,222,976                         | 275,806                  | 301,355           | 9,800,136                      | 3.2      |

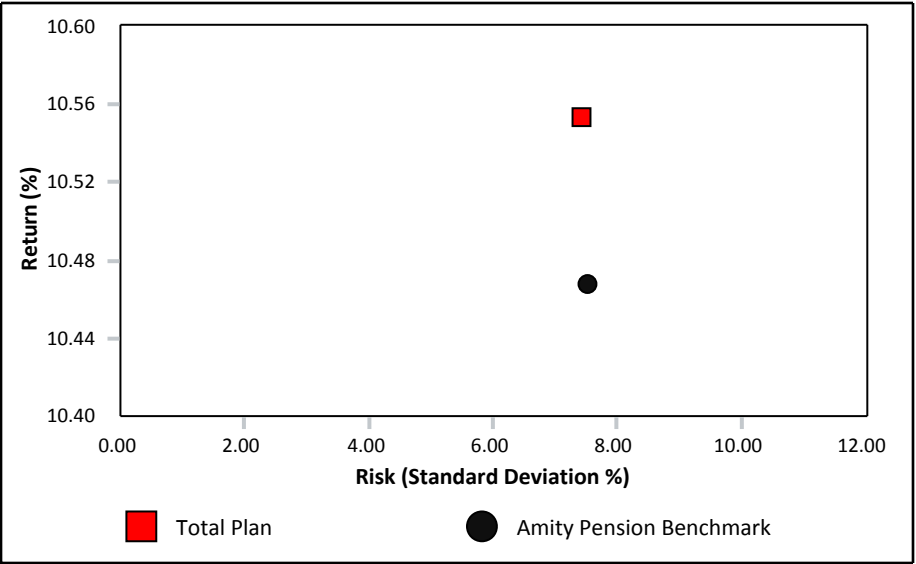
# Risk vs. Return

As of September 30, 2016

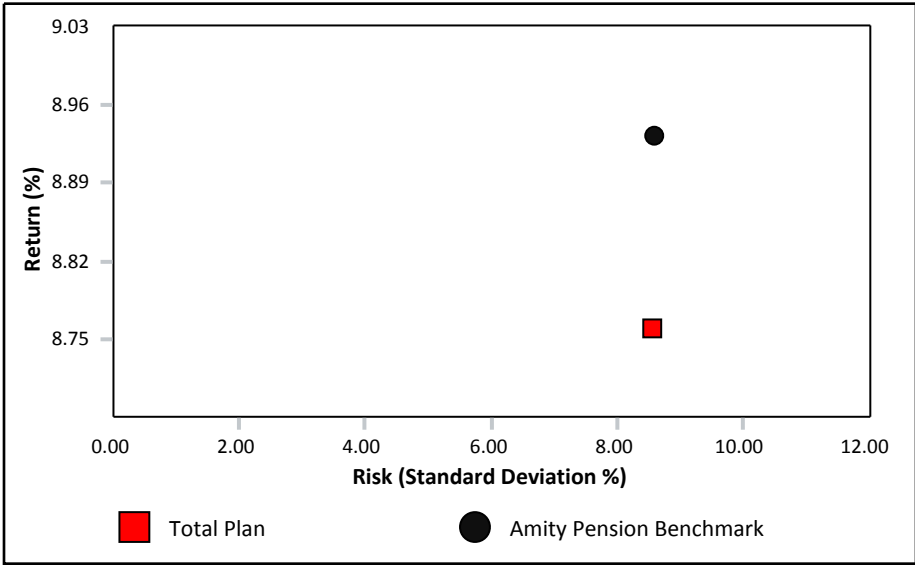
3 Year Risk and Return



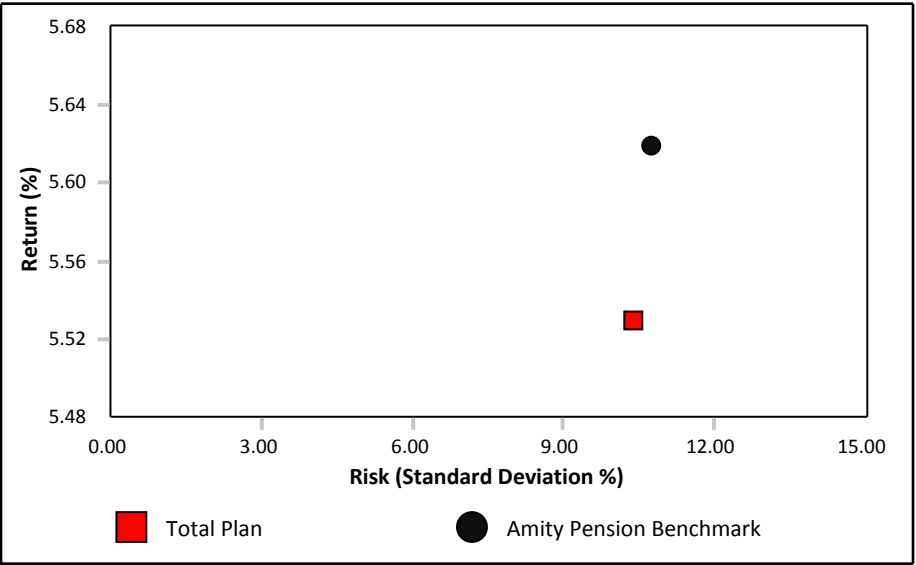
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



## MPT Statistics

As of September 30, 2016

### 3 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 6.72   | 6.93               | 3.90          | 0.96         | -0.46             | 0.53           | 0.99      | 0.98 | -0.09 |
| Amity Pension Benchmark   | 6.96   | 7.07               | 3.91          | 0.98         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.05               | 0.02          | N/A          | -0.98             | 7.07           | 0.00      | 0.00 | 0.08  |

### 5 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 10.55  | 7.45               | 3.80          | 1.38         | 0.13              | 0.56           | 0.99      | 0.98 | 0.23  |
| Amity Pension Benchmark   | 10.47  | 7.55               | 3.85          | 1.35         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.08   | 0.04               | 0.01          | N/A          | -1.35             | 7.55           | 0.00      | 0.00 | 0.08  |

### 7 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 8.76   | 8.58               | 4.90          | 1.01         | -0.28             | 0.57           | 1.00      | 1.00 | -0.12 |
| Amity Pension Benchmark   | 8.93   | 8.60               | 4.86          | 1.03         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.04               | 0.01          | N/A          | -1.03             | 8.60           | 0.00      | 0.00 | 0.09  |

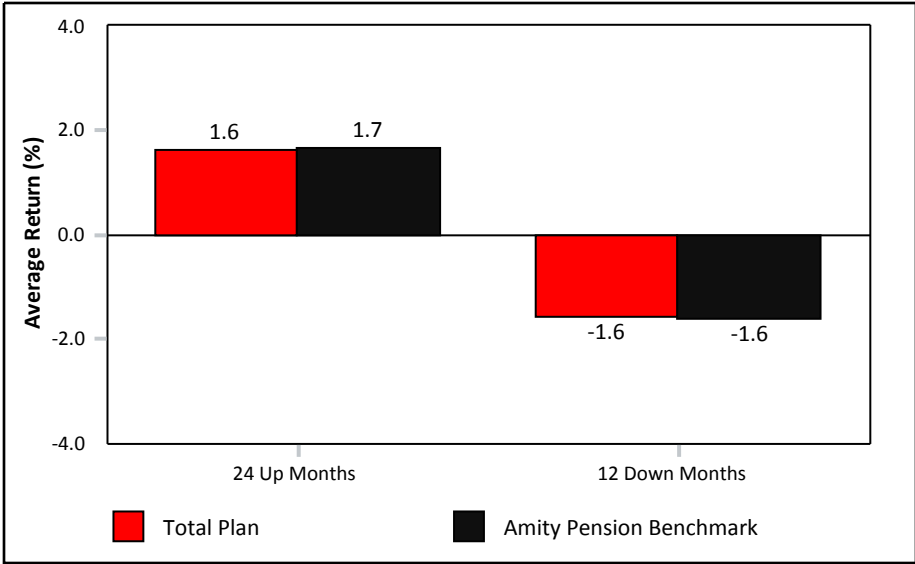
### Since Inception Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta  | Alpha | Inception Date |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|-------|-------|----------------|
| Total Plan                | 5.53   | 10.41              | 7.18          | 0.49         | -0.12             | 1.04           | 0.99      | 0.96  | 0.09  | 01/01/2007     |
| Amity Pension Benchmark   | 5.62   | 10.75              | 7.45          | 0.49         | N/A               | 0.00           | 1.00      | 1.00  | 0.00  | 01/01/2007     |
| 90 Day U.S. Treasury Bill | 0.79   | 0.46               | 0.01          | N/A          | -0.49             | 10.82          | 0.02      | -0.01 | 0.83  | 01/01/2007     |

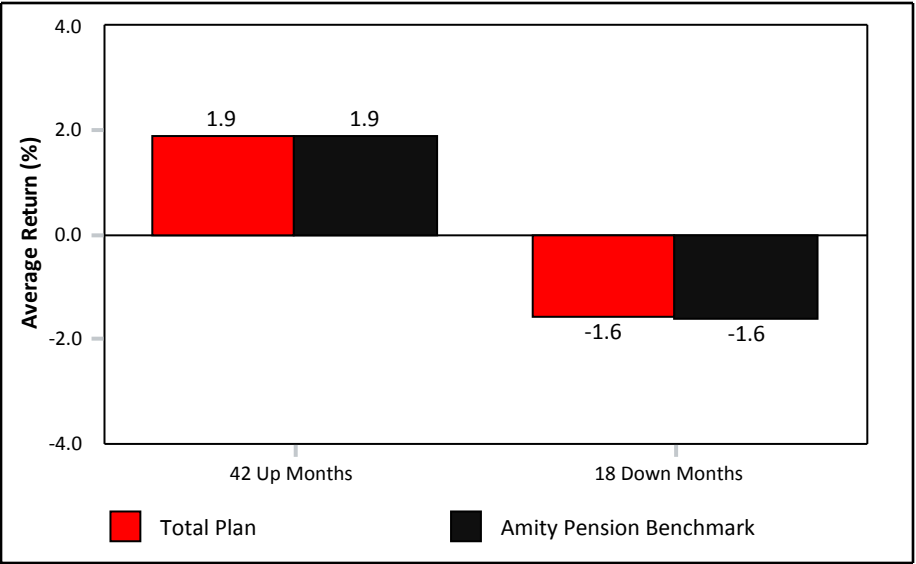
# Market Capture Report

As of September 30, 2016

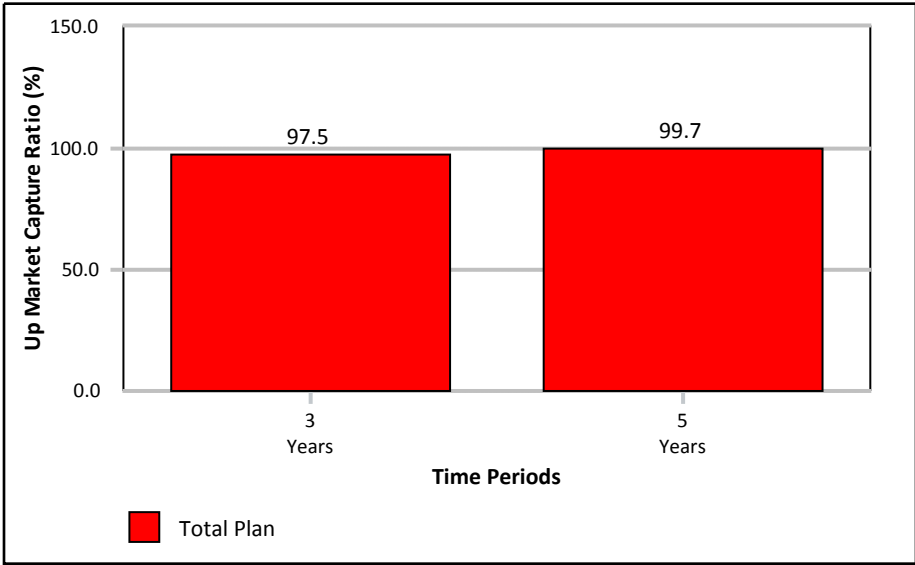
Up/Down Markets - 3 Years



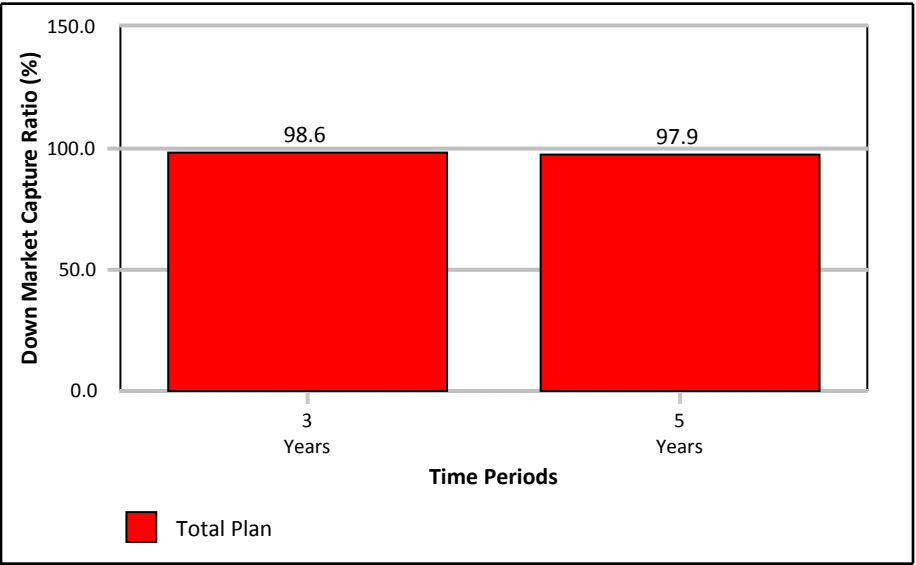
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



## Estimated Fee Analysis

As of September 30, 2016

| MANAGER                              | FEE SCHEDULE | TARGET ALLOCATION |
|--------------------------------------|--------------|-------------------|
| Vanguard Total Bond Market Index Adm | 0.06%        | 35.0%             |
| Vanguard 500 Index Adm               | 0.05%        | 10.0%             |
| Vanguard Value Index Adm             | 0.08%        | 15.0%             |
| Vanguard Growth Index Fund Adm       | 0.08%        | 15.0%             |
| Vanguard Mid Cap Index Adm           | 0.08%        | 5.0%              |
| Vanguard Small Cap Index Adm         | 0.08%        | 5.0%              |
| Vanguard Developed Markets Adm       | 0.09%        | 15.0%             |
| <b>AVERAGE WEIGHTED FEE</b>          |              | <b>0.07%</b>      |

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

## Sick & Severance Fund Results



## Amity Sick & Severance - Asset Allocation

As of September 30, 2016

|                                               | Asset<br>Allocation<br>(\$) | Asset<br>Allocation<br>(%) | Target<br>Allocation<br>(%) | Differences<br>(%) |
|-----------------------------------------------|-----------------------------|----------------------------|-----------------------------|--------------------|
| <b>Total Plan</b>                             | <b>752,138</b>              | <b>100.0</b>               | <b>100.0</b>                | <b>0.0</b>         |
| <b>Short Term Liquidity</b>                   | <b>7,350</b>                | <b>1.0</b>                 | <b>0.0</b>                  | <b>1.0</b>         |
| Wells Fargo Government Money Market Fund I    | 7,350                       | 1.0                        | 0.0                         | 1.0                |
| <b>Fixed Income</b>                           | <b>369,523</b>              | <b>49.1</b>                | <b>50.0</b>                 | <b>-0.9</b>        |
| Vanguard Short-Term Government Bond Index Adm | 161,381                     | 21.5                       | 22.5                        | -1.0               |
| Vanguard Short Term Inflation Protection Adm  | 35,837                      | 4.8                        | 5.0                         | -0.2               |
| Vanguard Total Bond Market Index Adm          | 172,306                     | 22.9                       | 22.5                        | 0.4                |
| <b>Domestic Equity</b>                        | <b>310,392</b>              | <b>41.3</b>                | <b>40.0</b>                 | <b>1.3</b>         |
| Vanguard Total Stock Market Index Adm         | 310,392                     | 41.3                       | 40.0                        | 1.3                |
| <b>International Equity</b>                   | <b>64,872</b>               | <b>8.6</b>                 | <b>10.0</b>                 | <b>-1.4</b>        |
| Vanguard Developed Markets Adm                | 64,872                      | 8.6                        | 10.0                        | -1.4               |

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

## Total Plan Performance Summary

As of September 30, 2016

### Account Reconciliation

|                        | QTR     | YTD     | Since Inception | Inception Date    |
|------------------------|---------|---------|-----------------|-------------------|
| <b>Total Plan</b>      |         |         |                 | <b>01/01/2007</b> |
| Beginning Market Value | 735,169 | 715,562 | 897,135         |                   |
| Net Contributions      | -583    | -1,753  | -490,927        |                   |
| Total Gain/Loss        | 17,552  | 38,329  | 345,930         |                   |
| Ending Market Value    | 752,138 | 752,138 | 752,138         |                   |

### Amity Sick & Severance Benchmark Composition

| Allocation Mandate                       | Weight (%) |
|------------------------------------------|------------|
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| CRSP U.S. Total Market TR Index          | 40.0       |
| FTSE Global All Cap ex US Spliced Index^ | 10.0       |

### Trailing Performance Summary

|                                  | QTR        | YTD        | Jul-2016 To Sep-2016 | 1 Year     | 3 Years    | 5 Years    | 7 Years    | 10 Years   | Since Inception | Inception Date    |
|----------------------------------|------------|------------|----------------------|------------|------------|------------|------------|------------|-----------------|-------------------|
| <b>Total Plan</b>                | <b>2.4</b> | <b>5.4</b> | <b>2.4</b>           | <b>8.0</b> | <b>5.4</b> | <b>8.0</b> | <b>6.9</b> | <b>N/A</b> | <b>5.0</b>      | <b>01/01/2007</b> |
| Amity Sick & Severance Benchmark | 2.6        | 6.0        | 2.6                  | 8.8        | 5.6        | 8.2        | 7.2        | 5.4        | 5.1             |                   |
| Difference                       | -0.2       | -0.6       | -0.2                 | -0.8       | -0.2       | -0.2       | -0.3       | N/A        | -0.1            |                   |

### Calendar Year Performance Summary

|                                  | 2015       | 2014       | 2013        | 2012       | 2011       | 2010       | 2009        | 2008         |
|----------------------------------|------------|------------|-------------|------------|------------|------------|-------------|--------------|
| <b>Total Plan</b>                | <b>0.3</b> | <b>5.9</b> | <b>14.5</b> | <b>9.5</b> | <b>1.4</b> | <b>9.5</b> | <b>11.2</b> | <b>-13.6</b> |
| Amity Sick & Severance Benchmark | 0.1        | 6.3        | 13.6        | 9.7        | 2.2        | 10.3       | 14.3        | -16.6        |
| Difference                       | 0.2        | -0.4       | 0.9         | -0.2       | -0.8       | -0.8       | -3.1        | 3.0          |

## Benchmark Composition - Amity Sick & Severance Blended Benchmark

As of September 30, 2016

| Allocation Mandate                       | Weight (%) |
|------------------------------------------|------------|
| <b>Mar-2014</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| CRSP U.S. Total Market TR Index          | 40.0       |
| FTSE Global All Cap ex US Spliced Index^ | 10.0       |
| <b>Jun-2013</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| MSCI US Broad Market Index               | 40.0       |
| FTSE Global All Cap ex US Spliced Index^ | 10.0       |
| <b>Sep-2012</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| MSCI US Broad Market Index               | 40.0       |
| MSCI EAFE (Net) Index                    | 10.0       |
| <b>Nov-2009</b>                          |            |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Aggregate              | 22.5       |
| Russell 3000 Index                       | 40.0       |
| MSCI EAFE (Net) Index                    | 10.0       |
| <b>Mar-1997</b>                          |            |
| Bloomberg Barclays 1-3 Year Govt Index   | 22.5       |
| Blmbg. Barc. U.S. Treasury: 7-10 Year    | 22.5       |
| Blmbg. Barc. U.S. TIPS                   | 5.0        |
| Russell 3000 Index                       | 40.0       |
| MSCI EAFE (Net) Index                    | 10.0       |

## Amity Sick & Severance

### Manager Performance Overview

As of September 30, 2016

|                                                      | QTR              | YTD             | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years       | 5<br>Years | Since<br>Inception | Inception<br>Date |
|------------------------------------------------------|------------------|-----------------|----------------------------|------------------|------------------|------------|--------------------|-------------------|
| <u>Short Term Liquidity</u>                          |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Wells Fargo Government Money Market Fund I</b>    | <b>0.1</b>       | <b>0.1</b>      | <b>0.1</b>                 | <b>0.1</b>       | <b>0.0</b>       | <b>0.0</b> | <b>0.8</b>         | <b>01/01/2007</b> |
| 90 Day U.S. Treasury Bill                            | 0.1              | 0.2             | 0.1                        | 0.2              | 0.1              | 0.1        | 0.8                |                   |
| <u>Fixed Income</u>                                  |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Short-Term Government Bond Index Adm</b> | <b>-0.1 (65)</b> | <b>1.2 (52)</b> | <b>-0.1 (65)</b>           | <b>0.8 (50)</b>  | <b>0.8 (48)</b>  | <b>N/A</b> | <b>0.6 (34)</b>    | <b>09/01/2012</b> |
| Bloomberg Barclays 1-3 Year Govt Index               | -0.1             | 1.3             | -0.1                       | 0.9              | 0.9              | 0.7        | 0.7                |                   |
| IM U.S. Short Term Treasury/Govt Bonds (MF) Median   | -0.1             | 1.3             | -0.1                       | 0.8              | 0.7              | 0.6        | 0.5                |                   |
| <b>Vanguard Short Term Inflation Protection Adm</b>  | <b>0.2 (97)</b>  | <b>2.9 (93)</b> | <b>0.2 (97)</b>            | <b>2.5 (94)</b>  | <b>0.4 (85)</b>  | <b>N/A</b> | <b>0.4 (85)</b>    | <b>10/01/2013</b> |
| Bloomberg Barclays US TIPS 0-5 Year Index            | 0.3              | 3.0             | 0.3                        | 2.6              | 0.5              | 0.7        | 0.5                |                   |
| IM U.S. TIPS (MF) Median                             | 1.0              | 6.7             | 1.0                        | 5.8              | 1.4              | 1.2        | 1.4                |                   |
| <b>Vanguard Total Bond Market Index Adm</b>          | <b>0.4 (78)</b>  | <b>6.0 (44)</b> | <b>0.4 (78)</b>            | <b>5.3 (41)</b>  | <b>4.1 (30)</b>  | <b>N/A</b> | <b>2.6 (40)</b>    | <b>08/01/2012</b> |
| Blmbg. Barc. U.S. Aggregate                          | 0.5              | 5.8             | 0.5                        | 5.2              | 4.0              | 3.1        | 2.5                |                   |
| IM U.S. Broad Market Core Fixed Income (MF) Median   | 0.7              | 5.8             | 0.7                        | 5.2              | 3.8              | 3.2        | 2.4                |                   |
| <u>Domestic Equity</u>                               |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Total Stock Market Index Adm</b>         | <b>4.4 (57)</b>  | <b>8.2 (26)</b> | <b>4.4 (57)</b>            | <b>15.0 (12)</b> | <b>10.4 (14)</b> | <b>N/A</b> | <b>13.5 (26)</b>   | <b>09/01/2012</b> |
| CRSP US Total Market Spliced Index^                  | 4.4              | 8.2             | 4.4                        | 15.0             | 10.4             | 16.3       | 13.5               |                   |
| IM U.S. Multi-Cap Core Equity (MF) Median            | 4.6              | 6.2             | 4.6                        | 11.3             | 8.4              | 14.9       | 12.6               |                   |
| <u>International Equity</u>                          |                  |                 |                            |                  |                  |            |                    |                   |
| <b>Vanguard Developed Markets Adm</b>                | <b>6.4 (41)</b>  | <b>3.9 (38)</b> | <b>6.4 (41)</b>            | <b>8.0 (31)</b>  | <b>1.1 (36)</b>  | <b>N/A</b> | <b>7.0 (24)</b>    | <b>09/01/2012</b> |
| FTSE Developed ex US Spliced Index^                  | 6.7              | 3.2             | 6.7                        | 8.2              | 1.0              | 7.7        | 6.9                |                   |
| IM International Multi-Cap Core Equity (MF) Median   | 6.2              | 2.6             | 6.2                        | 5.9              | 0.6              | 7.3        | 6.0                |                   |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Returns for periods less than one year are not annualized.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.

## Amity Sick & Severance

### Manager Investment Gain/Loss Summary

|                                               | Market Value<br>As of<br>07/01/2016 | Net Flows   | Return On<br>Investment | Market Value<br>As of<br>09/30/2016 |
|-----------------------------------------------|-------------------------------------|-------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u>                   |                                     |             |                         |                                     |
| Wells Fargo Government Money Market Fund I    | 7,928                               | -583        | 5                       | 7,350                               |
| <b>Total Short Term Liquidity</b>             | <b>7,928</b>                        | <b>-583</b> | <b>5</b>                | <b>7,350</b>                        |
| <u>Fixed Income</u>                           |                                     |             |                         |                                     |
| Vanguard Short-Term Government Bond Index Adm | 161,594                             | -           | -213                    | 161,381                             |
| Vanguard Short Term Inflation Protection Adm  | 35,750                              | -           | 86                      | 35,837                              |
| Vanguard Total Bond Market Index Adm          | 171,608                             | -           | 698                     | 172,306                             |
| <b>Total Fixed Income</b>                     | <b>368,952</b>                      | <b>-</b>    | <b>571</b>              | <b>369,523</b>                      |
| <u>Domestic Equity</u>                        |                                     |             |                         |                                     |
| Vanguard Total Stock Market Index Adm         | 297,321                             | -           | 13,072                  | 310,392                             |
| <b>Total Domestic Equity</b>                  | <b>297,321</b>                      | <b>-</b>    | <b>13,072</b>           | <b>310,392</b>                      |
| <u>International Equity</u>                   |                                     |             |                         |                                     |
| Vanguard Developed Markets Adm                | 60,968                              | -           | 3,904                   | 64,872                              |
| <b>Total International Equity</b>             | <b>60,968</b>                       | <b>-</b>    | <b>3,904</b>            | <b>64,872</b>                       |
| <b>Total Plan</b>                             | <b>735,169</b>                      | <b>-583</b> | <b>17,552</b>           | <b>752,138</b>                      |

## Amity Sick & Severance

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Dec-2006       | -                                 | -                        | -                 | 897,135                        | N/A      |
| Mar-2007       | 897,135                           | -85,176                  | 16,277            | 828,236                        | 1.8      |
| Jun-2007       | 828,236                           | 85,103                   | 22,664            | 936,003                        | 2.7      |
| Sep-2007       | 936,003                           | -1,250                   | 25,016            | 959,769                        | 2.7      |
| Dec-2007       | 959,769                           | -1,250                   | 1,696             | 960,215                        | 0.2      |
| Mar-2008       | 960,215                           | -1,250                   | -21,379           | 937,586                        | -2.2     |
| Jun-2008       | 937,586                           | -24,586                  | -17,358           | 895,642                        | -1.9     |
| Sep-2008       | 895,642                           | -1,260                   | -33,357           | 861,025                        | -3.7     |
| Dec-2008       | 861,025                           | -1,250                   | -55,768           | 804,007                        | -6.5     |
| Mar-2009       | 804,007                           | -1,250                   | -36,625           | 766,132                        | -4.6     |
| Jun-2009       | 766,132                           | -190,578                 | 33,279            | 608,833                        | 4.3      |
| Sep-2009       | 608,833                           | 3,629                    | 55,104            | 667,566                        | 9.0      |
| Dec-2009       | 667,566                           | -1,250                   | 15,810            | 682,125                        | 2.4      |
| Mar-2010       | 682,125                           | -1,250                   | 20,801            | 701,676                        | 3.1      |
| Jun-2010       | 701,676                           | -1,250                   | -36,542           | 663,884                        | -5.2     |
| Sep-2010       | 663,884                           | 41,888                   | 46,933            | 752,706                        | 6.9      |
| Dec-2010       | 752,706                           | -1,250                   | 37,200            | 788,655                        | 4.9      |
| Mar-2011       | 788,655                           | -1,156                   | 24,415            | 811,914                        | 3.1      |
| Jun-2011       | 811,914                           | -225,111                 | 394               | 587,197                        | 0.0      |
| Sep-2011       | 587,197                           | -4,138                   | -36,623           | 546,437                        | -6.3     |
| Dec-2011       | 546,437                           | -1,250                   | 26,614            | 571,801                        | 4.9      |
| Mar-2012       | 571,801                           | -584                     | 31,420            | 602,636                        | 5.5      |
| Jun-2012       | 602,636                           | -584                     | -6,460            | 595,592                        | -1.1     |
| Sep-2012       | 595,592                           | 129,342                  | 27,908            | 752,842                        | 4.0      |
| Dec-2012       | 752,842                           | -587                     | 6,519             | 758,775                        | 0.9      |
| Mar-2013       | 758,775                           | -585                     | 37,075            | 795,264                        | 4.9      |
| Jun-2013       | 795,264                           | -584                     | 1,787             | 796,467                        | 0.2      |
| Sep-2013       | 796,467                           | -1,939                   | 32,608            | 827,136                        | 4.1      |
| Dec-2013       | 827,136                           | -665                     | 38,196            | 864,667                        | 4.6      |
| Mar-2014       | 864,667                           | -600                     | 11,711            | 875,778                        | 1.4      |

## Amity Sick & Severance

### Market Value and Flows Summary

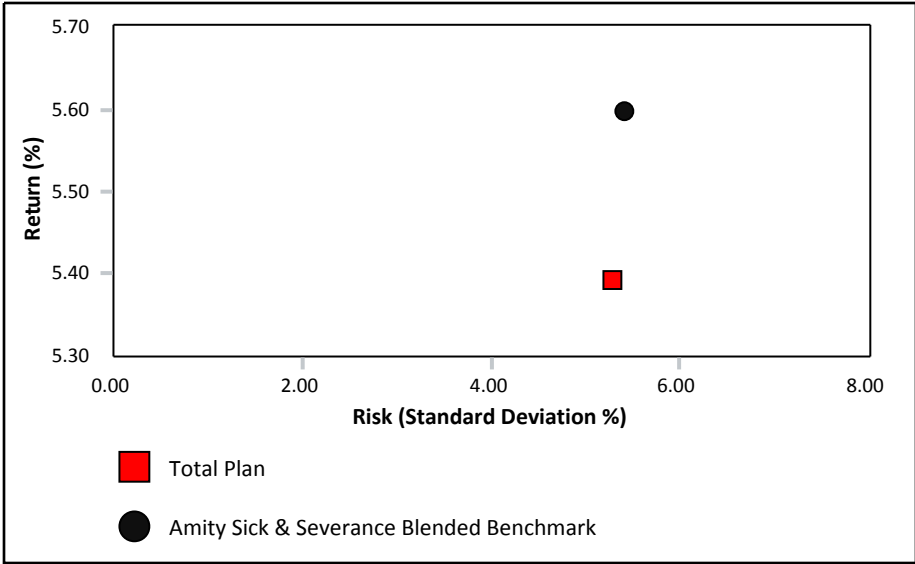
Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Jun-2014       | 875,778                           | -194,883                 | 26,184            | 707,080                        | 3.0      |
| Sep-2014       | 707,080                           | -654                     | -4,645            | 701,781                        | -0.7     |
| Dec-2014       | 701,781                           | -593                     | 14,622            | 715,810                        | 2.1      |
| Mar-2015       | 715,810                           | -593                     | 12,324            | 727,541                        | 1.7      |
| Jun-2015       | 727,541                           | -592                     | -1,599            | 725,350                        | -0.2     |
| Sep-2015       | 725,350                           | -603                     | -26,050           | 698,697                        | -3.6     |
| Dec-2015       | 698,697                           | -585                     | 17,450            | 715,562                        | 2.5      |
| Mar-2016       | 715,562                           | -586                     | 8,114             | 723,090                        | 1.1      |
| Jun-2016       | 723,090                           | -584                     | 12,663            | 735,169                        | 1.8      |
| Sep-2016       | 735,169                           | -583                     | 17,552            | 752,138                        | 2.4      |

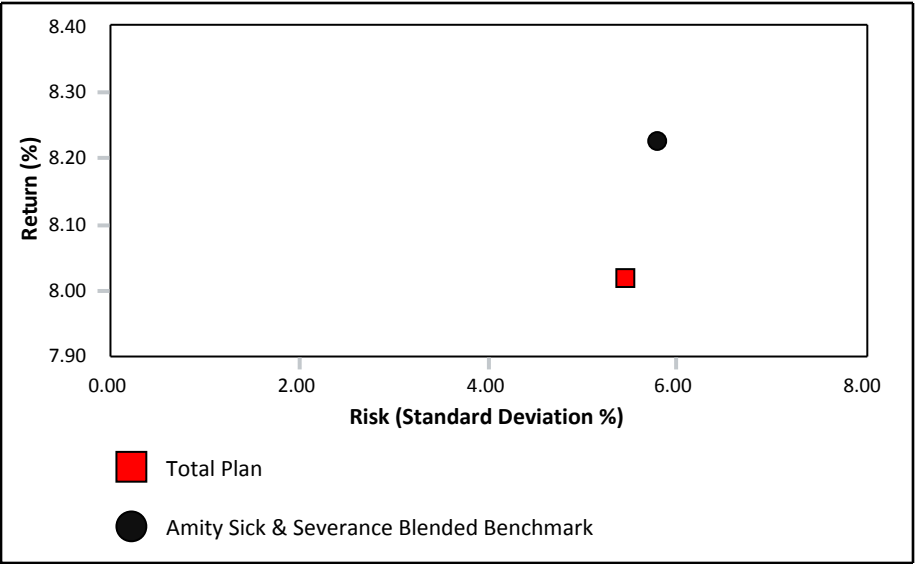
# Risk vs. Return

As of September 30, 2016

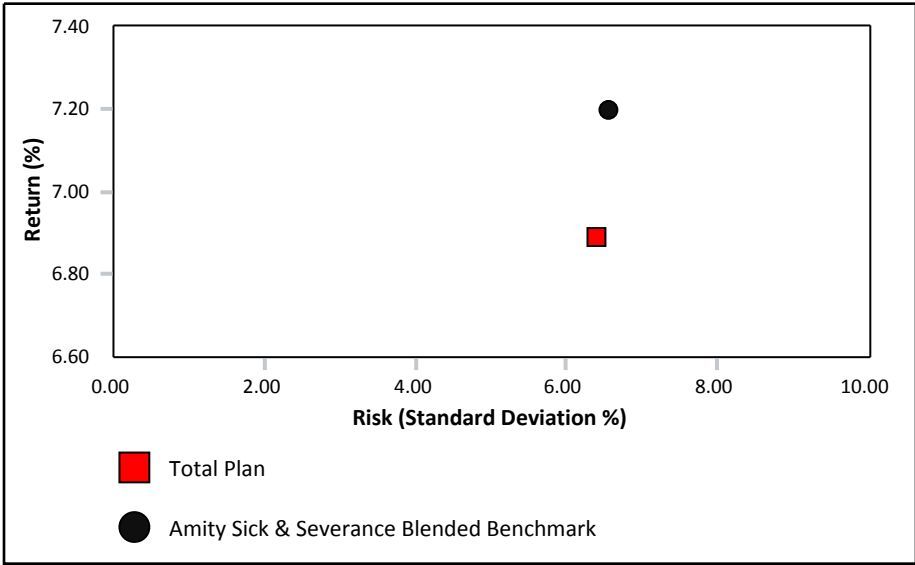
3 Year Risk and Return



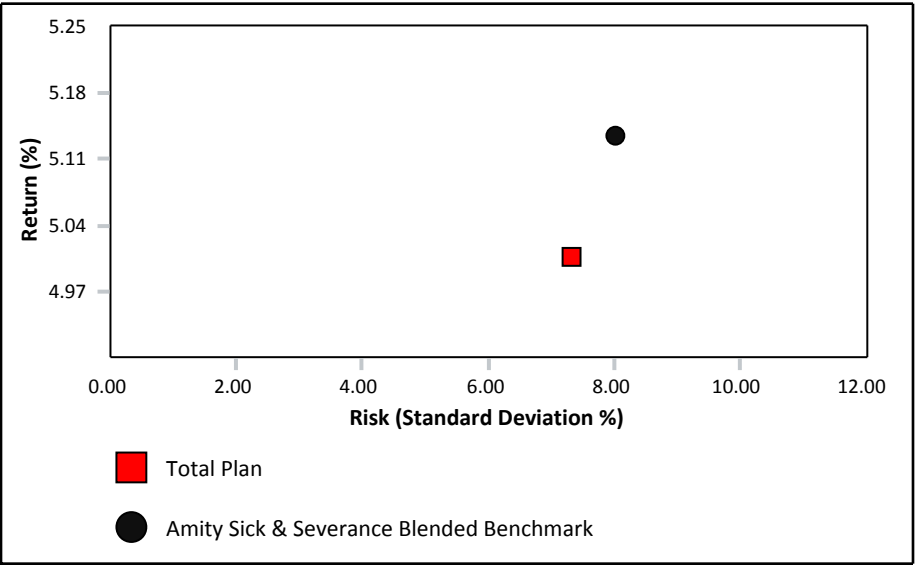
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return





## MPT Statistics

As of September 30, 2016

### 3 Year Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                               | 5.39   | 5.30               | 2.97          | 1.00         | -0.46             | 0.44           | 0.99      | 0.97 | -0.05 |
| Amity Sick & Severance Blended Benchmark | 5.60   | 5.43               | 2.97          | 1.02         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill                | 0.09   | 0.05               | 0.02          | N/A          | -1.02             | 5.42           | 0.00      | 0.00 | 0.08  |

### 5 Year Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                               | 8.02   | 5.47               | 2.80          | 1.43         | -0.29             | 0.71           | 0.99      | 0.94 | 0.29  |
| Amity Sick & Severance Blended Benchmark | 8.22   | 5.80               | 2.92          | 1.38         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill                | 0.08   | 0.04               | 0.01          | N/A          | -1.38             | 5.80           | 0.00      | 0.00 | 0.08  |

### 7 Year Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                               | 6.89   | 6.41               | 3.60          | 1.06         | -0.37             | 0.81           | 0.99      | 0.97 | -0.07 |
| Amity Sick & Severance Blended Benchmark | 7.20   | 6.58               | 3.65          | 1.08         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill                | 0.09   | 0.04               | 0.01          | N/A          | -1.08             | 6.58           | 0.00      | 0.00 | 0.09  |

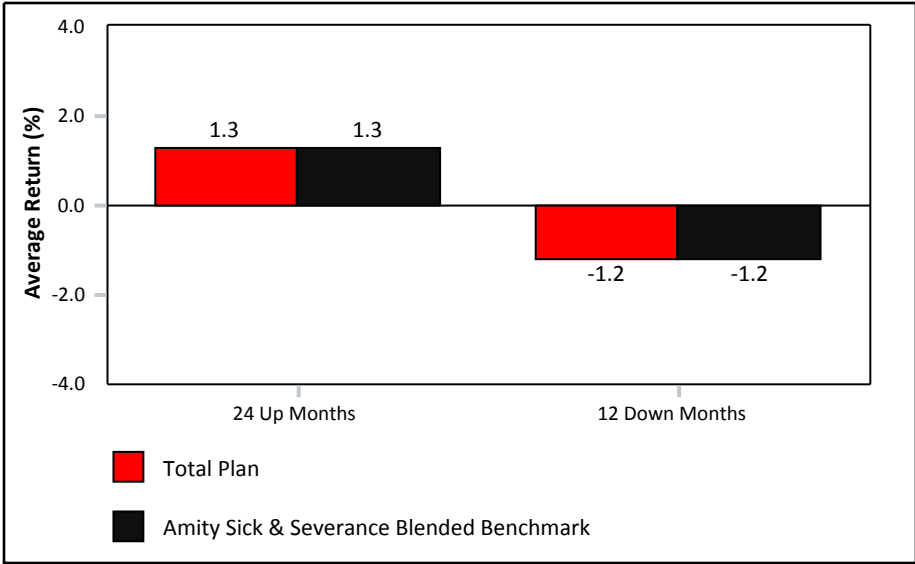
### Since Inception Historical MPT Statistics

|                                          | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta  | Alpha | Inception Date |
|------------------------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|-------|-------|----------------|
| Total Plan                               | 5.00   | 7.34               | 4.94          | 0.59         | -0.13             | 1.37           | 0.98      | 0.90  | 0.34  | 01/01/2007     |
| Amity Sick & Severance Blended Benchmark | 5.13   | 8.04               | 5.49          | 0.56         | N/A               | 0.00           | 1.00      | 1.00  | 0.00  | 01/01/2007     |
| 90 Day U.S. Treasury Bill                | 0.79   | 0.46               | 0.01          | N/A          | -0.56             | 8.10           | 0.01      | -0.01 | 0.82  | 01/01/2007     |

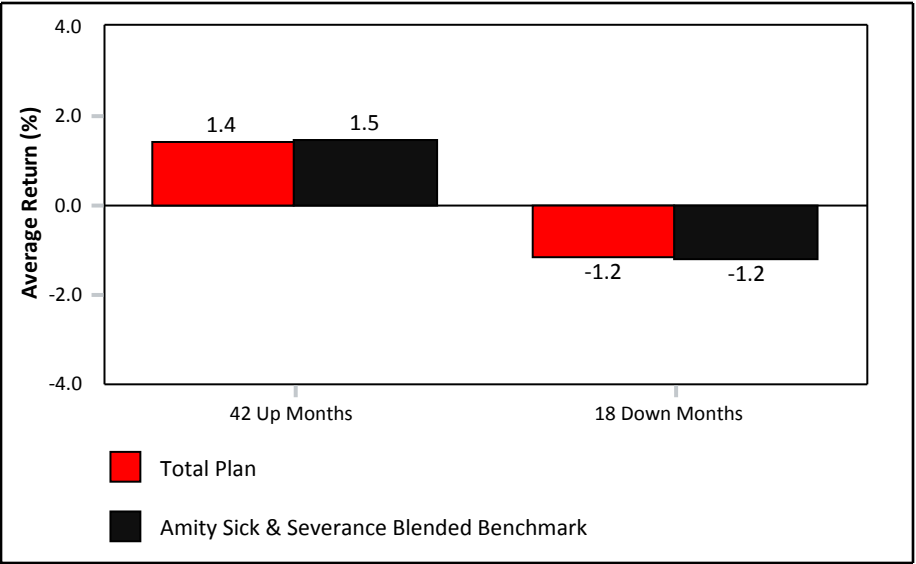
# Market Capture Report

As of September 30, 2016

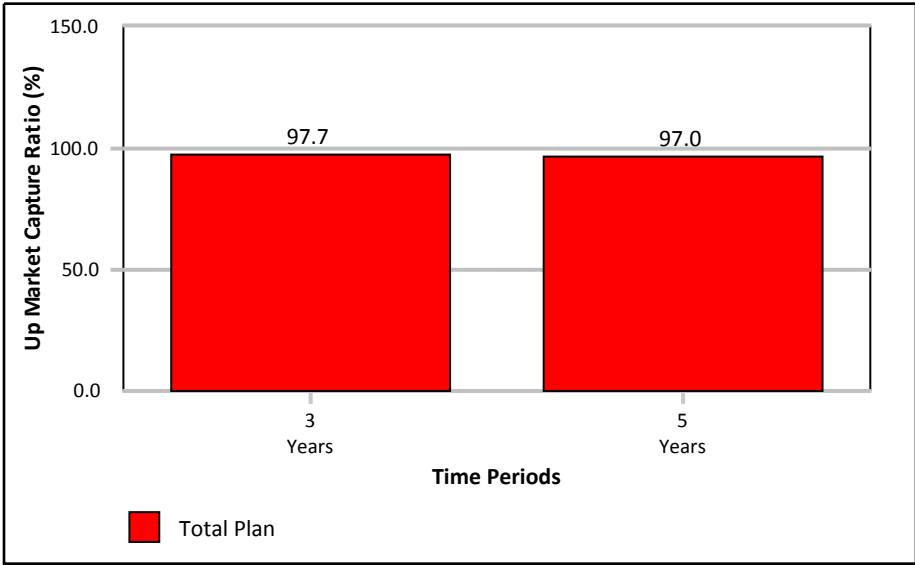
Up/Down Markets - 3 Years



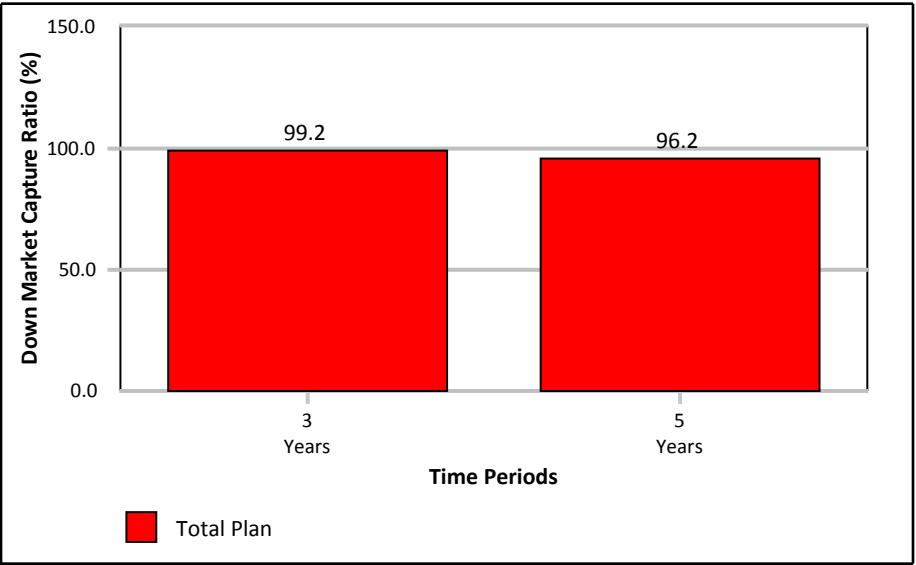
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



## Estimated Fee Analysis

As of September 30, 2016

| MANAGER                                      | FEE SCHEDULE | TARGET ALLOCATION |
|----------------------------------------------|--------------|-------------------|
| Vanguard Short-Term Govt Bd Adm              | 0.10%        | 22.5%             |
| Vanguard Short Term Inflation Protection Adm | 0.08%        | 5.0%              |
| Vanguard Total Bond Market Index Adm         | 0.06%        | 22.5%             |
| Vanguard Total Stock Mkt Idx Adm             | 0.05%        | 40.0%             |
| Vanguard Developed Markets Adm               | 0.09%        | 10.0%             |
| <b>AVERAGE WEIGHTED FEE</b>                  |              | <b>0.07%</b>      |

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

# OPEB Trust Results

## Amity OPEB - Asset Allocation

As of September 30, 2016

|                                              | Asset<br>Allocation<br>(\$) | Asset<br>Allocation<br>(%) | Target<br>Allocation<br>(%) | Differences<br>(%) |
|----------------------------------------------|-----------------------------|----------------------------|-----------------------------|--------------------|
| <b>Total Plan</b>                            | <b>1,733,601</b>            | <b>100.0</b>               | <b>100.0</b>                | <b>0.0</b>         |
| <b>Short Term Liquidity</b>                  | <b>20,380</b>               | <b>1.2</b>                 | <b>0.0</b>                  | <b>1.2</b>         |
| Wells Fargo Government Money Market Fund I   | 20,380                      | 1.2                        | 0.0                         | 1.2                |
| <b>Fixed Income</b>                          | <b>680,710</b>              | <b>39.3</b>                | <b>40.0</b>                 | <b>-0.7</b>        |
| Vanguard Short Term Inflation Protection Adm | 340,335                     | 19.6                       | 20.0                        | -0.4               |
| Vanguard Total Bond Market Index Adm         | 340,376                     | 19.6                       | 20.0                        | -0.4               |
| <b>Domestic Equity</b>                       | <b>687,640</b>              | <b>39.7</b>                | <b>40.0</b>                 | <b>-0.3</b>        |
| Vanguard 500 Index Adm                       | 515,386                     | 29.7                       | 30.0                        | -0.3               |
| Vanguard Small Cap Index Adm                 | 172,254                     | 9.9                        | 10.0                        | -0.1               |
| <b>International Equity</b>                  | <b>344,870</b>              | <b>19.9</b>                | <b>20.0</b>                 | <b>-0.1</b>        |
| Vanguard Developed Markets Index Fund Adm    | 344,870                     | 19.9                       | 20.0                        | -0.1               |

Investments with a zero balance were held in the plan during the reporting period and will be removed once they no longer impact plan performance.

## Total Plan Performance Summary

As of September 30, 2016

### Account Reconciliation

|                        | QTR       | YTD       | Since Inception | Inception Date    |
|------------------------|-----------|-----------|-----------------|-------------------|
| <b>Total Plan</b>      |           |           |                 | <b>12/01/2007</b> |
| Beginning Market Value | 1,540,664 | 1,500,812 | 507,703         |                   |
| Net Contributions      | 144,858   | 143,528   | 555,452         |                   |
| Total Gain/Loss        | 48,079    | 89,261    | 670,446         |                   |
| Ending Market Value    | 1,733,601 | 1,733,601 | 1,733,601       |                   |

### Amity OPEB Benchmark Composition

| Allocation Mandate                        | Weight (%) |
|-------------------------------------------|------------|
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Bloomberg Barclays US TIPS 0-5 Year Index | 20.0       |
| S&P 500 Index                             | 30.0       |
| CRSP U.S. Small Cap TR Index              | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |

### Trailing Performance Summary

|                      | QTR        | YTD        | Jul-2016 To Sep-2016 | 1 Year     | 3 Years    | 5 Years    | 7 Years    | 10 Years   | Since Inception | Inception Date    |
|----------------------|------------|------------|----------------------|------------|------------|------------|------------|------------|-----------------|-------------------|
| <b>Total Plan</b>    | <b>3.1</b> | <b>5.9</b> | <b>3.1</b>           | <b>9.0</b> | <b>5.2</b> | <b>8.8</b> | <b>6.8</b> | <b>N/A</b> | <b>5.8</b>      | <b>12/01/2007</b> |
| Amity OPEB Benchmark | 3.3        | 6.6        | 3.3                  | 9.8        | 5.4        | 8.8        | 7.8        | 5.4        | 4.6             |                   |
| Difference           | -0.2       | -0.7       | -0.2                 | -0.8       | -0.2       | 0.0        | -1.0       | N/A        | 1.2             |                   |

### Calendar Year Performance Summary

|                      | 2015       | 2014       | 2013        | 2012        | 2011       | 2010       | 2009        | 2008        |
|----------------------|------------|------------|-------------|-------------|------------|------------|-------------|-------------|
| <b>Total Plan</b>    | <b>0.1</b> | <b>4.5</b> | <b>15.5</b> | <b>11.7</b> | <b>1.4</b> | <b>7.4</b> | <b>14.7</b> | <b>-6.6</b> |
| Amity OPEB Benchmark | -0.5       | 5.1        | 14.3        | 12.4        | 2.1        | 11.9       | 20.9        | -24.3       |
| Difference           | 0.6        | -0.6       | 1.2         | -0.7        | -0.7       | -4.5       | -6.2        | 17.7        |

## Benchmark Composition - Amity OPEB Benchmark

As of September 30, 2016

| Allocation Mandate                        | Weight (%) |
|-------------------------------------------|------------|
| <b>Jan-2014</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Bloomberg Barclays US TIPS 0-5 Year Index | 20.0       |
| S&P 500 Index                             | 30.0       |
| CRSP U.S. Small Cap TR Index              | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |
| <b>Sep-2013</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Bloomberg Barclays US TIPS 0-5 Year Index | 20.0       |
| S&P 500 Index                             | 30.0       |
| MSCI US Small Cap 1750                    | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |
| <b>Jun-2013</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Blmbg. Barc. U.S. TIPS                    | 20.0       |
| S&P 500 Index                             | 30.0       |
| MSCI US Small Cap 1750                    | 10.0       |
| FTSE Global All Cap ex US Spliced Index^  | 20.0       |
| <b>Sep-2012</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Blmbg. Barc. U.S. TIPS                    | 20.0       |
| S&P 500 Index                             | 30.0       |
| MSCI US Small Cap 1750                    | 10.0       |
| MSCI EAFE (Net) Index                     | 20.0       |
| <b>Mar-1997</b>                           |            |
| Blmbg. Barc. U.S. Aggregate               | 20.0       |
| Blmbg. Barc. U.S. TIPS                    | 20.0       |
| S&P 500 Index                             | 30.0       |
| Russell 2000 Index                        | 10.0       |
| MSCI EAFE (Net) Index                     | 20.0       |

## Amity OPEB

### Manager Performance Overview

As of September 30, 2016

|                                                     | QTR             | YTD              | Jul-2016<br>To<br>Sep-2016 | 1<br>Year        | 3<br>Years      | 5<br>Years | Since<br>Inception | Inception<br>Date |
|-----------------------------------------------------|-----------------|------------------|----------------------------|------------------|-----------------|------------|--------------------|-------------------|
| <u>Short Term Liquidity</u>                         |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Wells Fargo Government Money Market Fund I</b>   | <b>0.1</b>      | <b>0.1</b>       | <b>0.1</b>                 | <b>0.1</b>       | <b>0.0</b>      | <b>0.0</b> | <b>0.4</b>         | <b>12/01/2007</b> |
| 90 Day U.S. Treasury Bill                           | 0.1             | 0.2              | 0.1                        | 0.2              | 0.1             | 0.1        | 0.3                |                   |
| <u>Fixed Income</u>                                 |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard Short Term Inflation Protection Adm</b> | <b>0.2 (97)</b> | <b>2.9 (93)</b>  | <b>0.2 (97)</b>            | <b>2.5 (94)</b>  | <b>0.4 (85)</b> | <b>N/A</b> | <b>0.4 (85)</b>    | <b>10/01/2013</b> |
| Bloomberg Barclays US TIPS 0-5 Year Index           | 0.3             | 3.0              | 0.3                        | 2.6              | 0.5             | 0.7        | 0.5                |                   |
| IM U.S. TIPS (MF) Median                            | 1.0             | 6.7              | 1.0                        | 5.8              | 1.4             | 1.2        | 1.4                |                   |
| <b>Vanguard Total Bond Market Index Adm</b>         | <b>0.4 (78)</b> | <b>6.0 (44)</b>  | <b>0.4 (78)</b>            | <b>5.3 (41)</b>  | <b>4.1 (31)</b> | <b>N/A</b> | <b>2.5 (42)</b>    | <b>09/01/2012</b> |
| Blmbg. Barc. U.S. Aggregate                         | 0.5             | 5.8              | 0.5                        | 5.2              | 4.0             | 3.1        | 2.5                |                   |
| IM U.S. Broad Market Core Fixed Income (MF) Median  | 0.7             | 5.8              | 0.7                        | 5.2              | 3.8             | 3.2        | 2.4                |                   |
| <u>Domestic Equity</u>                              |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard 500 Index Adm</b>                       | <b>3.8 (51)</b> | <b>7.8 (23)</b>  | <b>3.8 (51)</b>            | <b>15.4 (15)</b> | <b>11.1 (8)</b> | <b>N/A</b> | <b>13.5 (13)</b>   | <b>09/01/2012</b> |
| S&P 500 Index                                       | 3.9             | 7.8              | 3.9                        | 15.4             | 11.2            | 16.4       | 13.6               |                   |
| IM U.S. Large Cap Core Equity (MF) Median           | 3.9             | 6.2              | 3.9                        | 12.8             | 9.1             | 15.0       | 12.3               |                   |
| <b>Vanguard Small Cap Index Adm</b>                 | <b>6.2 (89)</b> | <b>11.5 (37)</b> | <b>6.2 (89)</b>            | <b>15.0 (44)</b> | <b>7.9 (24)</b> | <b>N/A</b> | <b>13.6 (26)</b>   | <b>09/01/2012</b> |
| CRSP US Small Cap Spliced Index^                    | 6.2             | 11.5             | 6.2                        | 14.9             | 7.9             | 16.7       | 13.6               |                   |
| IM U.S. Small Cap Core Equity (MF) Median           | 8.4             | 10.9             | 8.4                        | 14.6             | 6.6             | 15.4       | 12.6               |                   |
| <u>International Equity</u>                         |                 |                  |                            |                  |                 |            |                    |                   |
| <b>Vanguard Developed Markets Index Fund Adm</b>    | <b>6.4 (41)</b> | <b>3.9 (38)</b>  | <b>6.4 (41)</b>            | <b>8.0 (31)</b>  | <b>1.1 (36)</b> | <b>N/A</b> | <b>7.1 (24)</b>    | <b>09/01/2012</b> |
| FTSE Developed ex US Spliced Index^                 | 6.7             | 3.2              | 6.7                        | 8.2              | 1.0             | 7.7        | 6.9                |                   |
| IM International Multi-Cap Core Equity (MF) Median  | 6.2             | 2.6              | 6.2                        | 5.9              | 0.6             | 7.3        | 6.0                |                   |

The inception date expressed on the Manager Performance Overview page(s) represents the first day of the first full month following the purchase of the investment. Performance figures shown at the fund level begin on this inception date. Your performance may differ slightly if the fund was purchased during the previous month. Actual performance is captured at the total plan level.

Returns for periods greater than one year are annualized.

Returns are expressed as percentages.

^More information on custom indexes, which may be used in this report, can be found on the Custom Index Description page in the back of your report.



## Amity OPEB

### Manager Investment Gain/Loss Summary

|                                              | Market Value<br>As of<br>07/01/2016 | Net Flows      | Return On<br>Investment | Market Value<br>As of<br>09/30/2016 |
|----------------------------------------------|-------------------------------------|----------------|-------------------------|-------------------------------------|
| <u>Short Term Liquidity</u>                  |                                     |                |                         |                                     |
| Wells Fargo Government Money Market Fund I   | 25,498                              | -5,142         | 24                      | 20,380                              |
| <b>Total Short Term Liquidity</b>            | <b>25,498</b>                       | <b>-5,142</b>  | <b>24</b>               | <b>20,380</b>                       |
| <u>Fixed Income</u>                          |                                     |                |                         |                                     |
| Vanguard Short Term Inflation Protection Adm | 297,531                             | 42,000         | 804                     | 340,335                             |
| Vanguard Total Bond Market Index Adm         | 307,178                             | 32,000         | 1,198                   | 340,376                             |
| <b>Total Fixed Income</b>                    | <b>604,708</b>                      | <b>74,000</b>  | <b>2,002</b>            | <b>680,710</b>                      |
| <u>Domestic Equity</u>                       |                                     |                |                         |                                     |
| Vanguard 500 Index Adm                       | 475,034                             | 22,000         | 18,352                  | 515,386                             |
| Vanguard Small Cap Index Adm                 | 150,880                             | 12,000         | 9,374                   | 172,254                             |
| <b>Total Domestic Equity</b>                 | <b>625,914</b>                      | <b>34,000</b>  | <b>27,726</b>           | <b>687,640</b>                      |
| <u>International Equity</u>                  |                                     |                |                         |                                     |
| Vanguard Developed Markets Index Fund Adm    | 284,543                             | 42,000         | 18,327                  | 344,870                             |
| <b>Total International Equity</b>            | <b>284,543</b>                      | <b>42,000</b>  | <b>18,327</b>           | <b>344,870</b>                      |
| <b>Total Plan</b>                            | <b>1,540,664</b>                    | <b>144,858</b> | <b>48,079</b>           | <b>1,733,601</b>                    |

## Amity OPEB

### Market Value and Flows Summary

Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Dec-2007       | -                                 | -                        | -                 | 503,165                        | N/A      |
| Mar-2008       | 503,165                           | -                        | -20,366           | 482,800                        | -4.0     |
| Jun-2008       | 482,800                           | -                        | -3,927            | 478,872                        | -0.9     |
| Sep-2008       | 478,872                           | 300,763                  | -10,630           | 769,006                        | -1.3     |
| Dec-2008       | 769,006                           | -                        | -3,356            | 765,650                        | -0.4     |
| Mar-2009       | 765,650                           | -                        | -56,724           | 708,926                        | -7.4     |
| Jun-2009       | 708,926                           | -306,395                 | 79,763            | 482,294                        | 11.1     |
| Sep-2009       | 482,294                           | 419,352                  | 53,677            | 955,323                        | 9.7      |
| Dec-2009       | 955,323                           | -                        | 16,221            | 971,544                        | 1.7      |
| Mar-2010       | 971,544                           | -                        | 17,233            | 988,777                        | 1.8      |
| Jun-2010       | 988,777                           | -137,439                 | -35,065           | 816,273                        | -3.6     |
| Sep-2010       | 816,273                           | 61,250                   | 46,295            | 923,818                        | 5.5      |
| Dec-2010       | 923,818                           | 183,750                  | 38,153            | 1,145,721                      | 3.7      |
| Mar-2011       | 1,145,721                         | 122,557                  | 32,965            | 1,301,243                      | 2.7      |
| Jun-2011       | 1,301,243                         | -367,549                 | 12,585            | 946,279                        | 0.8      |
| Sep-2011       | 946,279                           | 376,753                  | -85,614           | 1,237,419                      | -8.1     |
| Dec-2011       | 1,237,419                         | -                        | 80,550            | 1,317,969                      | 6.5      |
| Mar-2012       | 1,317,969                         | -165                     | 96,522            | 1,414,326                      | 7.3      |
| Jun-2012       | 1,414,326                         | -326,337                 | -31,383           | 1,056,606                      | -2.2     |
| Sep-2012       | 1,056,606                         | 393,700                  | 53,993            | 1,504,298                      | 4.5      |
| Dec-2012       | 1,504,298                         | -663                     | 26,940            | 1,530,575                      | 1.8      |
| Mar-2013       | 1,530,575                         | -665                     | 80,911            | 1,610,821                      | 5.3      |
| Jun-2013       | 1,610,821                         | -666                     | -12,641           | 1,597,514                      | -0.8     |
| Sep-2013       | 1,597,514                         | -395,012                 | 83,008            | 1,285,510                      | 5.3      |
| Dec-2013       | 1,285,510                         | -615                     | 64,184            | 1,349,079                      | 5.0      |
| Mar-2014       | 1,349,079                         | -650                     | 17,817            | 1,366,246                      | 1.3      |
| Jun-2014       | 1,366,246                         | -128,041                 | 44,117            | 1,282,323                      | 3.4      |
| Sep-2014       | 1,282,323                         | 54,654                   | -22,090           | 1,314,887                      | -1.7     |
| Dec-2014       | 1,314,887                         | -657                     | 18,598            | 1,332,827                      | 1.4      |
| Mar-2015       | 1,332,827                         | -657                     | 29,530            | 1,361,700                      | 2.2      |

## Amity OPEB

### Market Value and Flows Summary

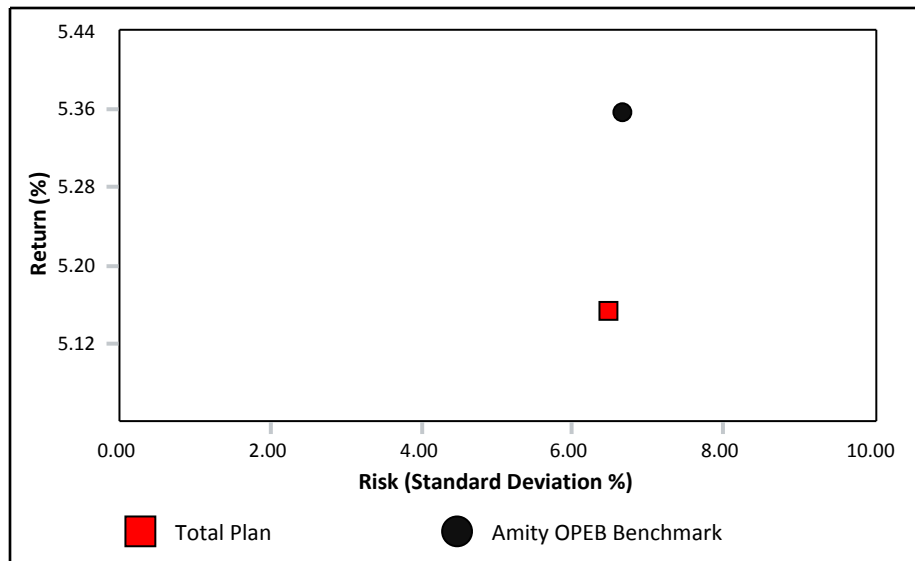
Since Inception Ending September 30, 2016

| Periods Ending | Beginning<br>Market Value<br>(\$) | Net<br>Cash Flow<br>(\$) | Gain/Loss<br>(\$) | Ending<br>Market Value<br>(\$) | % Return |
|----------------|-----------------------------------|--------------------------|-------------------|--------------------------------|----------|
| Jun-2015       | 1,361,700                         | -9,018                   | -150              | 1,352,531                      | 0.0      |
| Sep-2015       | 1,352,531                         | 174,338                  | -67,962           | 1,458,908                      | -4.9     |
| Dec-2015       | 1,458,908                         | -665                     | 42,569            | 1,500,812                      | 2.9      |
| Mar-2016       | 1,500,812                         | -664                     | 15,299            | 1,515,446                      | 1.0      |
| Jun-2016       | 1,515,446                         | -666                     | 25,883            | 1,540,664                      | 1.7      |
| Sep-2016       | 1,540,664                         | 144,858                  | 48,079            | 1,733,601                      | 3.1      |

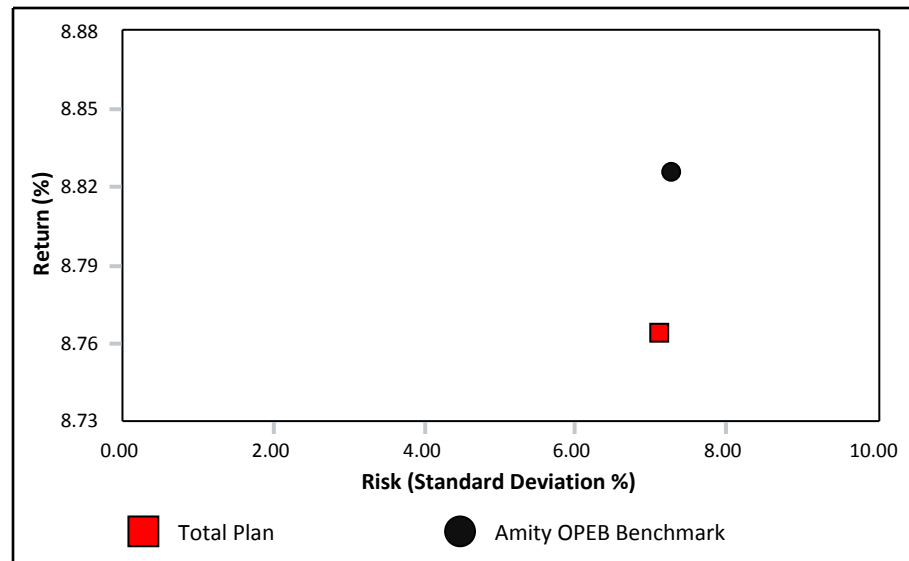
## Risk vs. Return

As of September 30, 2016

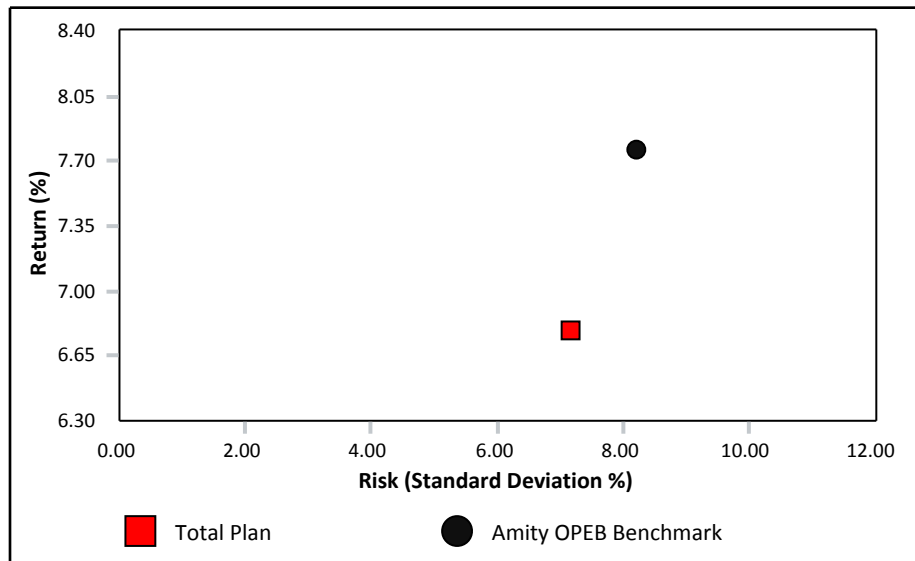
3 Year Risk and Return



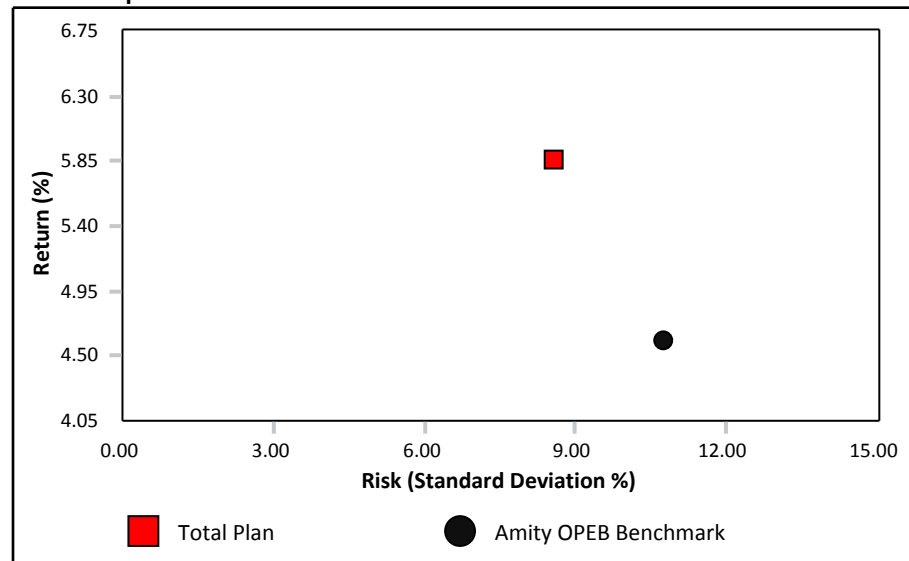
5 Year Risk and Return



7 Year Risk and Return



Since Inception Risk and Return



## MPT Statistics

As of September 30, 2016

### 3 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 5.15   | 6.48               | 3.81          | 0.80         | -0.35             | 0.59           | 0.99      | 0.97 | -0.03 |
| Amity OPEB Benchmark      | 5.36   | 6.67               | 3.86          | 0.80         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.05               | 0.02          | N/A          | -0.80             | 6.66           | 0.00      | 0.00 | 0.08  |

### 5 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 8.76   | 7.12               | 3.75          | 1.21         | -0.09             | 0.74           | 0.99      | 0.97 | 0.16  |
| Amity OPEB Benchmark      | 8.83   | 7.28               | 3.82          | 1.19         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.08   | 0.04               | 0.01          | N/A          | -1.19             | 7.28           | 0.00      | 0.00 | 0.08  |

### 7 Year Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta | Alpha |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|------|-------|
| Total Plan                | 6.78   | 7.18               | 4.14          | 0.94         | -0.51             | 1.96           | 0.95      | 0.85 | 0.16  |
| Amity OPEB Benchmark      | 7.76   | 8.24               | 4.73          | 0.94         | N/A               | 0.00           | 1.00      | 1.00 | 0.00  |
| 90 Day U.S. Treasury Bill | 0.09   | 0.04               | 0.01          | N/A          | -0.94             | 8.24           | 0.00      | 0.00 | 0.09  |

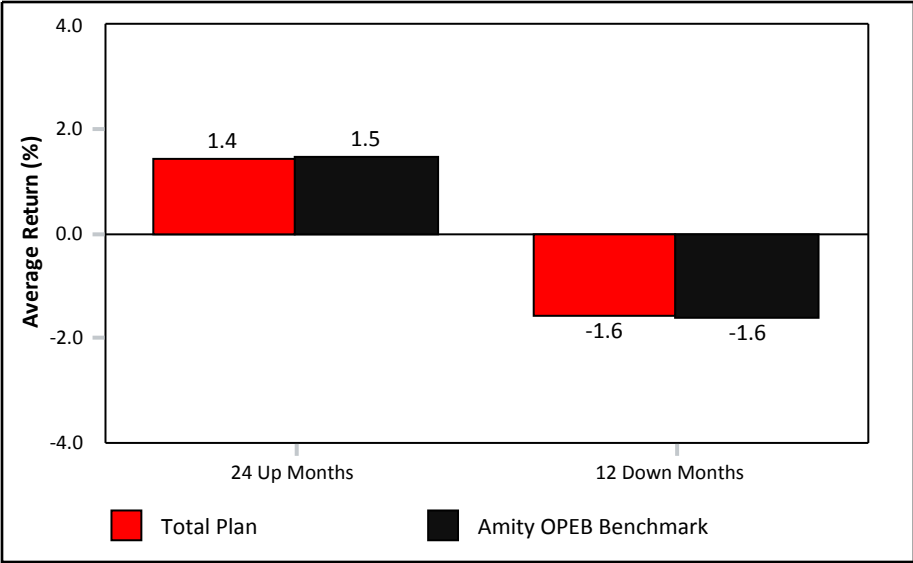
### Since Inception Historical MPT Statistics

|                           | Return | Standard Deviation | Downside Risk | Sharpe Ratio | Information Ratio | Tracking Error | R-Squared | Beta  | Alpha | Inception Date |
|---------------------------|--------|--------------------|---------------|--------------|-------------------|----------------|-----------|-------|-------|----------------|
| Total Plan                | 5.85   | 8.59               | 5.32          | 0.66         | 0.20              | 4.93           | 0.80      | 0.71  | 2.46  | 12/01/2007     |
| Amity OPEB Benchmark      | 4.60   | 10.78              | 7.63          | 0.44         | N/A               | 0.00           | 1.00      | 1.00  | 0.00  | 12/01/2007     |
| 90 Day U.S. Treasury Bill | 0.35   | 0.25               | 0.01          | N/A          | -0.44             | 10.86          | 0.10      | -0.01 | 0.38  | 12/01/2007     |

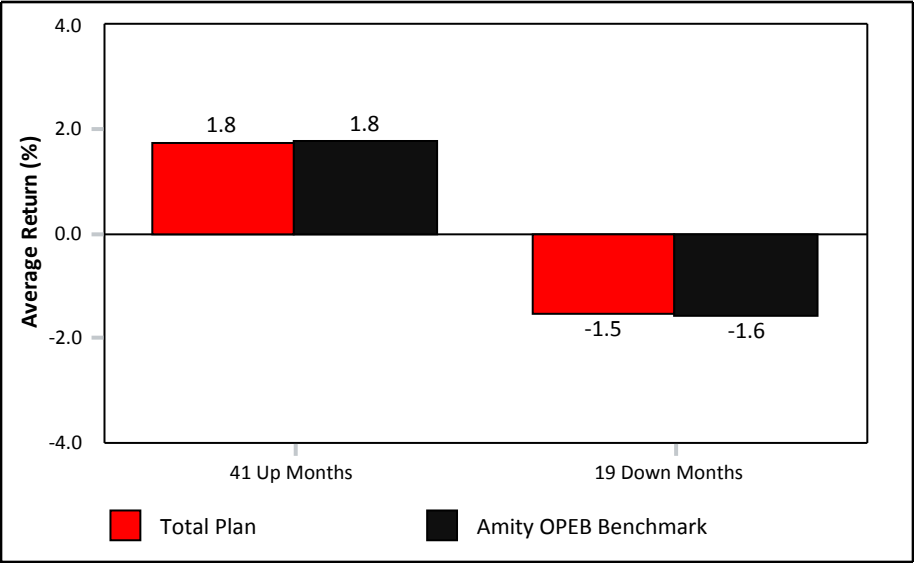
# Market Capture Report

As of September 30, 2016

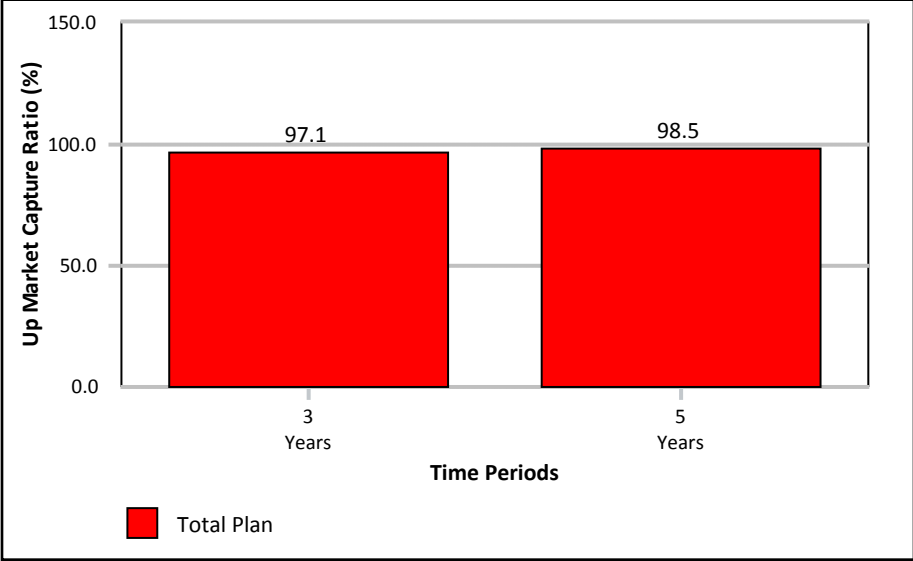
Up/Down Markets - 3 Years



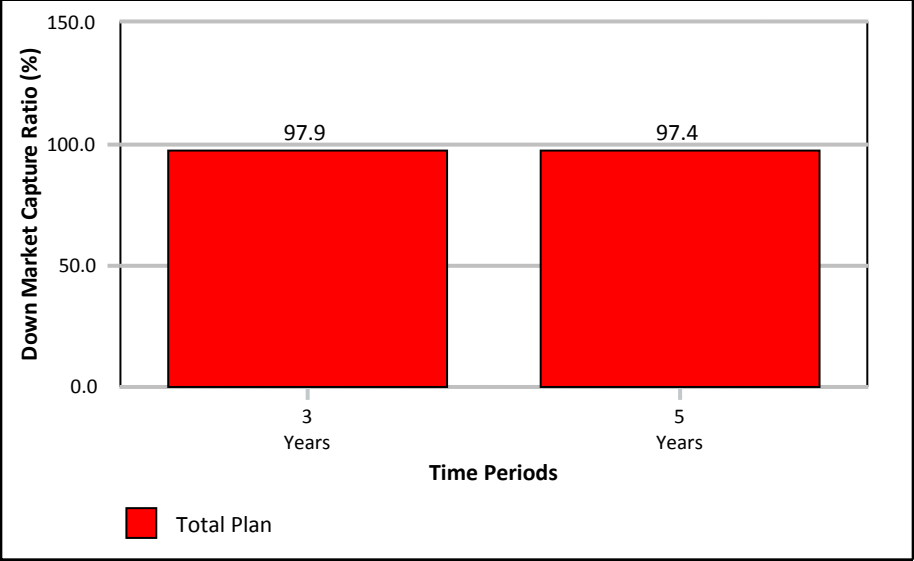
Up/Down Markets - 5 Years



Up Market Capture Ratio



Down Market Capture Ratio



## Estimated Fee Analysis

As of September 30, 2016

| MANAGER                                      | FEE SCHEDULE | TARGET ALLOCATION |
|----------------------------------------------|--------------|-------------------|
| Vanguard Short Term Inflation Protection Adm | 0.08%        | 20.0%             |
| Vanguard Total Bond Market Index Adm         | 0.06%        | 20.0%             |
| Vanguard 500 Index Adm                       | 0.05%        | 30.0%             |
| Vanguard Small Cap Index Adm                 | 0.08%        | 10.0%             |
| Vanguard Developed Markets Adm               | 0.09%        | 20.0%             |
| <b>AVERAGE WEIGHTED FEE</b>                  |              | <b>0.07%</b>      |

*DISCLOSURE: The figures on this page have been obtained from sources we deem to be reliable. FIA has not independently verified this information.*

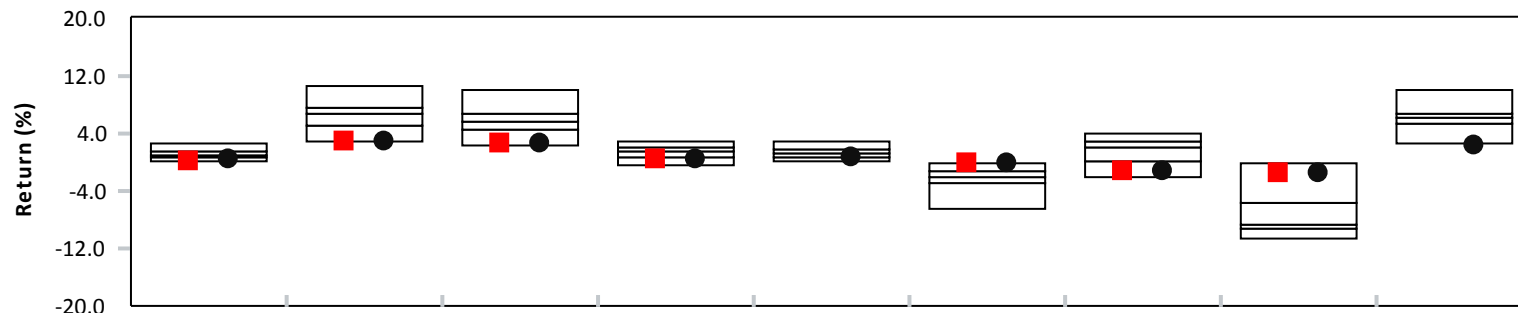
## Mutual Fund Details



## Vanguard Short-Term Inflation Protection Adm

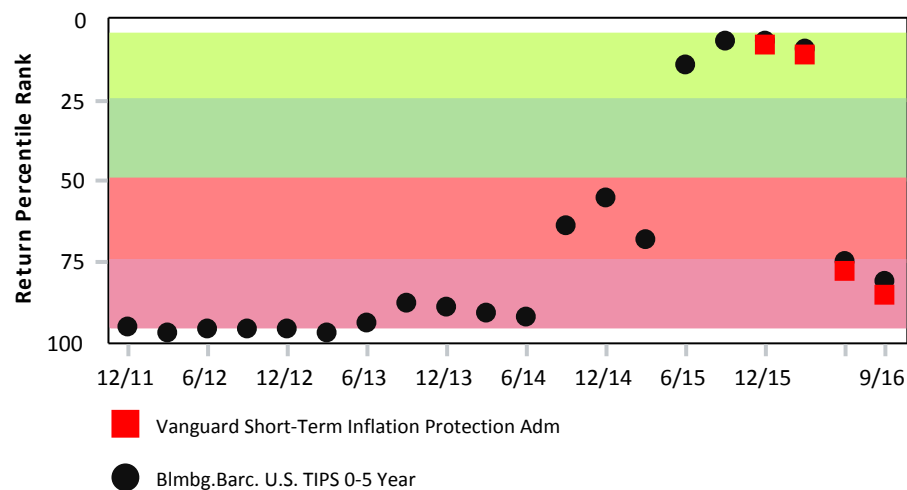
As of September 30, 2016

### Peer Group Analysis vs. IM U.S. TIPS (MF)

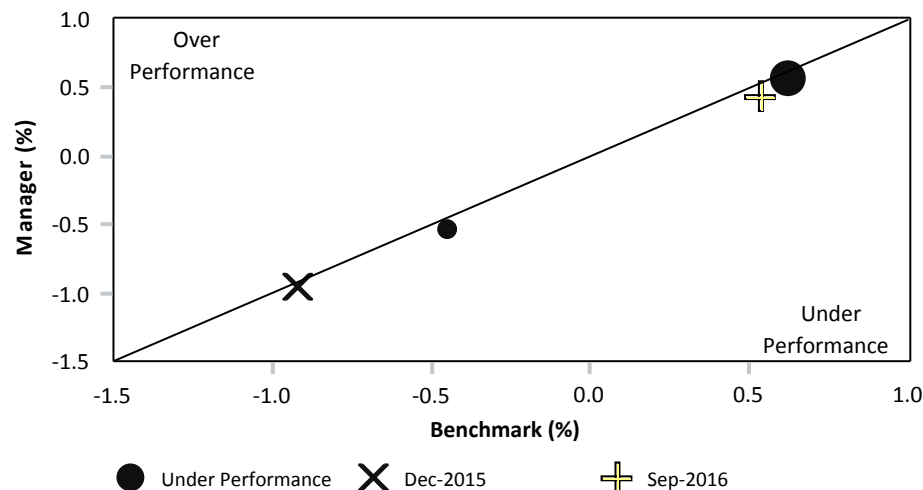


|                                                | QTR      | YTD      | 1 Year   | 3 Years  | 5 Years  | 2015     | 2014      | 2013      | 2012     |
|------------------------------------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|----------|
| ■ Vanguard Short-Term Inflation Protection Adm | 0.2 (97) | 2.9 (93) | 2.5 (94) | 0.4 (85) | N/A      | -0.2 (9) | -1.2 (88) | -1.5 (10) | N/A      |
| ● Blmbg.Bar. U.S. TIPS 0-5 Year                | 0.3 (93) | 3.0 (92) | 2.6 (91) | 0.5 (81) | 0.7 (79) | 0.0 (4)  | -1.1 (87) | -1.6 (10) | 2.4 (96) |
| 5th Percentile                                 | 2.6      | 10.6     | 10.2     | 2.8      | 3.0      | -0.1     | 4.1       | -0.3      | 10.0     |
| 1st Quartile                                   | 1.4      | 7.5      | 6.7      | 2.0      | 1.7      | -1.3     | 3.0       | -5.7      | 6.9      |
| Median                                         | 1.0      | 6.7      | 5.8      | 1.4      | 1.2      | -2.1     | 2.1       | -8.7      | 6.3      |
| 3rd Quartile                                   | 0.7      | 5.2      | 4.5      | 0.8      | 0.8      | -2.9     | 0.2       | -9.3      | 5.4      |
| 95th Percentile                                | 0.3      | 2.8      | 2.3      | -0.5     | 0.2      | -6.6     | -2.2      | -10.7     | 2.5      |

### 3 Year Rolling Percentile Ranking vs. IM U.S. TIPS (MF)



### 3 Year Rolling Under/Over Performance vs. Blmbg.Bar. U.S. TIPS 0-5 Year



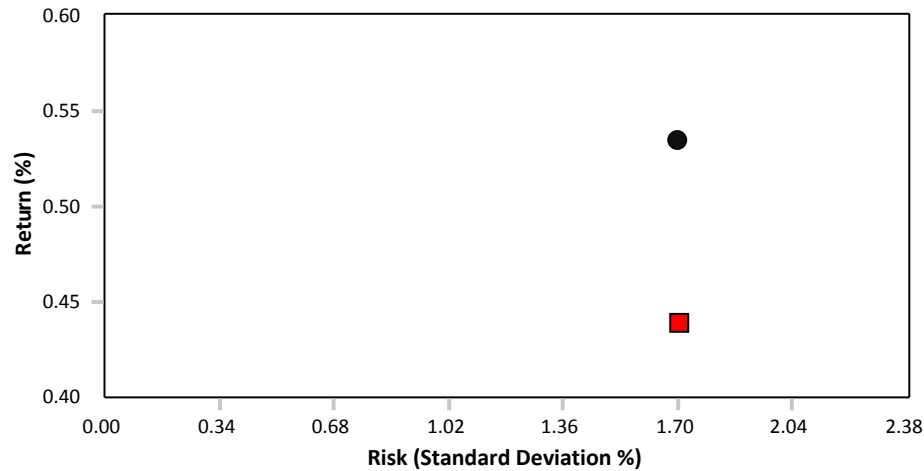
# Manager Evaluation

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## Vanguard Short-Term Inflation Protection Adm

As of September 30, 2016

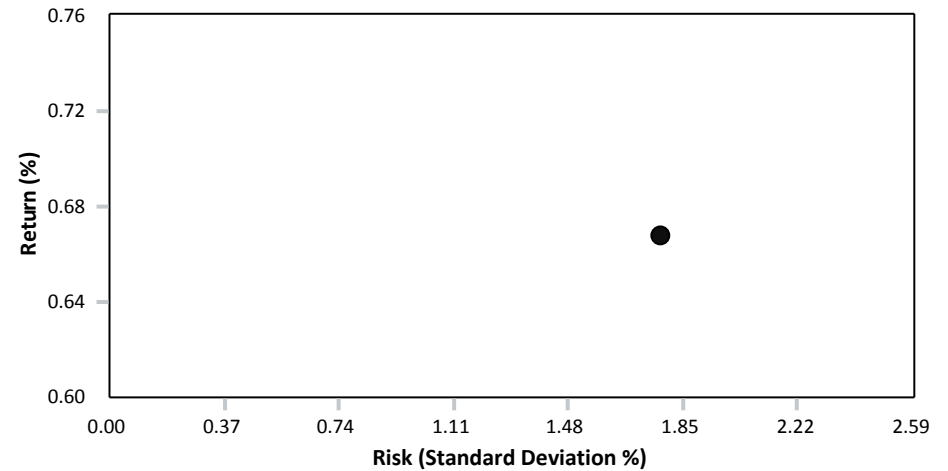
### 3 Year Risk and Return



■ Vanguard Short-Term Inflation Protection Adm

● Blmbg.Bar. U.S. TIPS 0-5 Year

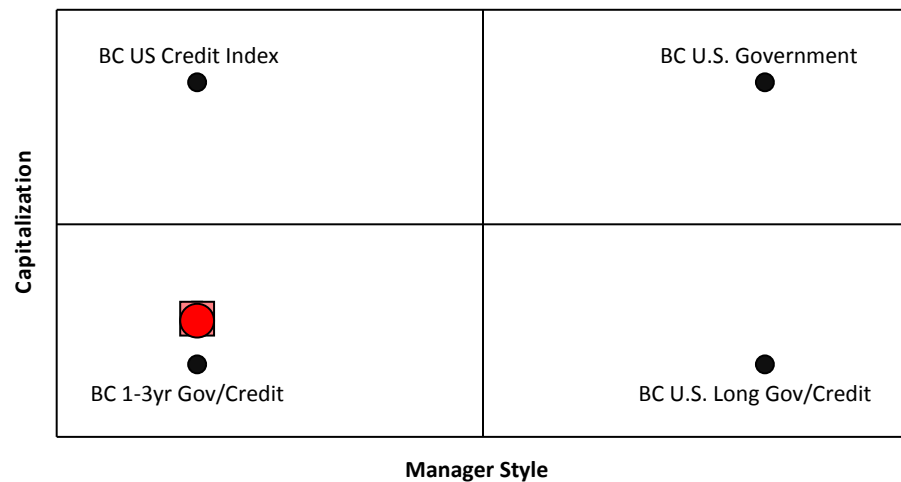
### 5 Year Risk and Return



■ Vanguard Short-Term Inflation Protection Adm

● Blmbg.Bar. U.S. TIPS 0-5 Year

### Style Map - 3 Years



■ Style History

■ Sep-2016

● Average Style Exposure

### MPT Statistics vs. Blmbg.Bar. U.S. TIPS 0-5 Year

|                                   | 3 Years | 5 Years |
|-----------------------------------|---------|---------|
| Return                            | 0.4     | N/A     |
| Standard Deviation                | 1.7     | N/A     |
| vs. Blmbg.Bar. U.S. TIPS 0-5 Year |         |         |
| Alpha                             | -0.1    | N/A     |
| Beta                              | 1.0     | N/A     |
| R-Squared                         | 1.0     | N/A     |
| Consistency                       | 36.1    | N/A     |
| Up Market Capture                 | 97.9    | N/A     |
| Down Market Capture               | 102.1   | N/A     |
| vs. 90 Day U.S. Treasury Bill     |         |         |
| Sharpe Ratio                      | 0.2     | N/A     |

# Manager Evaluation

## Vanguard Short-Term Inflation Protection Adm

As of September 30, 2016

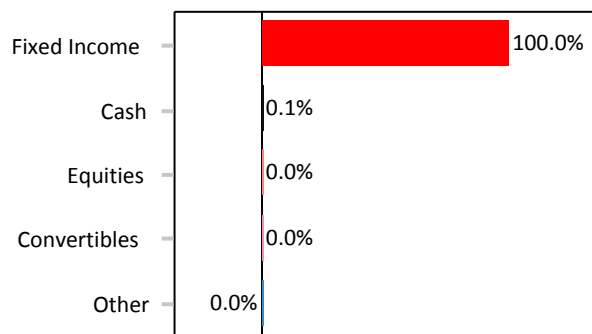
### Mutual Fund Information

|                      |                                                                                                             |                     |                             |
|----------------------|-------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|
| Fund Name :          | Vanguard Malvern Funds: Vanguard Short-Term Inflation-Protected Securities Index Fund; Admiral Class Shares | Portfolio Assets :  | \$15,467 Million            |
| Fund Family :        | Vanguard Group Inc                                                                                          | Fund Assets :       | \$3,140 Million             |
| Ticker :             | VTAPX                                                                                                       | Portfolio Manager : | Barrickman/Wright-Casparius |
| Inception Date :     | 10/16/2012                                                                                                  | PM Tenure :         | 2012--2012                  |
| Portfolio Turnover : | 26%                                                                                                         |                     |                             |

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index, Barclays U.S. Treasury Inflation-Protected Securities (TIPS) 0-5 Year Index, that measures the investment return of inflation-protected public obligations of the U.S. Treasury with remaining maturities of less than five years.

### Asset Allocation as of 03/31/16



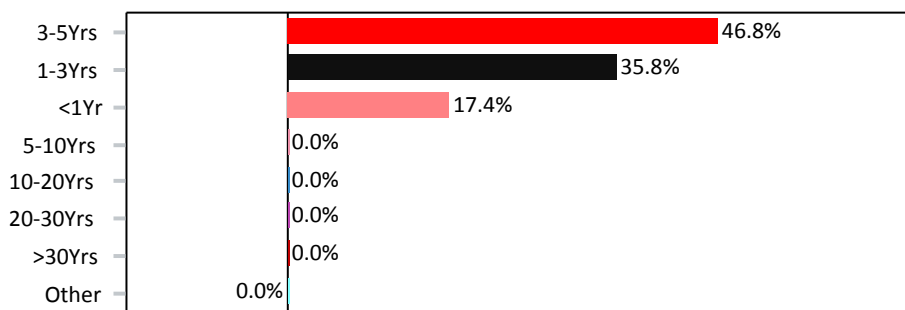
### Top 10 Securities as of 03/31/16

|                      |         |
|----------------------|---------|
| Treasury Notes/Bonds | 100.0 % |
|----------------------|---------|

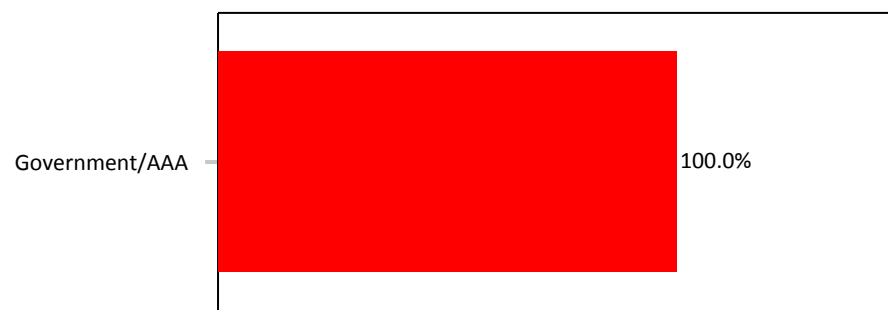
### Fixed Income Characteristics as of 03/31/16

|                     |            |
|---------------------|------------|
| Avg. Coupon         | 0.85 %     |
| Nominal Maturity    | N/A        |
| Effective Maturity  | 2.49 Years |
| Duration            | 2.45 Years |
| SEC 30 Day Yield    | N/A        |
| Avg. Credit Quality | AAA        |

### Maturity Distribution as of 03/31/16



### Quality Allocation as of 03/31/16



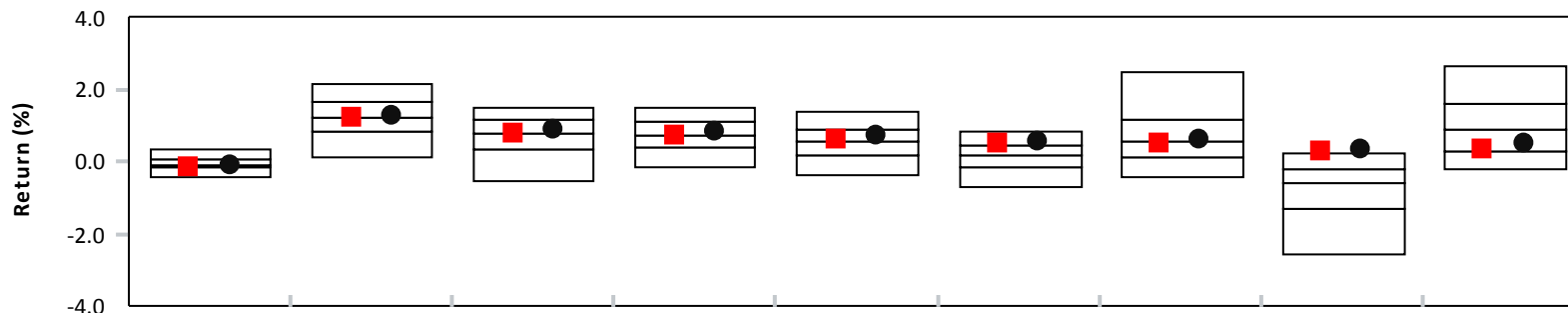
# Manager Evaluation

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Vanguard ShTm Gvt Bd;Adm

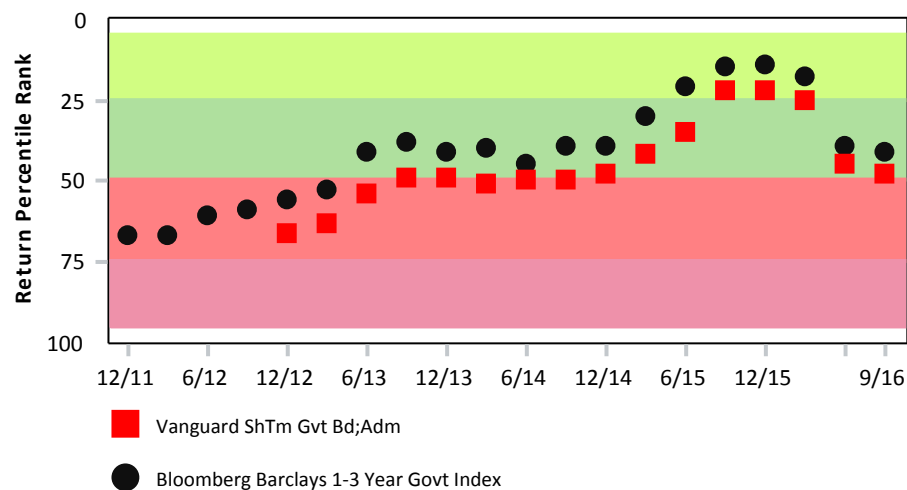
As of September 30, 2016

## Peer Group Analysis vs. IM U.S. Short Term Treasury/Govt Bonds (MF)

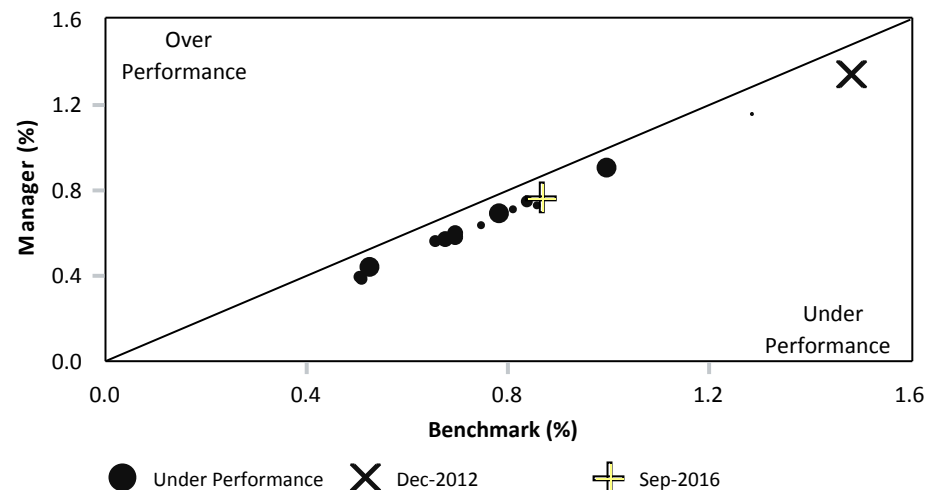


|                                          | QTR       | YTD      | 1 Year   | 3 Years  | 5 Years  | 2015     | 2014     | 2013    | 2012     |
|------------------------------------------|-----------|----------|----------|----------|----------|----------|----------|---------|----------|
| ■ Vanguard ShTm Gvt Bd;Adm               | -0.1 (65) | 1.2 (52) | 0.8 (50) | 0.8 (48) | 0.6 (49) | 0.5 (23) | 0.5 (56) | 0.3 (3) | 0.4 (72) |
| ● Bloomberg Barclays 1-3 Year Govt Index | -0.1 (56) | 1.3 (47) | 0.9 (44) | 0.9 (41) | 0.7 (39) | 0.6 (17) | 0.6 (44) | 0.4 (1) | 0.5 (65) |
| 5th Percentile                           | 0.4       | 2.2      | 1.5      | 1.5      | 1.4      | 0.9      | 2.5      | 0.3     | 2.7      |
| 1st Quartile                             | 0.1       | 1.7      | 1.2      | 1.1      | 0.9      | 0.5      | 1.2      | -0.2    | 1.6      |
| Median                                   | -0.1      | 1.3      | 0.8      | 0.7      | 0.6      | 0.2      | 0.6      | -0.6    | 0.9      |
| 3rd Quartile                             | -0.2      | 0.9      | 0.3      | 0.4      | 0.2      | -0.2     | 0.2      | -1.3    | 0.3      |
| 95th Percentile                          | -0.4      | 0.1      | -0.5     | -0.1     | -0.3     | -0.7     | -0.4     | -2.6    | -0.2     |

## 3 Year Rolling Percentile Ranking vs. IM U.S. Short Term Treasury/Govt Bonds (MF)



## 3 Year Rolling Under/Over Performance vs. Bloomberg Barclays 1-3 Year Govt Index



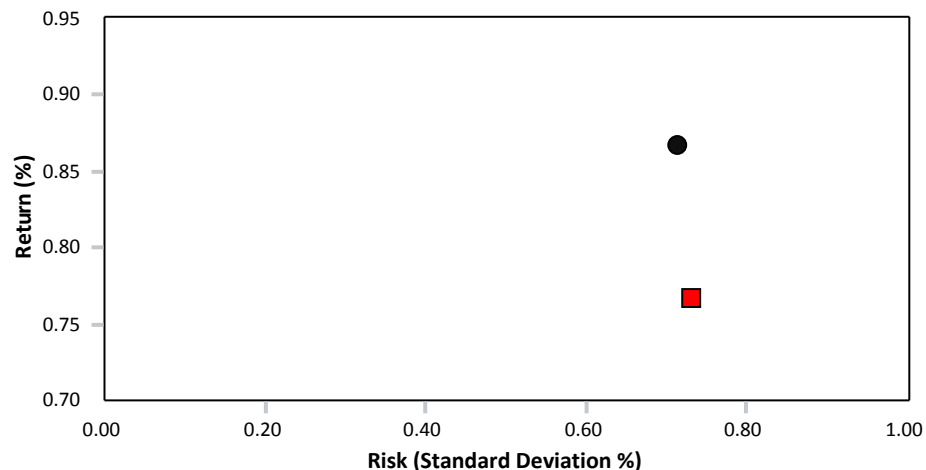
# Manager Evaluation

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## Vanguard Short Term Gvt Bond Adm

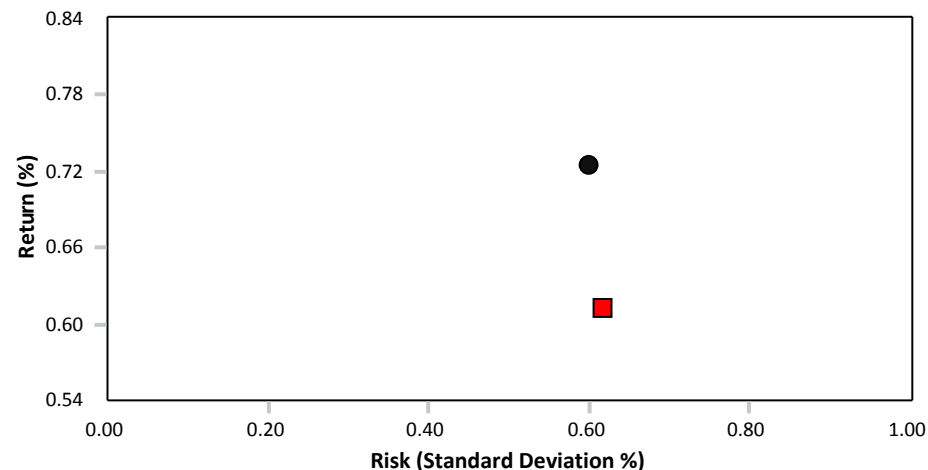
As of September 30, 2016

### 3 Year Risk and Return



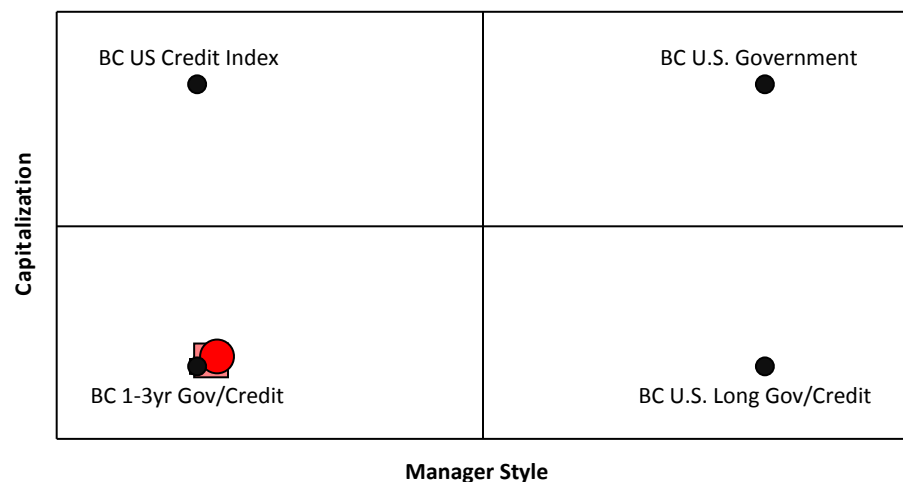
- Vanguard Short Term Gvt Bond Adm
- Bloomberg Barclays 1-3 Year Govt Index

### 5 Year Risk and Return



- Vanguard Short Term Gvt Bond Adm
- Bloomberg Barclays 1-3 Year Govt Index

### Style Map - 3 Years



- Style History
- Sep-2016
- Average Style Exposure

### MPT Statistics vs. Bloomberg Barclays 1-3 Year Govt Index

|                                            | 3<br>Years | 5<br>Years |
|--------------------------------------------|------------|------------|
| Return                                     | 0.8        | 0.6        |
| Standard Deviation                         | 0.7        | 0.6        |
| vs. Bloomberg Barclays 1-3 Year Govt Index |            |            |
| Alpha                                      | -0.1       | -0.1       |
| Beta                                       | 1.0        | 1.0        |
| R-Squared                                  | 1.0        | 1.0        |
| Consistency                                | 36.1       | 38.3       |
| Up Market Capture                          | 96.8       | 95.0       |
| Down Market Capture                        | 109.6      | 111.8      |
| vs. 90 Day U.S. Treasury Bill              |            |            |
| Sharpe Ratio                               | 0.9        | 0.9        |

## Manager Evaluation

### Vanguard Short Term Gvt Bond Adm

Report Date September 30, 2016

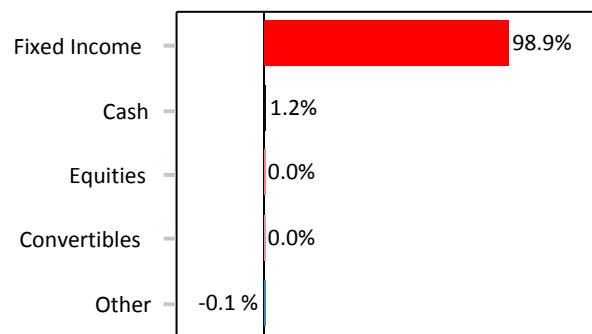
#### Mutual Fund Information

|                      |                                                                                                 |                     |                      |
|----------------------|-------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Fund Name :          | Vanguard Scottsdale Funds: Vanguard Short-Term Government Bond Index Fund; Admiral Class Shares | Portfolio Assets :  | \$1,359 Million      |
| Fund Family :        | Vanguard Group Inc                                                                              | Fund Assets :       | \$380 Million        |
| Ticker :             | VSBSX                                                                                           | Portfolio Manager : | Joshua C. Barrickman |
| Inception Date :     | 12/28/2009                                                                                      | PM Tenure :         | 2013                 |
| Portfolio Turnover : | 64%                                                                                             |                     |                      |

#### Fund Investment Policy

The Fund seeks to track the performance of a market-weighted government bond index with a short-term dollar-weighted average maturity. The Fund employs a "passive management" - or indexing - investment approach designed to track the performance of the Barclays Capital U.S. 1-3 Year Government Bond Index.

#### Asset Allocation as of 03/31/16



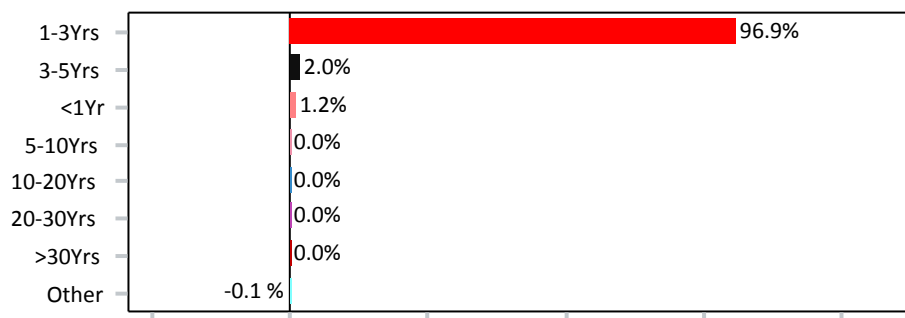
#### Top 10 Securities as of 03/31/16

|                              |        |
|------------------------------|--------|
| Treasury Notes/Bonds         | 89.3 % |
| Government Agency Securities | 9.6 %  |

#### Fixed Income Characteristics as of 03/31/16

|                     |            |
|---------------------|------------|
| Avg. Coupon         | 1.42 %     |
| Nominal Maturity    | N/A        |
| Effective Maturity  | 1.90 Years |
| Duration            | 1.87 Years |
| SEC 30 Day Yield    | 0.4        |
| Avg. Credit Quality | AAA        |

#### Maturity Distribution as of 03/31/16



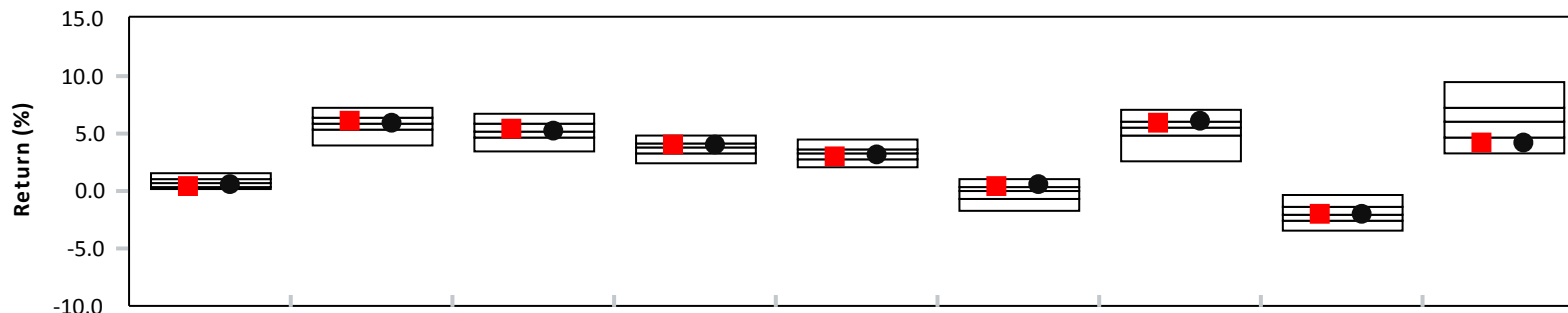
#### Quality Allocation as of 03/31/16



## Vanguard Total Bond Market Index Adm

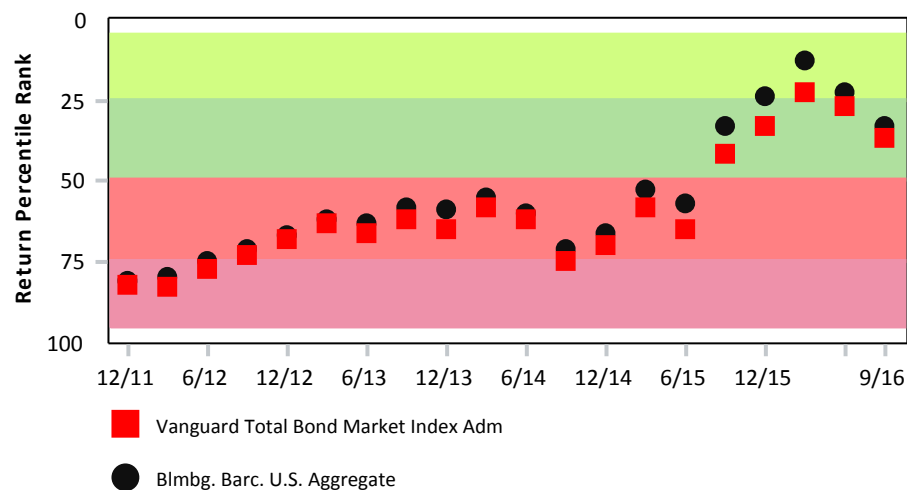
As of September 30, 2016

### Peer Group Analysis vs. IM U.S. Broad Market Core Fixed Income (MF)

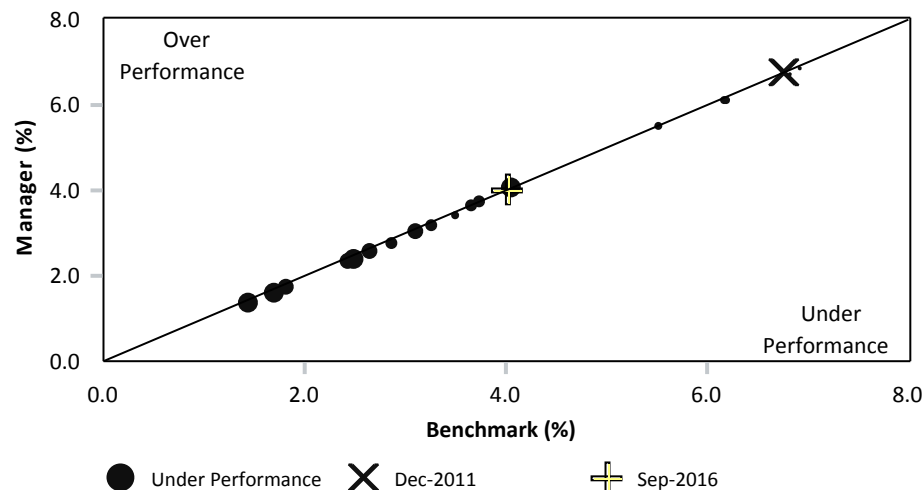


|                                        | QTR      | YTD      | 1 Year   | 3 Years  | 5 Years  | 2015     | 2014     | 2013      | 2012     |
|----------------------------------------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|
| ■ Vanguard Total Bond Market Index Adm | 0.4 (78) | 6.0 (44) | 5.3 (43) | 4.0 (37) | 3.0 (63) | 0.4 (28) | 5.9 (31) | -2.1 (58) | 4.2 (81) |
| ● Blmbg. Barc. U.S. Aggregate          | 0.5 (73) | 5.8 (52) | 5.2 (51) | 4.0 (33) | 3.1 (58) | 0.5 (18) | 6.0 (26) | -2.0 (52) | 4.2 (79) |
| 5th Percentile                         | 1.6      | 7.3      | 6.7      | 4.9      | 4.4      | 1.0      | 7.1      | -0.3      | 9.4      |
| 1st Quartile                           | 1.0      | 6.5      | 5.8      | 4.1      | 3.7      | 0.4      | 6.0      | -1.3      | 7.2      |
| Median                                 | 0.7      | 5.8      | 5.2      | 3.8      | 3.2      | 0.0      | 5.5      | -2.0      | 6.0      |
| 3rd Quartile                           | 0.4      | 5.4      | 4.6      | 3.3      | 2.8      | -0.7     | 4.8      | -2.5      | 4.6      |
| 95th Percentile                        | 0.1      | 4.0      | 3.4      | 2.4      | 2.1      | -1.7     | 2.5      | -3.4      | 3.3      |

### 3 Year Rolling Percentile Ranking vs. IM U.S. Broad Market Core Fixed Income (MF)



### 3 Year Rolling Under/Over Performance vs. Blmbg. Barc. U.S. Aggregate

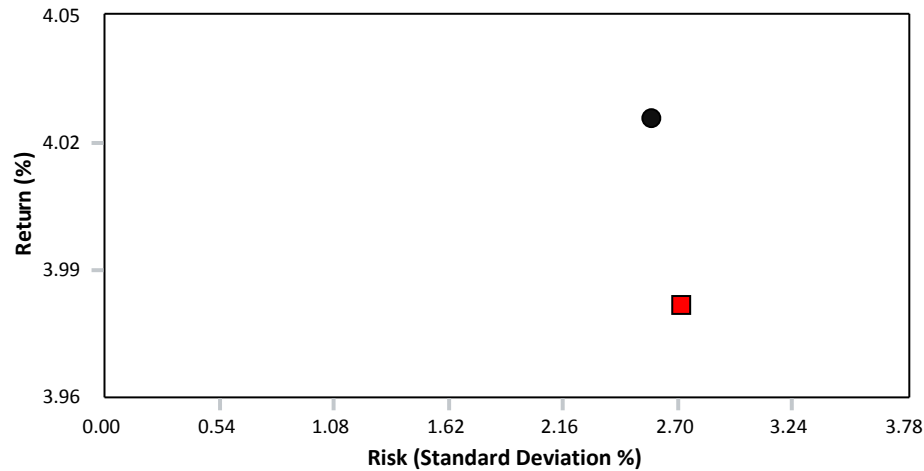


# Manager Evaluation

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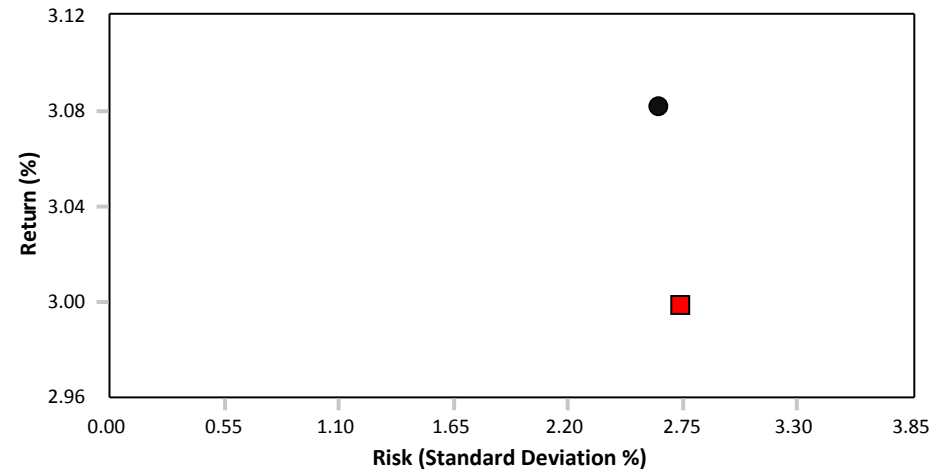
Vanguard Total Bond Market Index Adm  
As of September 30, 2016

## 3 Year Risk and Return



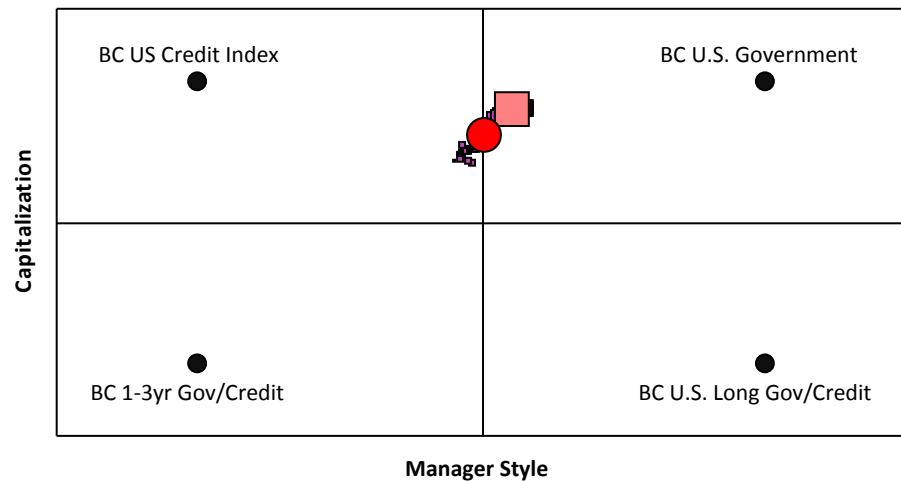
■ Vanguard Total Bond Market Index Adm  
● Blmbg. Barc. U.S. Aggregate

## 5 Year Risk and Return



■ Vanguard Total Bond Market Index Adm  
● Blmbg. Barc. U.S. Aggregate

## Style Map - 3 Years



■ Style History ■ Sep-2016 ● Average Style Exposure

## MPT Statistics vs. Blmbg. Barc. U.S. Aggregate

|                                 | 3 Years | 5 Years |
|---------------------------------|---------|---------|
| Return                          | 4.0     | 3.0     |
| Standard Deviation              | 2.7     | 2.7     |
| vs. Blmbg. Barc. U.S. Aggregate |         |         |
| Alpha                           | -0.2    | -0.2    |
| Beta                            | 1.1     | 1.0     |
| R-Squared                       | 1.0     | 1.0     |
| Consistency                     | 52.8    | 51.7    |
| Up Market Capture               | 102.7   | 102.4   |
| Down Market Capture             | 110.5   | 109.3   |
| vs. 90 Day U.S. Treasury Bill   |         |         |
| Sharpe Ratio                    | 1.4     | 1.1     |



## Manager Evaluation

### Vanguard Total Bond Market Index Adm

Report Date September 30, 2016

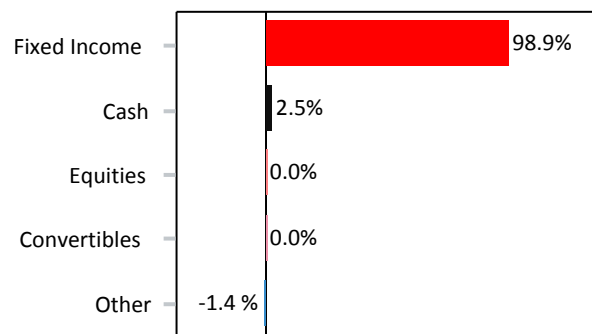
#### Mutual Fund Information

|                      |                                                                                  |                     |                      |
|----------------------|----------------------------------------------------------------------------------|---------------------|----------------------|
| Fund Name :          | Vanguard Bond Index Funds: Vanguard Total Bond Market Index Fund; Admiral Shares | Portfolio Assets :  | \$172,942 Million    |
| Fund Family :        | Vanguard Group Inc                                                               | Fund Assets :       | \$69,561 Million     |
| Ticker :             | VBTLX                                                                            | Portfolio Manager : | Joshua C. Barrickman |
| Inception Date :     | 11/12/2001                                                                       | PM Tenure :         | 2013                 |
| Portfolio Turnover : | 84%                                                                              |                     |                      |

#### Fund Investment Policy

The Fund seeks to generate returns that track the performance of the Barclays U.S. Aggregate Float Adjusted Index, and will maintain a dollar-weighted average maturity consistent with that of the index. The Index measures investment-grade, taxable fixed income securities in the U.S.

#### Asset Allocation as of 03/31/16



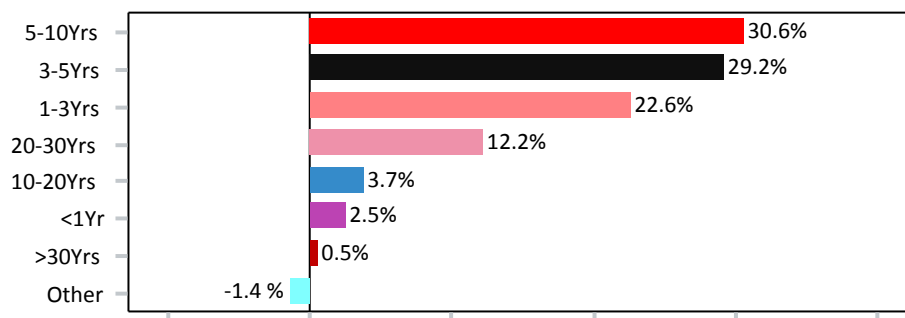
#### Top 10 Securities as of 03/31/16

|                                 |        |
|---------------------------------|--------|
| Treasury Notes/Bonds            | 40.3 % |
| Corporate Notes/Bonds           | 30.8 % |
| GNMA and Other Mtg Backed       | 22.6 % |
| Government Agency Securities    | 2.9 %  |
| US\$ Denominated Fgn. Gvt.      | 1.5 %  |
| Asset Backed Securities         | 0.8 %  |
| Fgn. Currency Denominated Bonds | 0.1 %  |

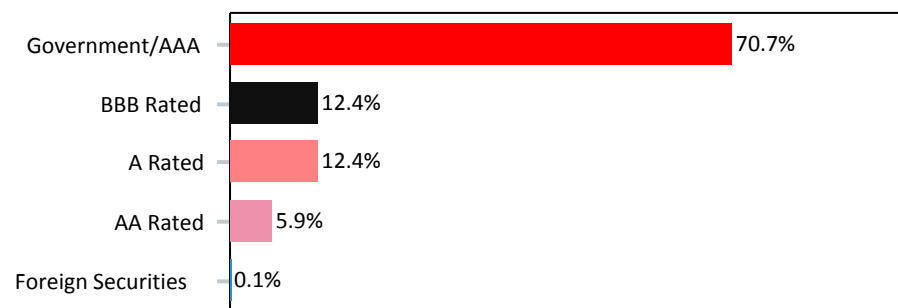
#### Fixed Income Characteristics as of 03/31/16

|                     |            |
|---------------------|------------|
| Avg. Coupon         | 3.27 %     |
| Nominal Maturity    | N/A        |
| Effective Maturity  | 7.78 Years |
| Duration            | 5.55 Years |
| SEC 30 Day Yield    | 2.7        |
| Avg. Credit Quality | AA         |

#### Maturity Distribution as of 03/31/16

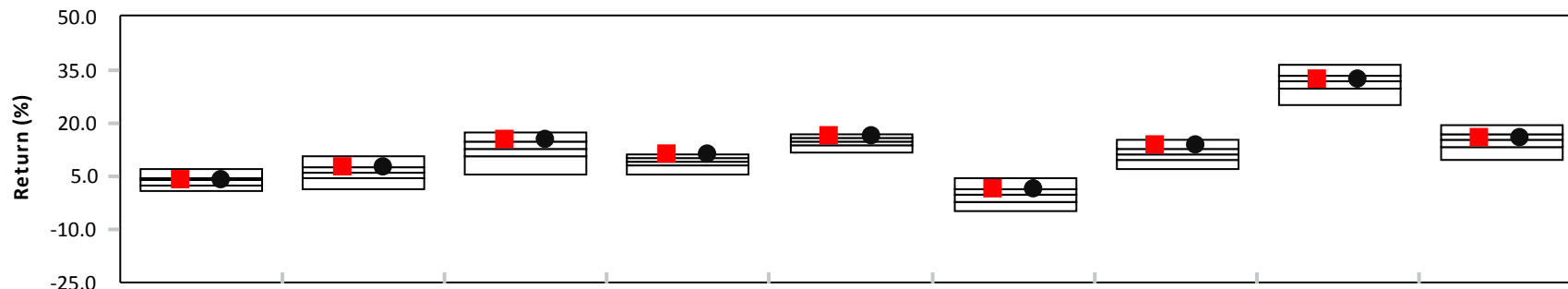


#### Quality Allocation as of 03/31/16



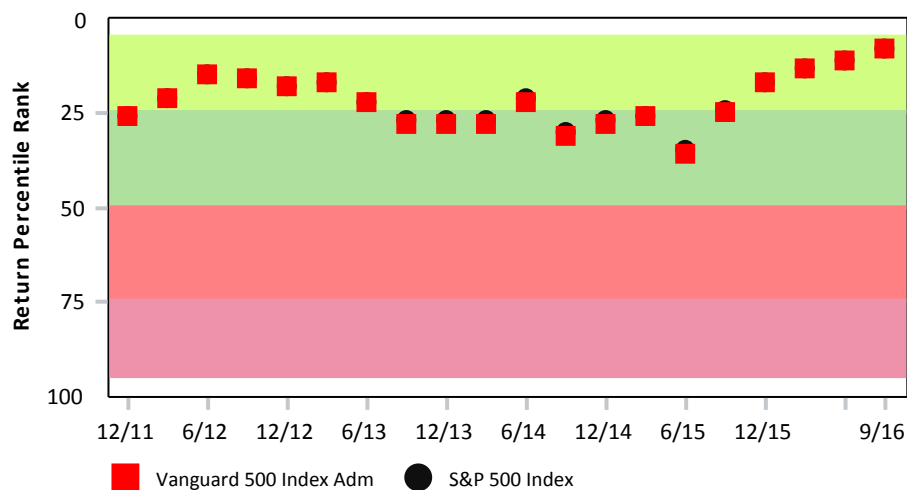
## Vanguard 500 Index Adm As of September 30, 2016

### Peer Group Analysis vs. IM U.S. Large Cap Core Equity (MF)

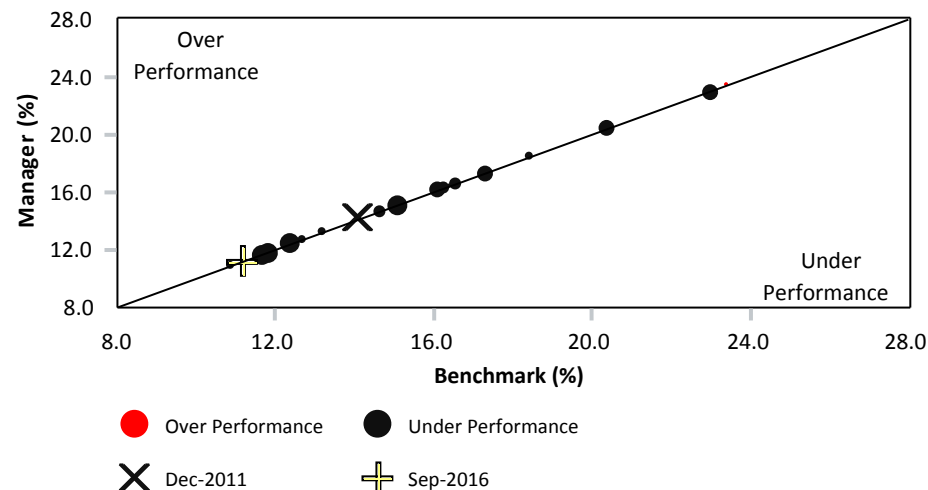


|                          | QTR      | YTD      | 1 Year    | 3 Years  | 5 Years   | 2015     | 2014      | 2013      | 2012      |
|--------------------------|----------|----------|-----------|----------|-----------|----------|-----------|-----------|-----------|
| ■ Vanguard 500 Index Adm | 3.8 (51) | 7.8 (23) | 15.4 (15) | 11.1 (8) | 16.3 (14) | 1.4 (28) | 13.6 (16) | 32.3 (42) | 16.0 (41) |
| ● S&P 500 Index          | 3.9 (51) | 7.8 (22) | 15.4 (15) | 11.2 (8) | 16.4 (13) | 1.4 (27) | 13.7 (16) | 32.4 (41) | 16.0 (40) |
| 5th Percentile           | 7.0      | 10.7     | 17.3      | 11.3     | 17.1      | 4.6      | 15.3      | 36.5      | 19.6      |
| 1st Quartile             | 4.6      | 7.6      | 14.7      | 10.2     | 15.9      | 1.5      | 12.9      | 33.6      | 16.9      |
| Median                   | 3.9      | 6.2      | 12.8      | 9.1      | 15.0      | -0.4     | 11.4      | 31.9      | 15.4      |
| 3rd Quartile             | 2.4      | 4.3      | 10.7      | 8.0      | 13.9      | -2.4     | 9.8       | 29.9      | 13.4      |
| 95th Percentile          | 0.8      | 1.5      | 5.5       | 5.3      | 11.5      | -5.1     | 7.1       | 25.3      | 9.7       |

### 3 Year Rolling Percentile Ranking vs. IM U.S. Large Cap Core Equity (MF)

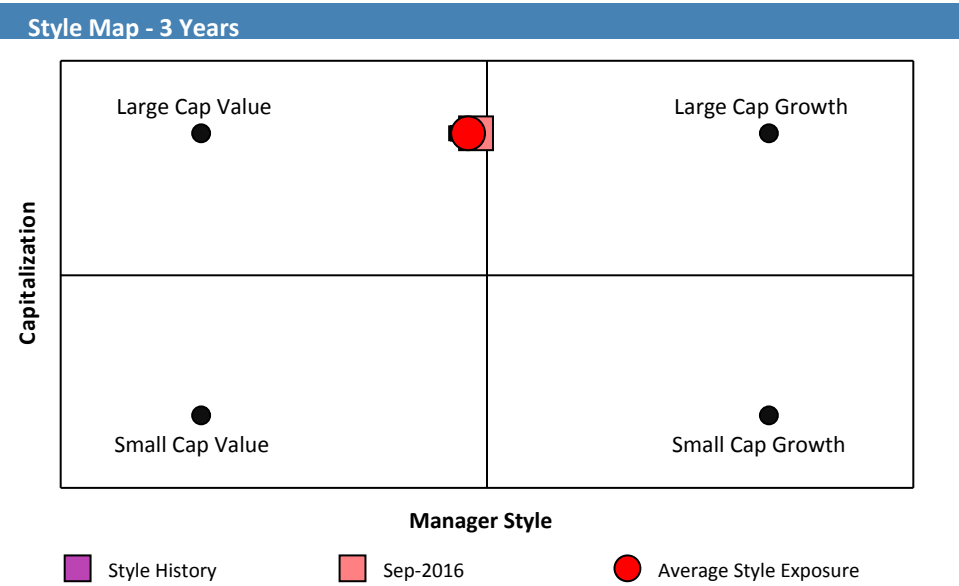
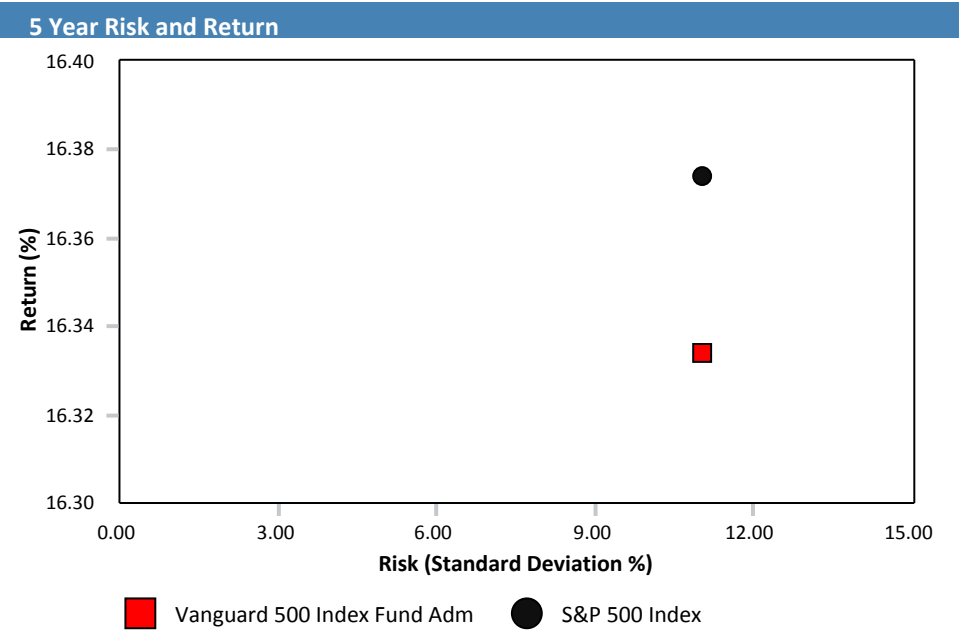
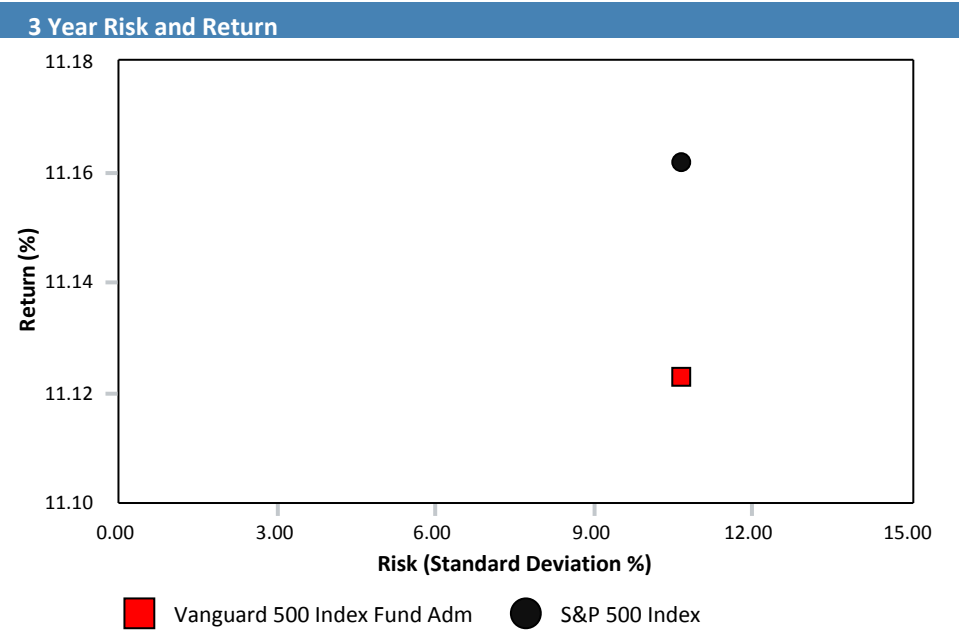


### 3 Year Rolling Under/Over Performance vs. S&P 500 Index



Manager Evaluation

Vanguard 500 Index Fund Adm  
As of September 30, 2016



MPT Statistics vs. S&P 500 Index

|                               | 3 Years | 5 Years |
|-------------------------------|---------|---------|
| Return                        | 11.1    | 16.3    |
| Standard Deviation            | 10.7    | 11.0    |
| vs. S&P 500 Index             |         |         |
| Alpha                         | 0.0     | 0.0     |
| Beta                          | 1.0     | 1.0     |
| R-Squared                     | 1.0     | 1.0     |
| Consistency                   | 16.7    | 18.3    |
| Up Market Capture             | 99.9    | 99.9    |
| Down Market Capture           | 100.1   | 100.1   |
| vs. 90 Day U.S. Treasury Bill |         |         |
| Sharpe Ratio                  | 1.0     | 1.4     |

## Manager Evaluation

### Vanguard 500 Index Fund Adm

Report Date September 30, 2016

#### Mutual Fund Information

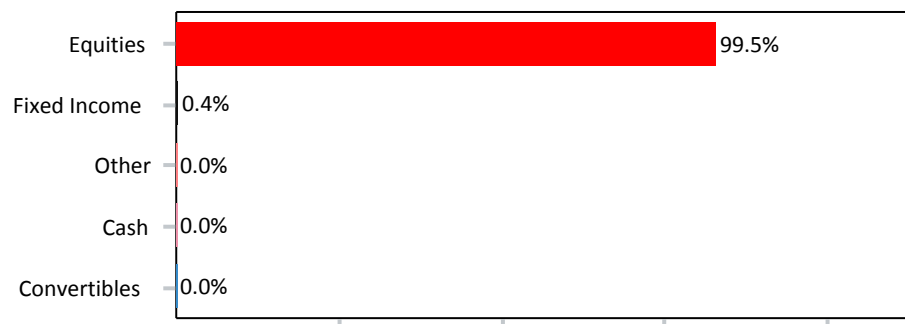
Fund Name : Vanguard Index Funds: Vanguard 500 Index Fund; Admiral Shares  
 Fund Family : Vanguard Group Inc  
 Ticker : VFIAX  
 Inception Date : 11/13/2000  
 Portfolio Turnover : 3%

Portfolio Assets : \$259,337 Million  
 Fund Assets : \$163,456 Million  
 Portfolio Manager : Butler/Geiger  
 PM Tenure : 2016--2016

#### Fund Investment Policy

The Fund seeks to track the performance of its benchmark index, the S&P 500. The Fund employs an indexing investment approach. The Fund attempts to replicate the target index by investing all of its assets in the stocks that make up the Index with the same approximate weightings as the Index.

#### Asset Allocation as of 04/30/16



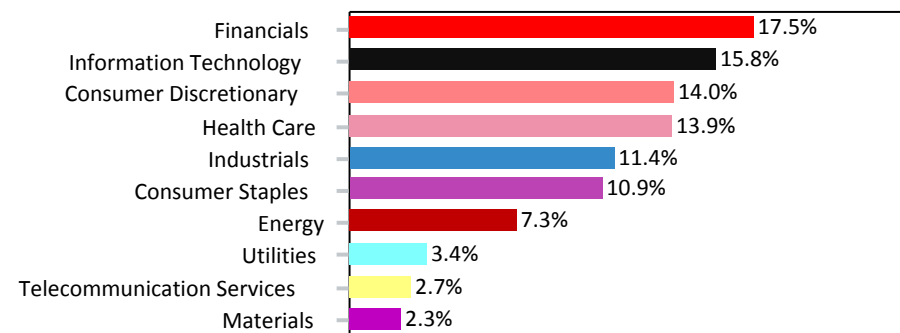
#### Equity Characteristics as of 04/30/16

|                  |                   |
|------------------|-------------------|
| Total Securities | 515               |
| Avg. Market Cap  | \$126,443 Million |
| P/E              | 25.9              |
| P/B              | 5.7               |
| Div. Yield       | 2.6%              |
| Annual EPS       | 8.7               |
| 5Yr EPS          | 8.9               |
| 3Yr EPS Growth   | 11.4              |

#### Top 10 Securities as of 04/30/16

|                            |       |
|----------------------------|-------|
| Apple Inc ORD              | 2.9 % |
| Microsoft Corp ORD         | 2.2 % |
| Exxon Mobil Corp ORD       | 2.0 % |
| Johnson & Johnson ORD      | 1.7 % |
| General Electric Co ORD    | 1.6 % |
| Facebook Inc ORD           | 1.5 % |
| Amazon.com Inc ORD         | 1.4 % |
| Berkshire Hathaway Inc ORD | 1.4 % |
| AT&T Inc ORD               | 1.3 % |
| JPMorgan Chase & Co ORD    | 1.3 % |

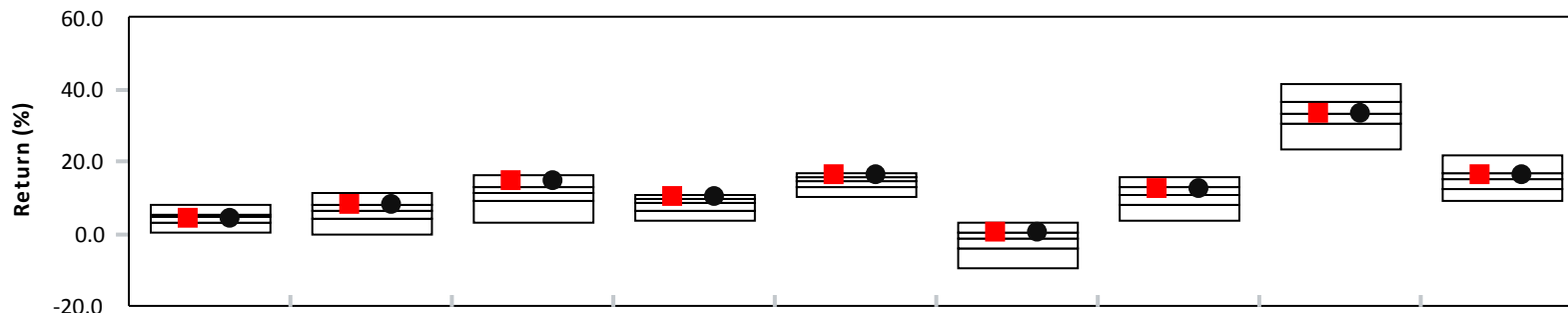
#### Sector Allocation as of 04/30/16



## Vanguard Total Stock Market Index Adm

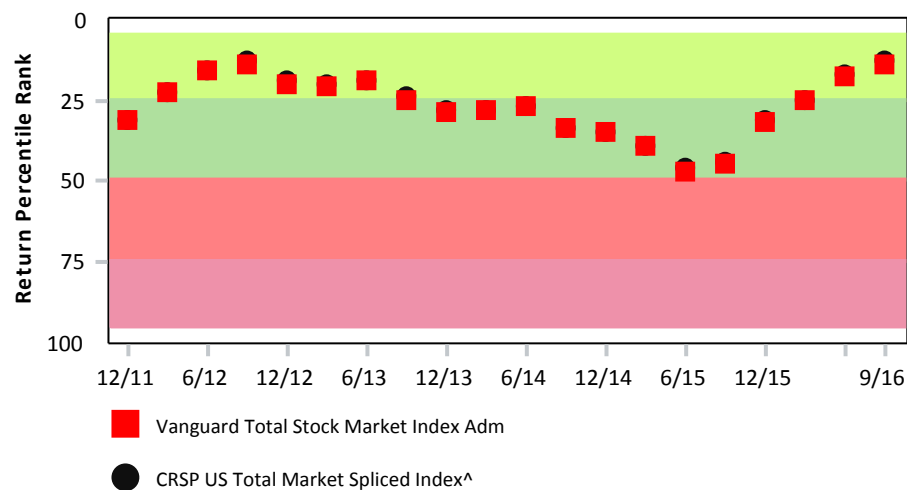
As of September 30, 2016

### Peer Group Analysis vs. IM U.S. Multi-Cap Core Equity (MF)

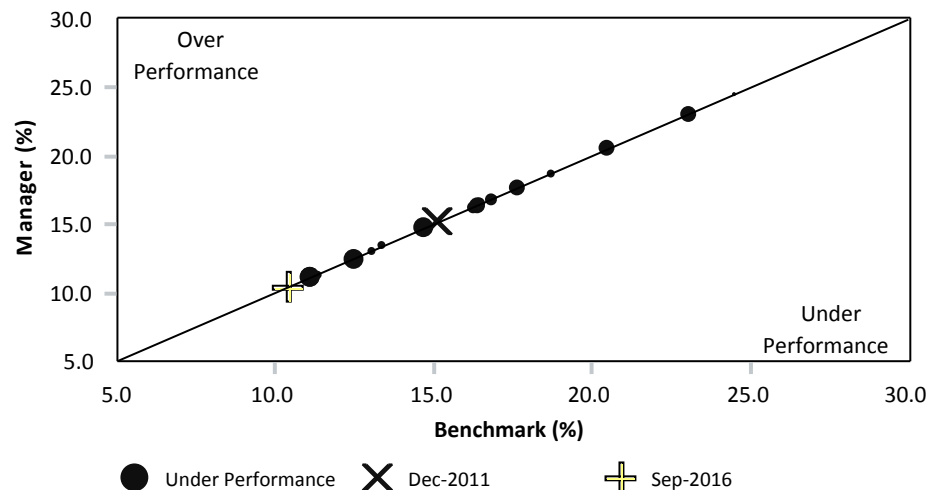


|                                         | QTR      | YTD      | 1 Year    | 3 Years   | 5 Years   | 2015     | 2014      | 2013      | 2012      |
|-----------------------------------------|----------|----------|-----------|-----------|-----------|----------|-----------|-----------|-----------|
| ■ Vanguard Total Stock Market Index Adm | 4.4 (57) | 8.2 (26) | 15.0 (12) | 10.4 (14) | 16.3 (14) | 0.4 (28) | 12.6 (29) | 33.5 (51) | 16.4 (34) |
| ● CRSP US Total Market Spliced Index^   | 4.4 (56) | 8.2 (25) | 15.0 (12) | 10.4 (13) | 16.3 (14) | 0.4 (27) | 12.6 (29) | 33.5 (52) | 16.4 (33) |
| 5th Percentile                          | 8.4      | 11.6     | 16.6      | 11.1      | 17.2      | 3.1      | 16.1      | 42.0      | 21.7      |
| 1st Quartile                            | 5.6      | 8.2      | 13.3      | 9.7       | 15.9      | 0.5      | 12.9      | 36.6      | 17.2      |
| Median                                  | 4.6      | 6.2      | 11.3      | 8.4       | 14.9      | -1.3     | 10.9      | 33.6      | 15.4      |
| 3rd Quartile                            | 3.3      | 4.1      | 9.0       | 6.7       | 13.3      | -3.8     | 7.9       | 30.6      | 12.8      |
| 95th Percentile                         | 0.4      | -0.3     | 3.3       | 3.6       | 10.4      | -9.3     | 3.6       | 23.3      | 9.4       |

### 3 Year Rolling Percentile Ranking vs. IM U.S. Multi-Cap Core Equity (MF)



### 3 Year Rolling Under/Over Performance vs. CRSP US Total Market Spliced Index^



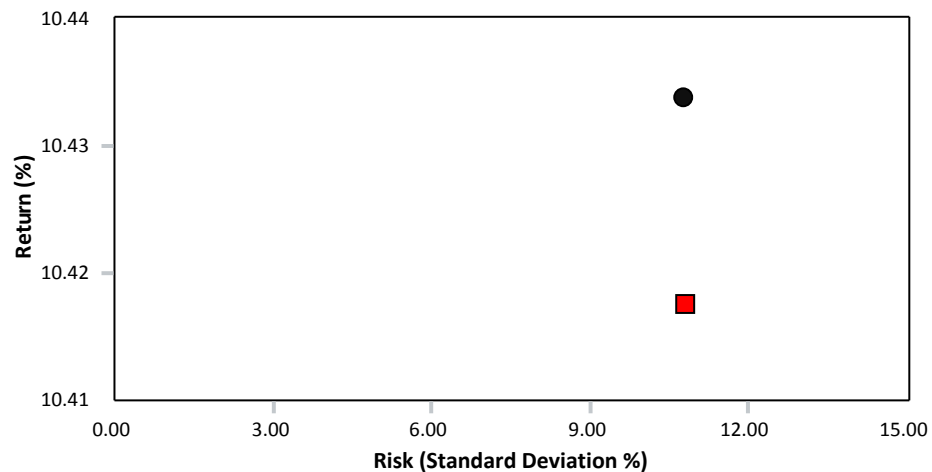
# Manager Evaluation

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## Vanguard Total Stock Market Index Adm

As of September 30, 2016

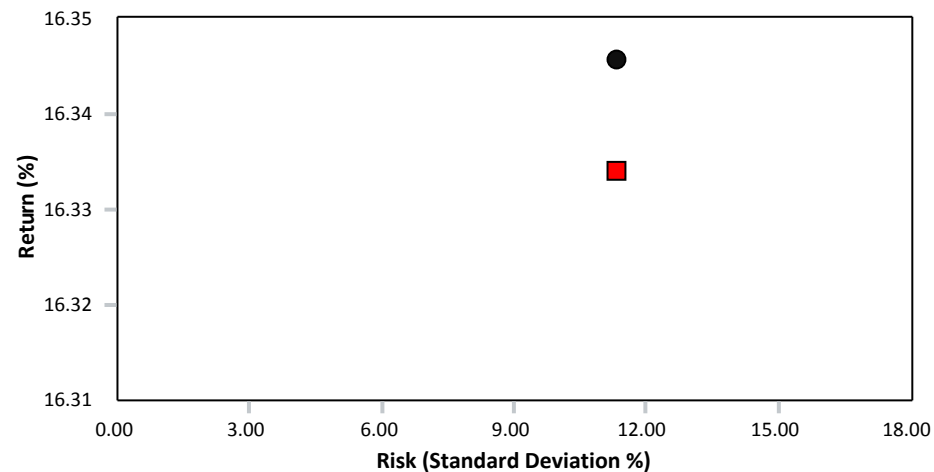
### 3 Year Risk and Return



■ Vanguard Total Stock Market Index Adm

● CRSP US Total Market Spliced Index^

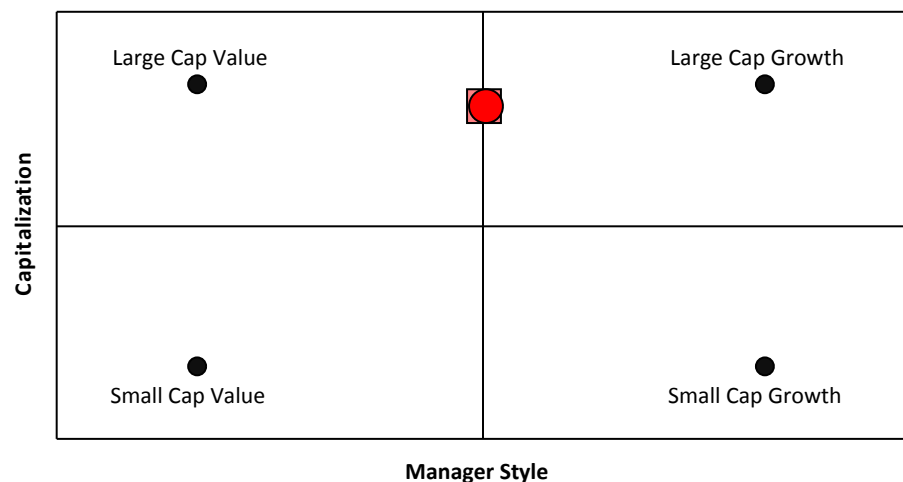
### 5 Year Risk and Return



■ Vanguard Total Stock Market Index Adm

● CRSP US Total Market Spliced Index^

### Style Map - 3 Years



■ Style History

■ Sep-2016

● Average Style Exposure

### MPT Statistics vs. CRSP US Total Market Spliced Index^

|                                         | 3 Years | 5 Years |
|-----------------------------------------|---------|---------|
| Return                                  | 10.4    | 16.3    |
| Standard Deviation                      | 10.8    | 11.3    |
| vs. CRSP US Total Market Spliced Index^ |         |         |
| Alpha                                   | 0.0     | 0.0     |
| Beta                                    | 1.0     | 1.0     |
| R-Squared                               | 1.0     | 1.0     |
| Consistency                             | 52.8    | 55.0    |
| Up Market Capture                       | 100.0   | 100.0   |
| Down Market Capture                     | 100.2   | 100.1   |
| vs. 90 Day U.S. Treasury Bill           |         |         |
| Sharpe Ratio                            | 1.0     | 1.4     |

## Manager Evaluation

### Vanguard Total Stock Market Index Adm

Report Date September 30, 2016

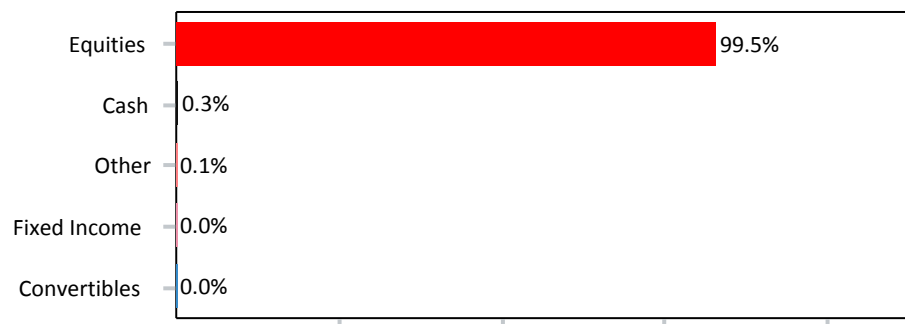
#### Mutual Fund Information

|                      |                                                                                    |                     |                   |
|----------------------|------------------------------------------------------------------------------------|---------------------|-------------------|
| Fund Name :          | Vanguard Index Funds: Vanguard Total Stock Market Index Fund; Admiral Class Shares | Portfolio Assets :  | \$446,280 Million |
| Fund Family :        | Vanguard Group Inc                                                                 | Fund Assets :       | \$136,132 Million |
| Ticker :             | VTSAX                                                                              | Portfolio Manager : | O'Reilly/Nejman   |
| Inception Date :     | 11/13/2000                                                                         | PM Tenure :         | 2016--2016        |
| Portfolio Turnover : | 3%                                                                                 |                     |                   |

#### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of the overall stock market. The Fund employs a "passive management" approach designed to track the performance of the CRSP US Total Market Index.

#### Asset Allocation as of 05/31/16



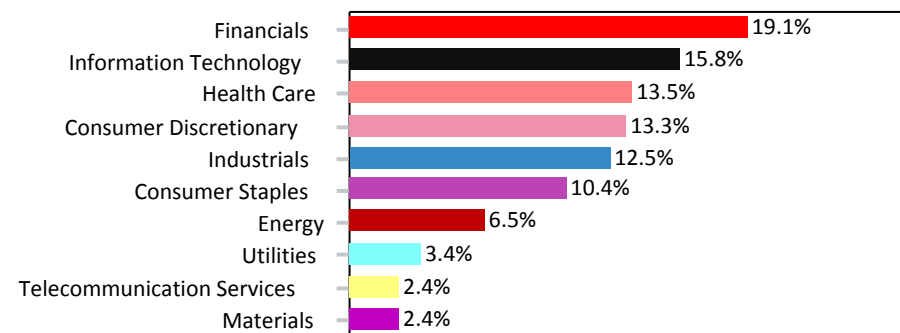
#### Equity Characteristics as of 05/31/16

|                  |                   |
|------------------|-------------------|
| Total Securities | 3,650             |
| Avg. Market Cap  | \$107,747 Million |
| P/E              | 26.7              |
| P/B              | 5.5               |
| Div. Yield       | 2.6%              |
| Annual EPS       | 9.1               |
| 5Yr EPS          | 9.4               |
| 3Yr EPS Growth   | 11.7              |

#### Top 10 Securities as of 05/31/16

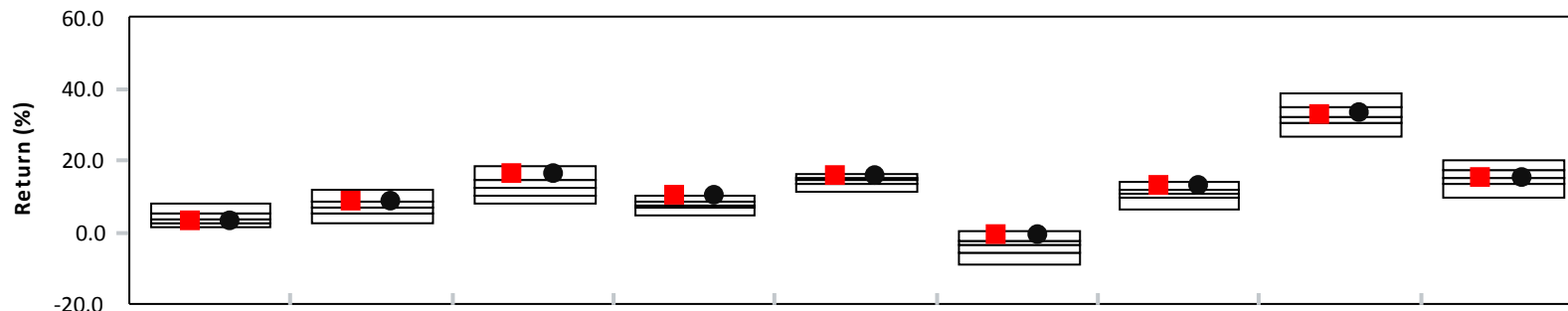
|                            |       |
|----------------------------|-------|
| Apple Inc ORD              | 2.4 % |
| Microsoft Corp ORD         | 1.8 % |
| Exxon Mobil Corp ORD       | 1.7 % |
| Johnson & Johnson ORD      | 1.4 % |
| General Electric Co ORD    | 1.3 % |
| Amazon.com Inc ORD         | 1.2 % |
| Berkshire Hathaway Inc ORD | 1.2 % |
| Facebook Inc ORD           | 1.2 % |
| AT&T Inc ORD               | 1.1 % |
| JPMorgan Chase & Co ORD    | 1.1 % |

#### Sector Allocation as of 05/31/16



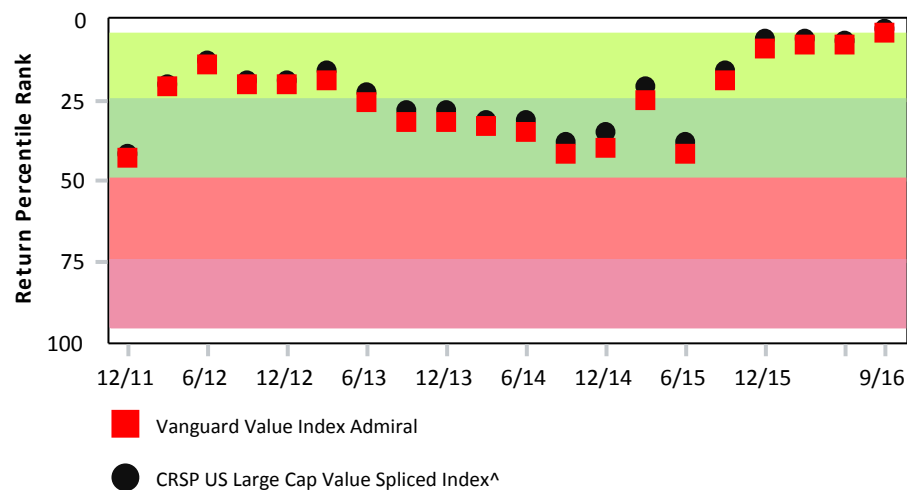
## Vanguard Value Index Admiral As of September 30, 2016

### Peer Group Analysis vs. IM U.S. Large Cap Value Equity (MF)

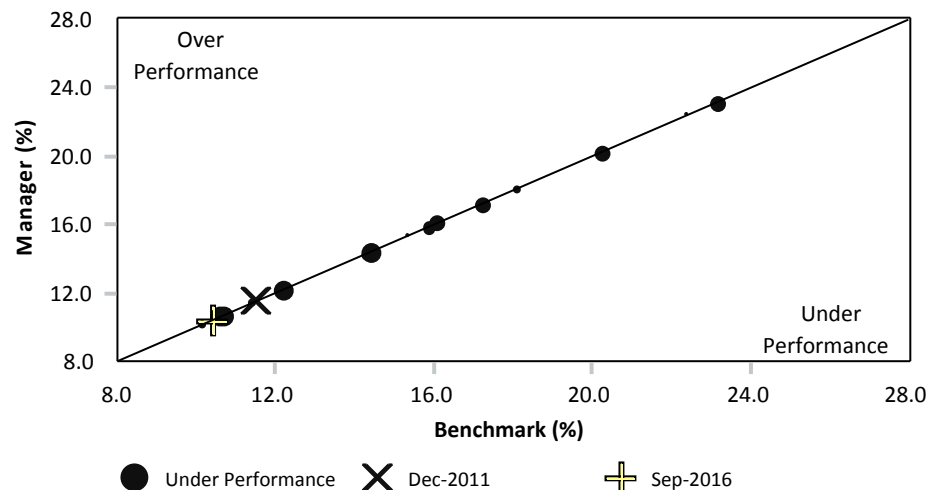


|                                          | QTR      | YTD      | 1 Year    | 3 Years  | 5 Years   | 2015      | 2014      | 2013      | 2012      |
|------------------------------------------|----------|----------|-----------|----------|-----------|-----------|-----------|-----------|-----------|
| ■ Vanguard Value Index Admiral           | 3.0 (72) | 8.7 (24) | 16.3 (14) | 10.3 (4) | 16.0 (13) | -0.9 (10) | 13.2 (11) | 33.0 (46) | 15.2 (55) |
| ● CRSP US Large Cap Value Spliced Index^ | 3.0 (72) | 8.7 (24) | 16.3 (14) | 10.4 (3) | 16.1 (10) | -0.9 (10) | 13.3 (9)  | 33.4 (42) | 15.2 (54) |
| 5th Percentile                           | 8.0      | 12.1     | 18.8      | 10.2     | 16.7      | 0.6       | 14.3      | 39.2      | 20.1      |
| 1st Quartile                             | 5.4      | 8.6      | 14.7      | 8.8      | 15.4      | -2.5      | 12.1      | 35.0      | 17.3      |
| Median                                   | 4.0      | 7.0      | 12.5      | 7.8      | 14.5      | -3.7      | 10.9      | 32.5      | 15.4      |
| 3rd Quartile                             | 2.8      | 5.2      | 10.4      | 6.8      | 13.5      | -5.7      | 9.7       | 30.8      | 13.4      |
| 95th Percentile                          | 1.6      | 2.8      | 8.1       | 5.1      | 11.2      | -8.9      | 6.4       | 26.7      | 10.0      |

### 3 Year Rolling Percentile Ranking vs. IM U.S. Large Cap Value Equity (MF)



### 3 Year Rolling Under/Over Performance vs. CRSP US Large Cap Value Spliced Index^





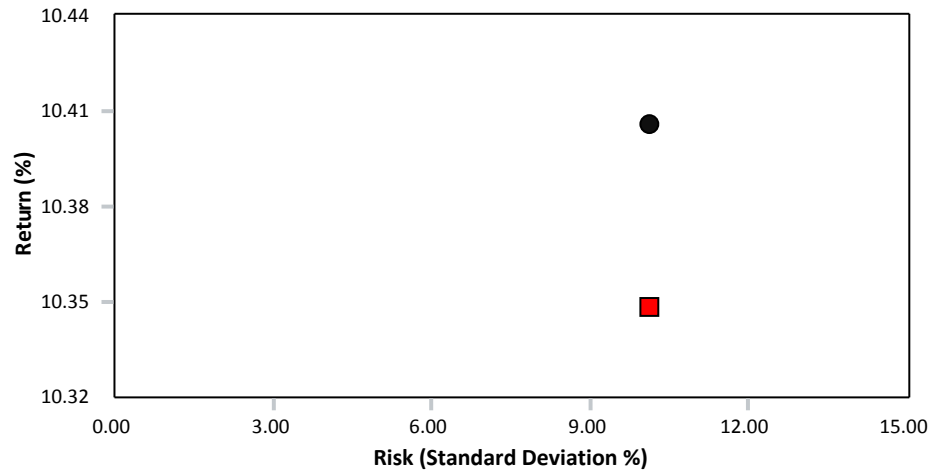
# Manager Evaluation

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## Vanguard Value Index Admiral

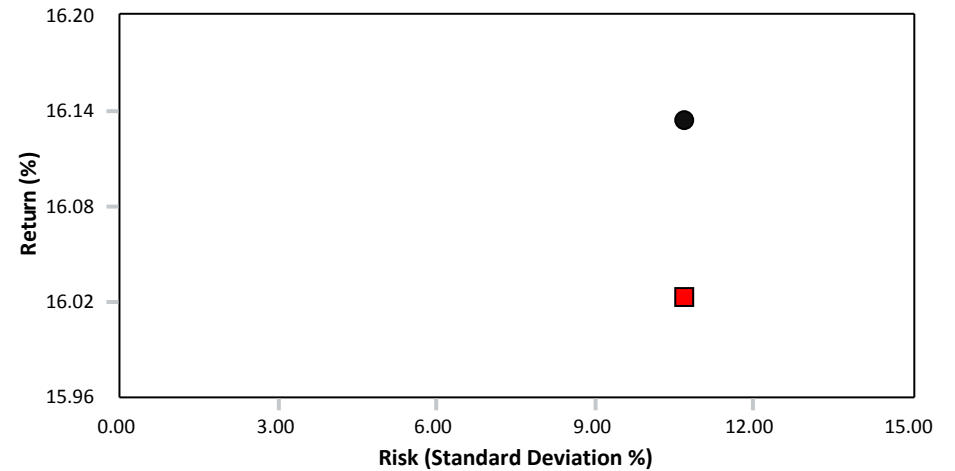
As of September 30, 2016

### 3 Year Risk and Return



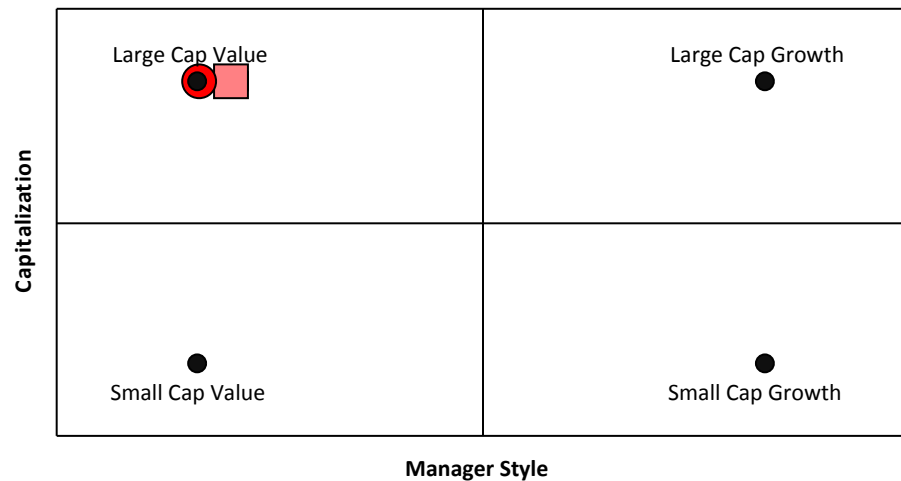
- Vanguard Value Index Admiral
- CRSP US Large Cap Value Spliced Index^

### 5 Year Risk and Return



- Vanguard Value Index Admiral
- CRSP US Large Cap Value Spliced Index^

### Style Map - 3 Years



- Style History
- Sep-2016
- Average Style Exposure

### MPT Statistics vs. CRSP US Large Cap Value Spliced Index^

|                                            | 3 Years | 5 Years |
|--------------------------------------------|---------|---------|
| Return                                     | 10.3    | 16.0    |
| Standard Deviation                         | 10.2    | 10.7    |
| vs. CRSP US Large Cap Value Spliced Index^ |         |         |
| Alpha                                      | -0.1    | -0.1    |
| Beta                                       | 1.0     | 1.0     |
| R-Squared                                  | 1.0     | 1.0     |
| Consistency                                | 38.9    | 36.7    |
| Up Market Capture                          | 99.9    | 99.7    |
| Down Market Capture                        | 100.3   | 100.2   |
| vs. 90 Day U.S. Treasury Bill              |         |         |
| Sharpe Ratio                               | 1.0     | 1.4     |

## Manager Evaluation

### Vanguard Value Index Admiral

Report Date September 30, 2016

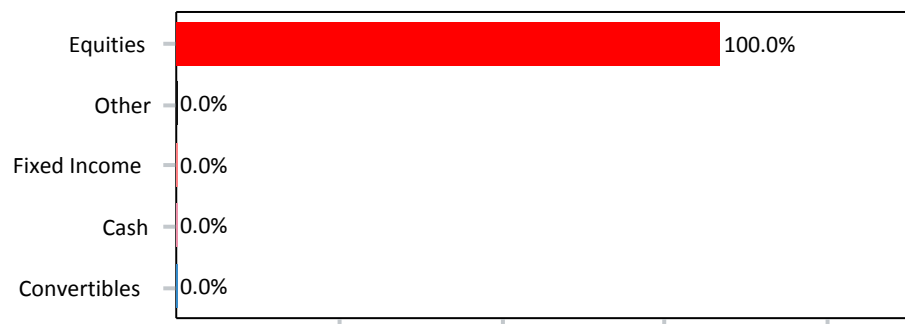
#### Mutual Fund Information

|                      |                                                                 |                     |                    |
|----------------------|-----------------------------------------------------------------|---------------------|--------------------|
| Fund Name :          | Vanguard Index Funds: Vanguard Value Index Fund; Admiral Shares | Portfolio Assets :  | \$43,768 Million   |
| Fund Family :        | Vanguard Group Inc                                              | Fund Assets :       | \$11,446 Million   |
| Ticker :             | VVIAX                                                           | Portfolio Manager : | Gerard C. O'Reilly |
| Inception Date :     | 11/13/2000                                                      | PM Tenure :         | 2000               |
| Portfolio Turnover : | 8%                                                              |                     |                    |

#### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization value stocks. The Fund employs a "passive management"-- or indexing --investment approach designed to track the performance of the MSCI US Prime Market Value Index.

#### Asset Allocation as of 05/31/16



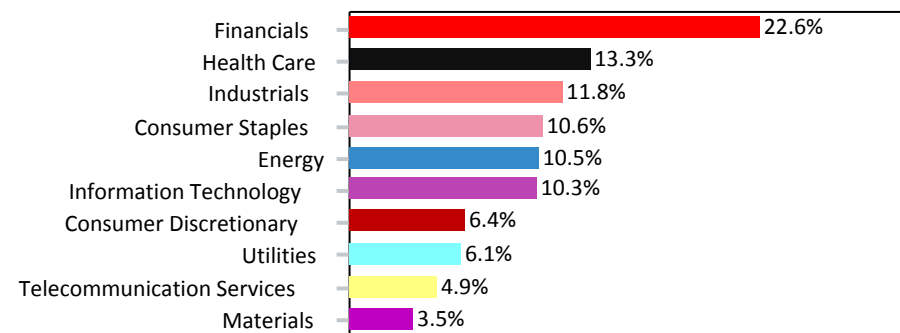
#### Top 10 Securities as of 05/31/16

|                            |       |
|----------------------------|-------|
| Microsoft Corp ORD         | 4.0 % |
| Exxon Mobil Corp ORD       | 3.7 % |
| Johnson & Johnson ORD      | 3.1 % |
| General Electric Co ORD    | 2.9 % |
| Berkshire Hathaway Inc ORD | 2.7 % |
| AT&T Inc ORD               | 2.4 % |
| JPMorgan Chase & Co ORD    | 2.4 % |
| Wells Fargo & Co ORD       | 2.3 % |
| Procter & Gamble Co ORD    | 2.2 % |
| Pfizer Inc ORD             | 2.2 % |

#### Equity Characteristics as of 05/31/16

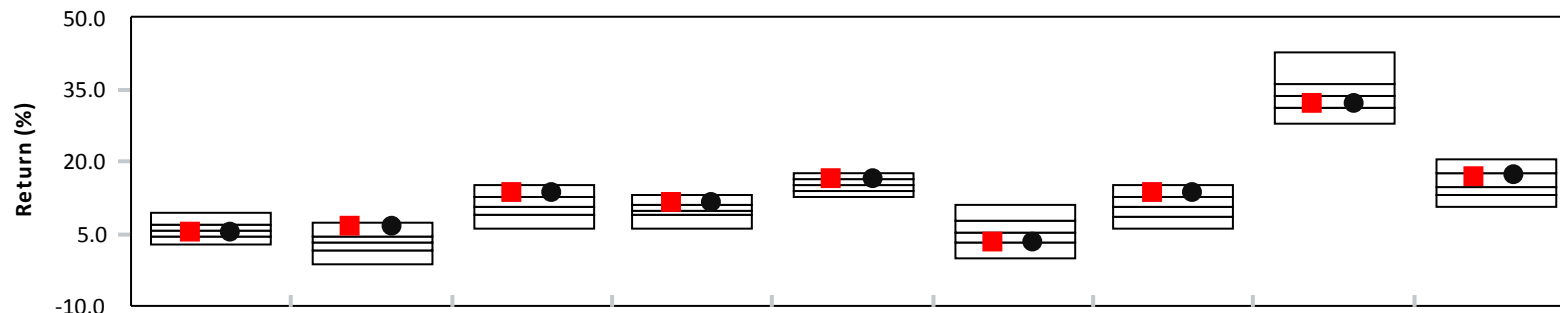
|                  |                   |
|------------------|-------------------|
| Total Securities | 319               |
| Avg. Market Cap  | \$127,318 Million |
| P/E              | 23.3              |
| P/B              | 3.8               |
| Div. Yield       | 2.9%              |
| Annual EPS       | 0.9               |
| 5Yr EPS          | 3.6               |
| 3Yr EPS Growth   | 6.3               |

#### Sector Allocation as of 05/31/16



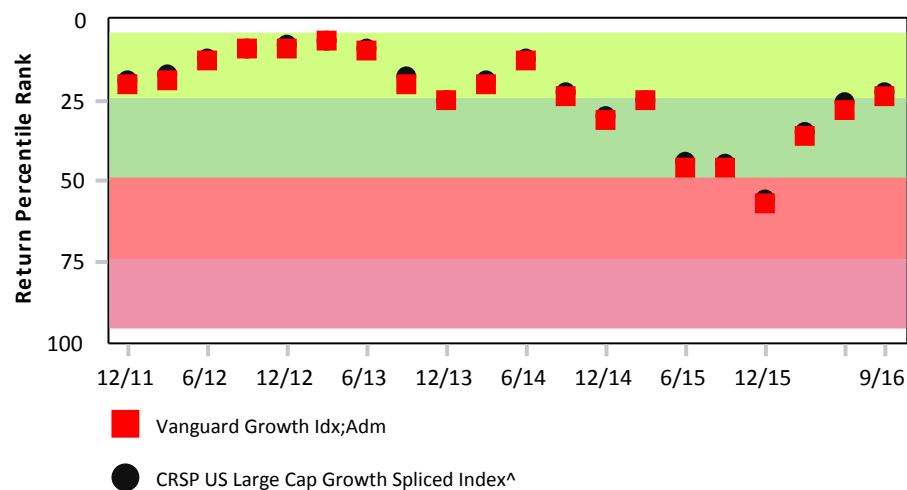
## Vanguard Growth Idx;Adm As of September 30, 2016

### Peer Group Analysis vs. IM U.S. Large Cap Growth Equity (MF)

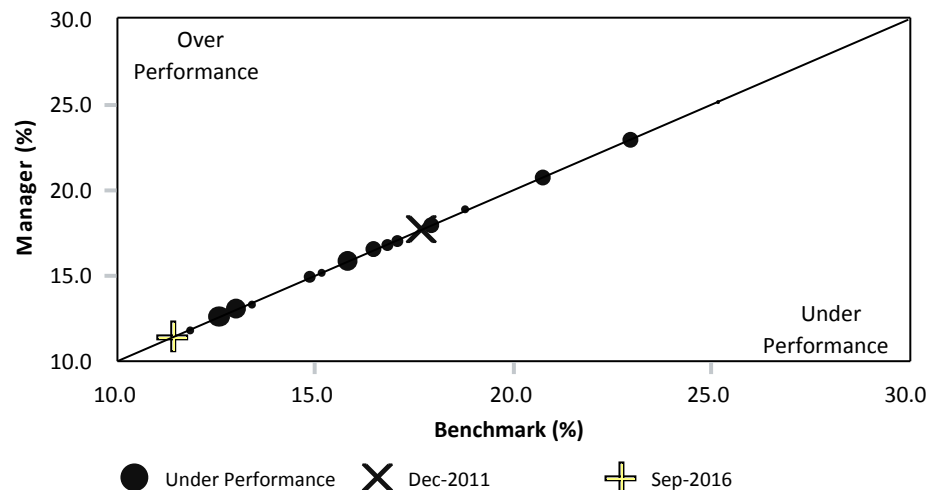


|                                           | QTR      | YTD     | 1 Year    | 3 Years   | 5 Years   | 2015     | 2014      | 2013      | 2012      |
|-------------------------------------------|----------|---------|-----------|-----------|-----------|----------|-----------|-----------|-----------|
| ■ Vanguard Growth Idx;Adm                 | 5.1 (60) | 6.6 (8) | 13.5 (19) | 11.3 (24) | 16.5 (23) | 3.3 (73) | 13.6 (17) | 32.4 (67) | 17.0 (31) |
| ● CRSP US Large Cap Growth Spliced Index^ | 5.1 (60) | 6.6 (8) | 13.6 (19) | 11.4 (23) | 16.6 (21) | 3.4 (72) | 13.7 (15) | 32.3 (68) | 17.1 (29) |
| 5th Percentile                            | 9.3      | 7.3     | 15.3      | 13.0      | 17.8      | 11.2     | 15.1      | 42.8      | 20.5      |
| 1st Quartile                              | 6.8      | 4.7     | 12.7      | 11.3      | 16.5      | 7.8      | 12.7      | 36.4      | 17.6      |
| Median                                    | 5.8      | 3.2     | 10.9      | 10.0      | 15.2      | 5.5      | 10.5      | 34.0      | 14.9      |
| 3rd Quartile                              | 4.4      | 1.5     | 9.2       | 8.8       | 14.1      | 3.0      | 8.7       | 31.3      | 13.0      |
| 95th Percentile                           | 2.8      | -1.2    | 6.0       | 6.1       | 12.6      | -0.3     | 6.1       | 28.2      | 10.6      |

### 3 Year Rolling Percentile Ranking vs. IM U.S. Large Cap Growth Equity (MF)

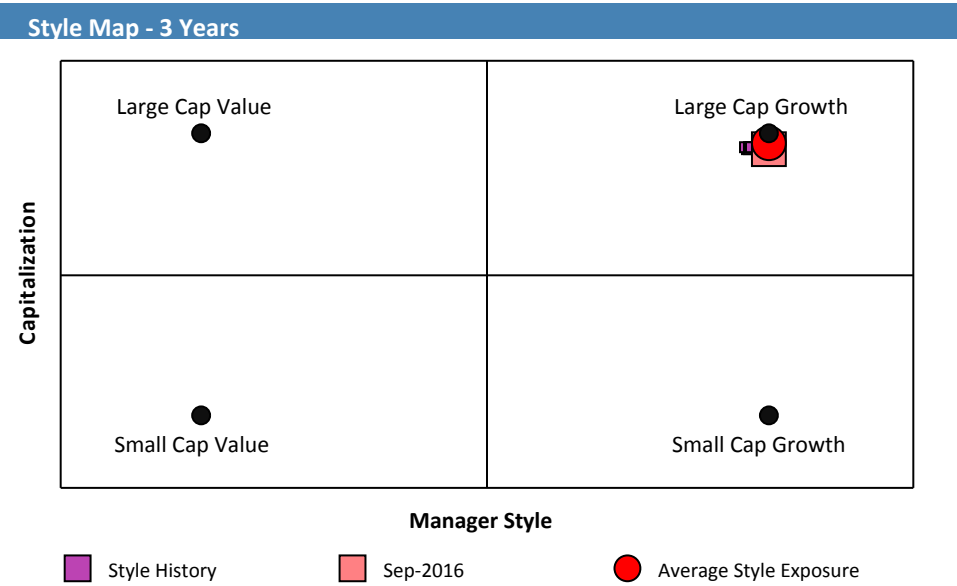
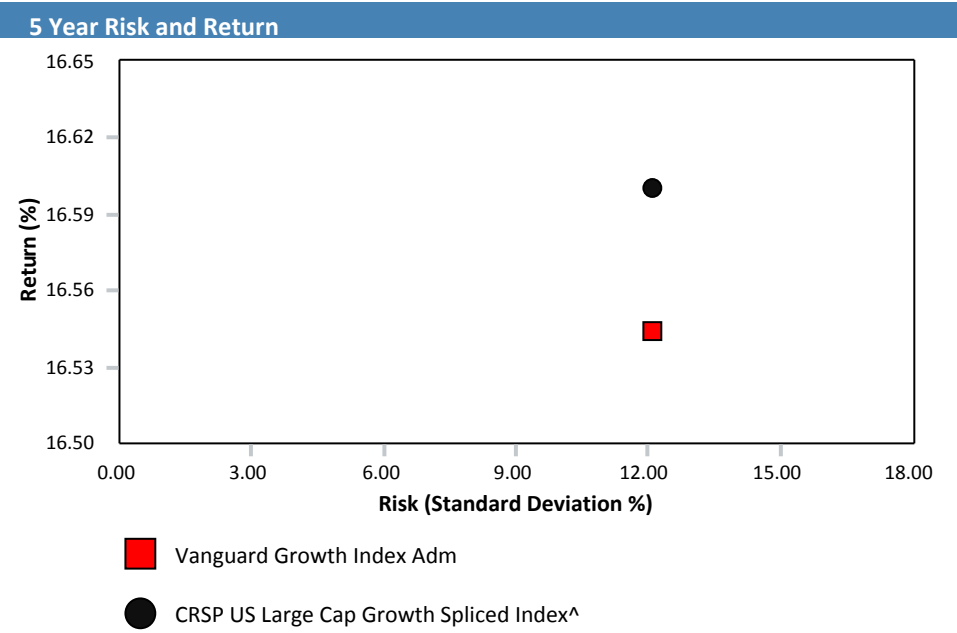
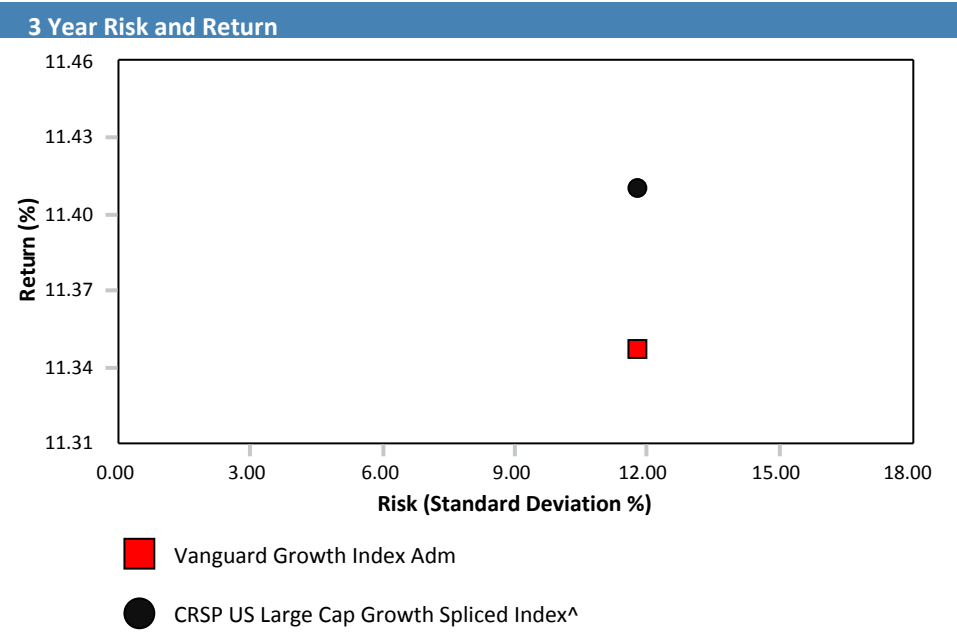


### 3 Year Rolling Under/Over Performance vs. CRSP US Large Cap Growth Spliced



Manager Evaluation

Vanguard Growth Index Adm  
As of September 30, 2016



MPT Statistics vs. CRSP US Large Cap Growth Spliced Index^

|                                             | 3 Years | 5 Years |
|---------------------------------------------|---------|---------|
| Return                                      | 11.3    | 16.5    |
| Standard Deviation                          | 11.8    | 12.1    |
| vs. CRSP US Large Cap Growth Spliced Index^ |         |         |
| Alpha                                       | -0.1    | -0.1    |
| Beta                                        | 1.0     | 1.0     |
| R-Squared                                   | 1.0     | 1.0     |
| Consistency                                 | 22.2    | 23.3    |
| Up Market Capture                           | 99.9    | 99.9    |
| Down Market Capture                         | 100.2   | 100.3   |
| vs. 90 Day U.S. Treasury Bill               |         |         |
| Sharpe Ratio                                | 1.0     | 1.3     |

## Manager Evaluation

### Vanguard Growth Index Adm

Report Date September 30, 2016

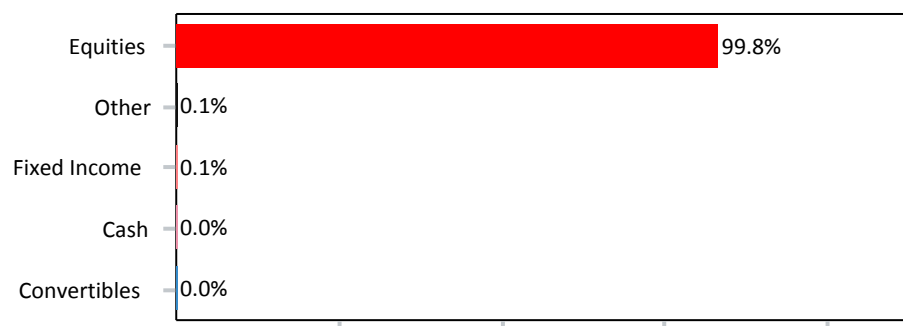
#### Mutual Fund Information

|                      |                                                                        |                     |                  |
|----------------------|------------------------------------------------------------------------|---------------------|------------------|
| Fund Name :          | Vanguard Index Funds: Vanguard Growth Index Fund; Admiral Class Shares | Portfolio Assets :  | \$52,391 Million |
| Fund Family :        | Vanguard Group Inc                                                     | Fund Assets :       | \$17,293 Million |
| Ticker :             | VIGAX                                                                  | Portfolio Manager : | O'Reilly/Nejman  |
| Inception Date :     | 11/13/2000                                                             | PM Tenure :         | 2000--2016       |
| Portfolio Turnover : | 9%                                                                     |                     |                  |

#### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of large-capitalization growth stocks. The Fund employs a "passive management"--or indexing--investment approach designed to track the performance of the MSCI US Prime Market Growth Index.

#### Asset Allocation as of 04/30/16



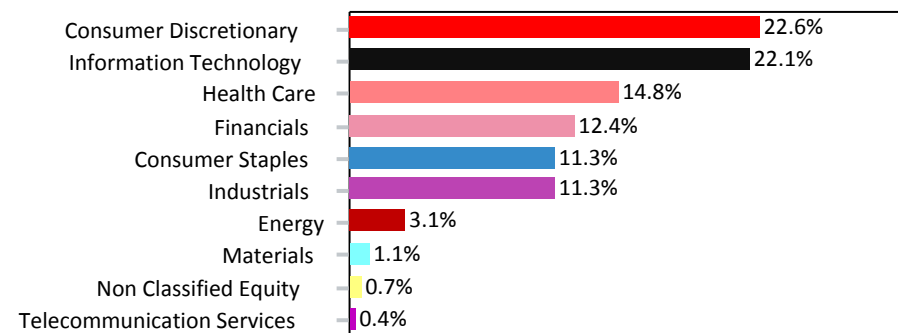
#### Equity Characteristics as of 04/30/16

|                  |                   |
|------------------|-------------------|
| Total Securities | 340               |
| Avg. Market Cap  | \$116,915 Million |
| P/E              | 29.8              |
| P/B              | 8.0               |
| Div. Yield       | 2.1%              |
| Annual EPS       | 17.5              |
| 5Yr EPS          | 15.4              |
| 3Yr EPS Growth   | 17.2              |

#### Top 10 Securities as of 04/30/16

|                                     |       |
|-------------------------------------|-------|
| Apple Inc ORD                       | 5.6 % |
| Facebook Inc ORD                    | 2.9 % |
| Amazon.com Inc ORD                  | 2.8 % |
| Alphabet Inc ORD 1                  | 2.4 % |
| Alphabet Inc ORD 2                  | 2.3 % |
| Coca-Cola Co ORD                    | 2.0 % |
| Home Depot Inc ORD                  | 1.9 % |
| Philip Morris International Inc ORD | 1.7 % |
| Walt Disney Co ORD                  | 1.7 % |
| Visa Inc ORD                        | 1.7 % |

#### Sector Allocation as of 04/30/16



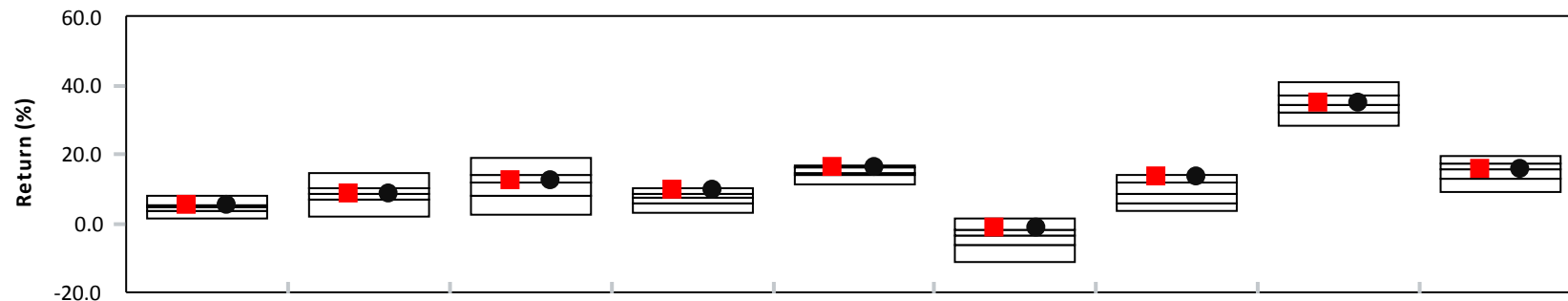
# Manager Evaluation

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Vanguard Md-Cp Idx;Adm

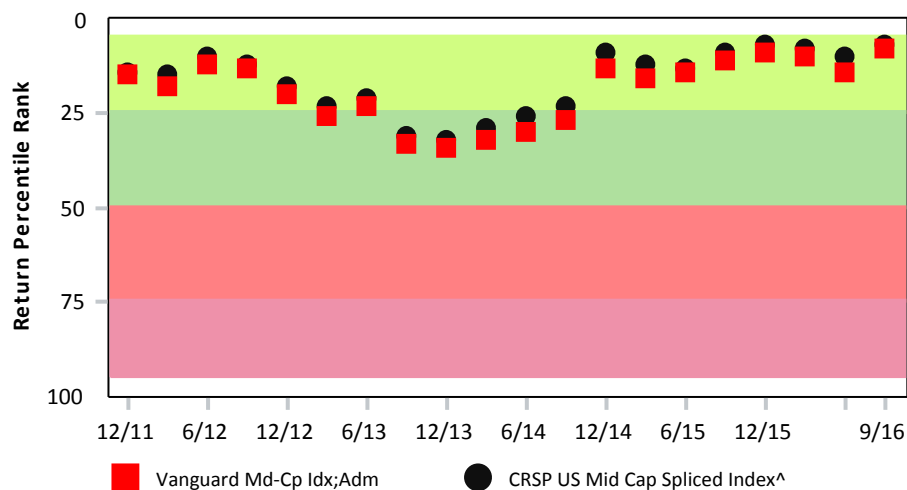
As of September 30, 2016

## Peer Group Analysis vs. IM U.S. Mid Cap Core Equity (MF)

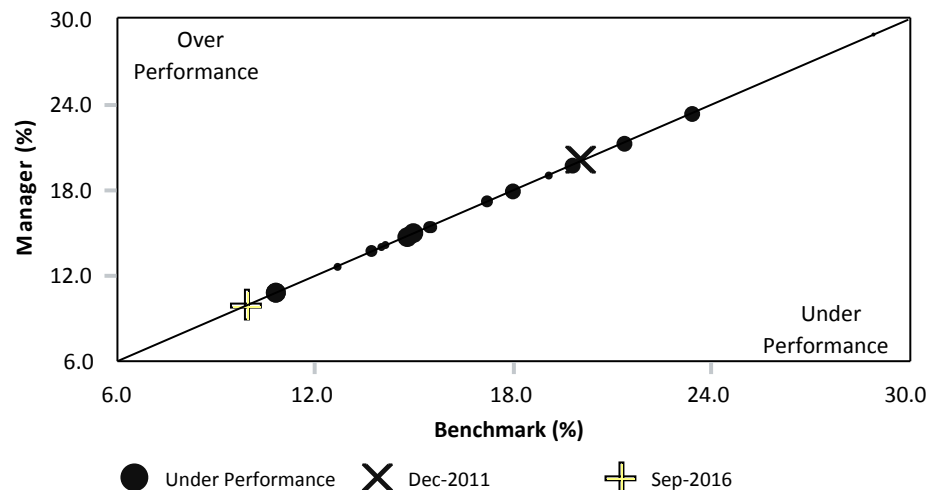


|                                   | QTR      | YTD      | 1 Year    | 3 Years  | 5 Years   | 2015      | 2014     | 2013      | 2012      |
|-----------------------------------|----------|----------|-----------|----------|-----------|-----------|----------|-----------|-----------|
| ■ Vanguard Md-Cp Idx;Adm          | 5.2 (41) | 8.9 (51) | 12.6 (40) | 9.9 (8)  | 16.5 (13) | -1.3 (24) | 13.8 (8) | 35.2 (47) | 16.0 (51) |
| ● CRSP US Mid Cap Spliced Index^A | 5.2 (40) | 8.9 (49) | 12.7 (38) | 10.0 (7) | 16.6 (10) | -1.3 (22) | 13.8 (7) | 35.4 (42) | 16.0 (49) |
| 5th Percentile                    | 8.4      | 14.8     | 19.0      | 10.5     | 17.1      | 1.7       | 14.3     | 41.4      | 19.5      |
| 1st Quartile                      | 5.6      | 10.2     | 14.0      | 8.6      | 16.2      | -1.7      | 11.9     | 37.3      | 17.7      |
| Median                            | 4.6      | 8.9      | 11.8      | 7.4      | 15.0      | -3.4      | 8.9      | 34.8      | 16.0      |
| 3rd Quartile                      | 3.5      | 6.8      | 8.0       | 5.9      | 14.0      | -6.2      | 6.1      | 32.3      | 13.3      |
| 95th Percentile                   | 1.7      | 2.0      | 2.3       | 3.1      | 11.4      | -10.9     | 3.7      | 28.3      | 9.0       |

## 3 Year Rolling Percentile Ranking vs. IM U.S. Mid Cap Core Equity (MF)



## 3 Year Rolling Under/Over Performance vs. CRSP US Mid Cap Spliced Index^A



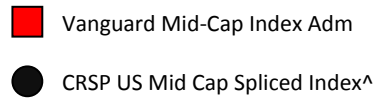
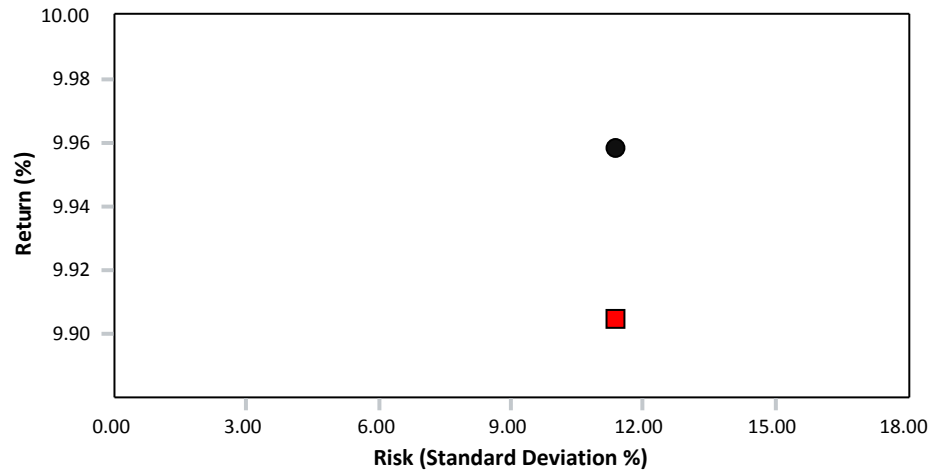
# Manager Evaluation

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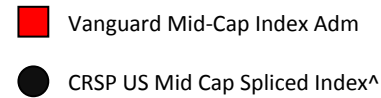
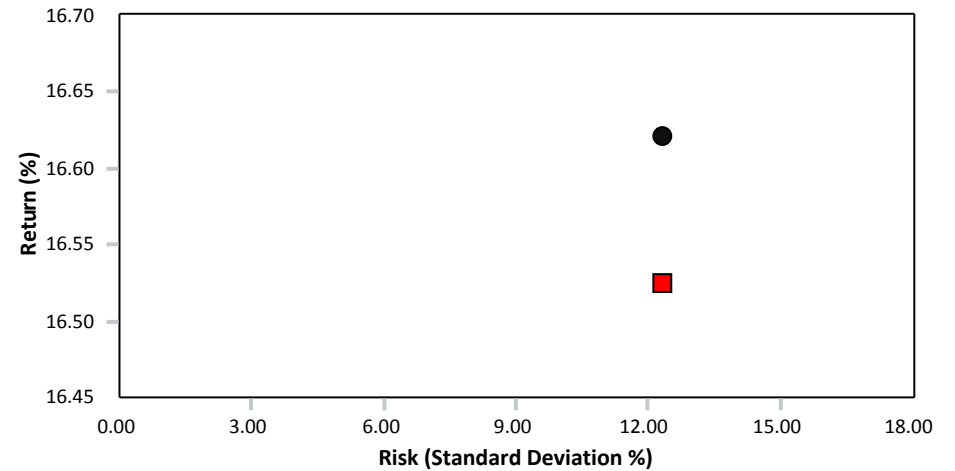
## Vanguard Mid-Cap Index Adm

As of September 30, 2016

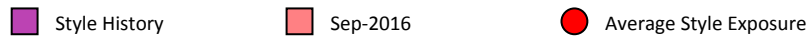
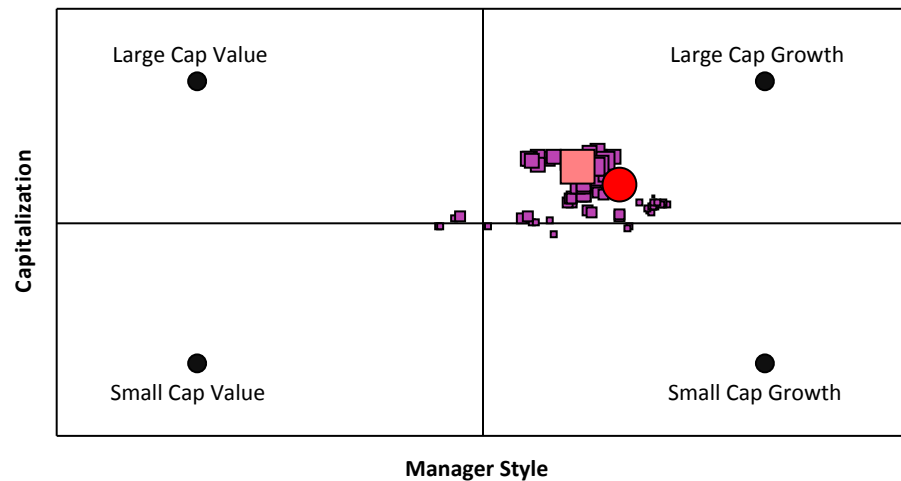
### 3 Year Risk and Return



### 5 Year Risk and Return



### Style Map - 3 Years



### MPT Statistics vs. CRSP US Mid Cap Spliced Index^

|                                    | 3 Years | 5 Years |
|------------------------------------|---------|---------|
| Return                             | 9.9     | 16.5    |
| Standard Deviation                 | 11.4    | 12.3    |
| vs. CRSP US Mid Cap Spliced Index^ |         |         |
| Alpha                              | 0.0     | -0.1    |
| Beta                               | 1.0     | 1.0     |
| R-Squared                          | 1.0     | 1.0     |
| Consistency                        | 27.8    | 20.0    |
| Up Market Capture                  | 99.8    | 99.7    |
| Down Market Capture                | 100.1   | 100.2   |
| vs. 90 Day U.S. Treasury Bill      |         |         |
| Sharpe Ratio                       | 0.9     | 1.3     |

## Manager Evaluation

### Vanguard Mid-Cap Index Adm

Report Date September 30, 2016

#### Mutual Fund Information

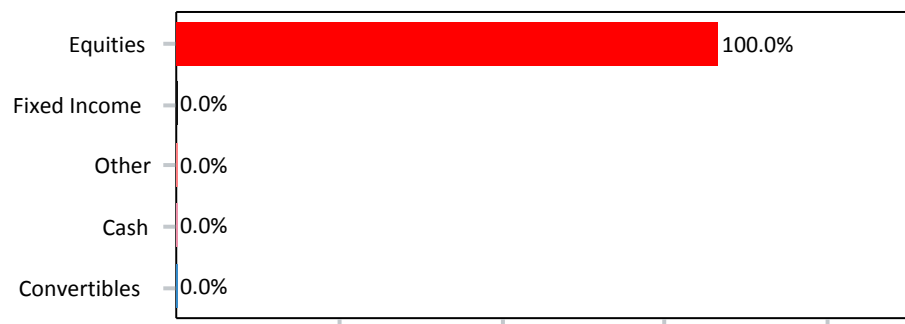
Fund Name : Vanguard Index Funds: Vanguard Mid-Cap Index Fund; Admiral Shares  
 Fund Family : Vanguard Group Inc  
 Ticker : VIMAX  
 Inception Date : 11/12/2001  
 Portfolio Turnover : 15%

Portfolio Assets : \$72,837 Million  
 Fund Assets : \$26,852 Million  
 Portfolio Manager : Donald M. Butler  
 PM Tenure : 2001

#### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of mid-capitalization stocks. The Fund employs a "passive management" approach designed to track the performance of the CRSP US Mid Cap Index, a broadly diversified index of stocks of medium-size U.S. companies.

#### Asset Allocation as of 04/30/16



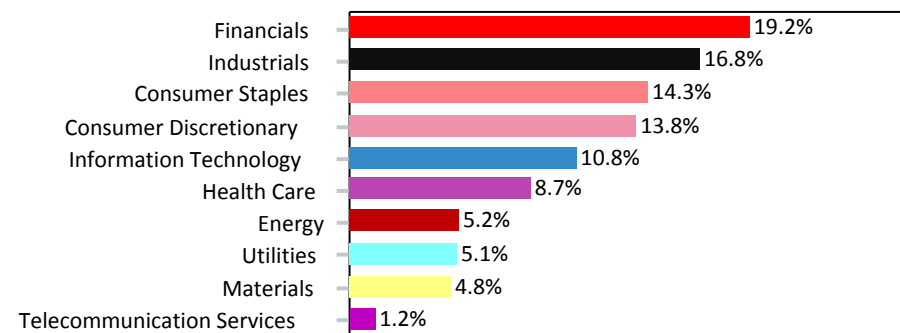
#### Equity Characteristics as of 04/30/16

|                  |                  |
|------------------|------------------|
| Total Securities | 356              |
| Avg. Market Cap  | \$11,969 Million |
| P/E              | 28.0             |
| P/B              | 4.8              |
| Div. Yield       | 2.3%             |
| Annual EPS       | 4.2              |
| 5Yr EPS          | 12.1             |
| 3Yr EPS Growth   | 10.8             |

#### Top 10 Securities as of 04/30/16

|                                                |       |
|------------------------------------------------|-------|
| Ross Stores Inc ORD                            | 0.7 % |
| Edwards Lifesciences Corp ORD                  | 0.7 % |
| Fiserv Inc ORD                                 | 0.7 % |
| Equinix Inc ORD                                | 0.7 % |
| Newell Brands Inc ORD                          | 0.6 % |
| ConAgra Foods Inc ORD                          | 0.6 % |
| Tyson Foods Inc ORD                            | 0.6 % |
| Fidelity National Information Services Inc ORD | 0.6 % |
| Newmont Mining Corp ORD                        | 0.6 % |
| WEC Energy Group Inc ORD                       | 0.6 % |

#### Sector Allocation as of 04/30/16

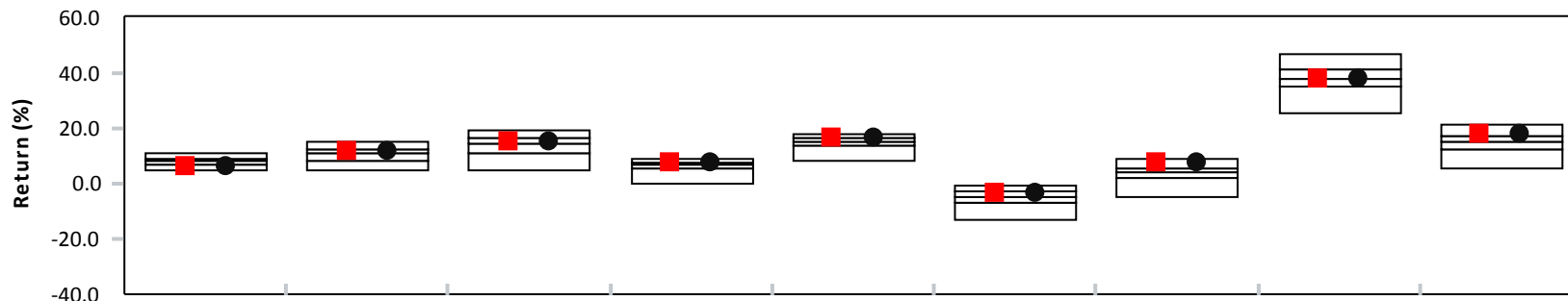




## Vanguard Sm-Cp Idx;Adm

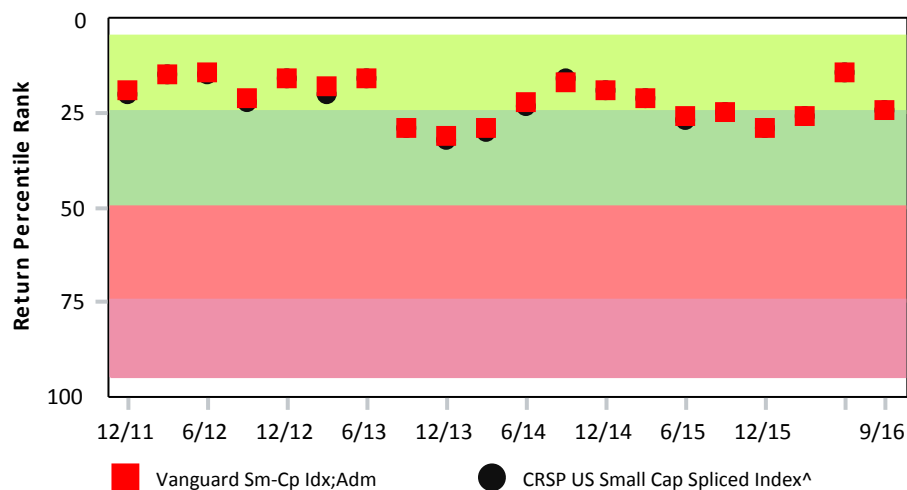
As of September 30, 2016

### Peer Group Analysis vs. IM U.S. Small Cap Core Equity (MF)

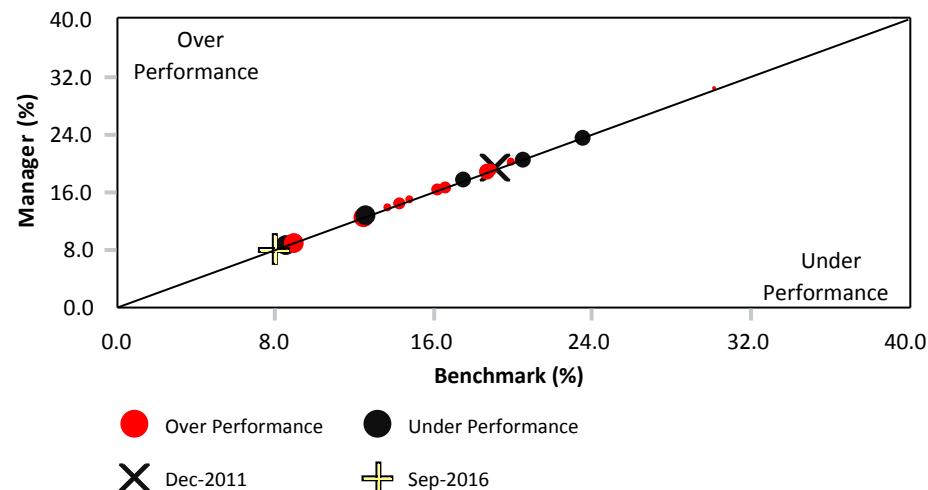


|                                    | QTR      | YTD       | 1 Year    | 3 Years  | 5 Years   | 2015      | 2014     | 2013      | 2012      |
|------------------------------------|----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|
| ■ Vanguard Sm-Cp Idx;Adm           | 6.2 (89) | 11.5 (37) | 15.0 (44) | 7.9 (24) | 16.7 (28) | -3.6 (33) | 7.5 (10) | 37.8 (53) | 18.2 (18) |
| ● CRSP US Small Cap Spliced Index^ | 6.2 (89) | 11.5 (38) | 14.9 (44) | 7.9 (24) | 16.7 (28) | -3.7 (34) | 7.5 (10) | 37.8 (53) | 18.2 (18) |
| 5th Percentile                     | 11.0     | 14.8      | 19.2      | 8.9      | 18.3      | -0.5      | 8.7      | 46.7      | 21.6      |
| 1st Quartile                       | 9.0      | 12.2      | 16.2      | 7.8      | 16.9      | -2.8      | 5.7      | 41.3      | 17.1      |
| Median                             | 8.4      | 10.9      | 14.6      | 6.6      | 15.4      | -4.7      | 4.3      | 38.0      | 15.4      |
| 3rd Quartile                       | 7.2      | 8.3       | 10.9      | 5.3      | 14.0      | -7.1      | 2.2      | 35.3      | 12.5      |
| 95th Percentile                    | 5.1      | 4.8       | 4.9       | 0.0      | 8.4       | -13.2     | -4.7     | 25.8      | 5.4       |

### 3 Year Rolling Percentile Ranking vs. IM U.S. Small Cap Core Equity (MF)

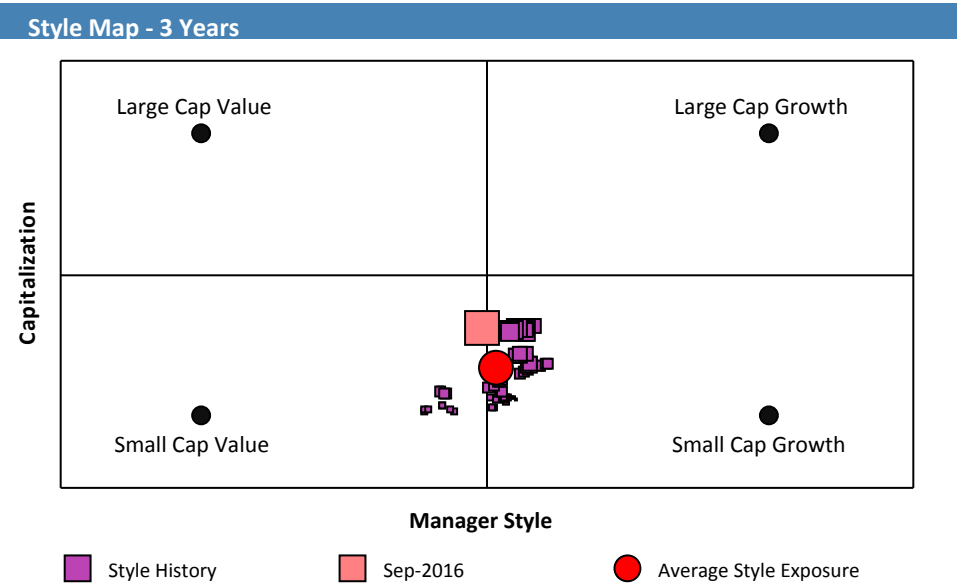
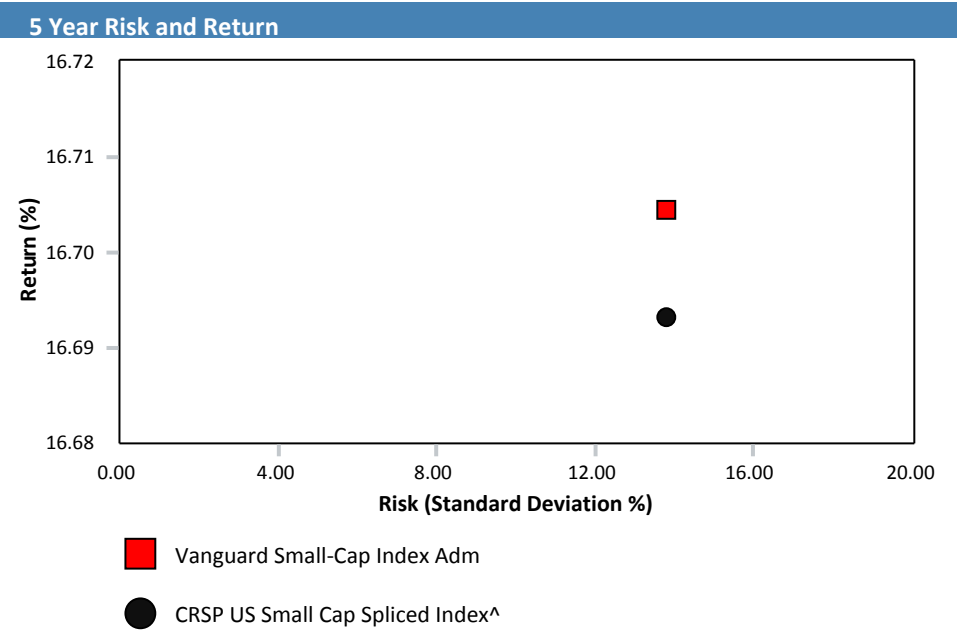
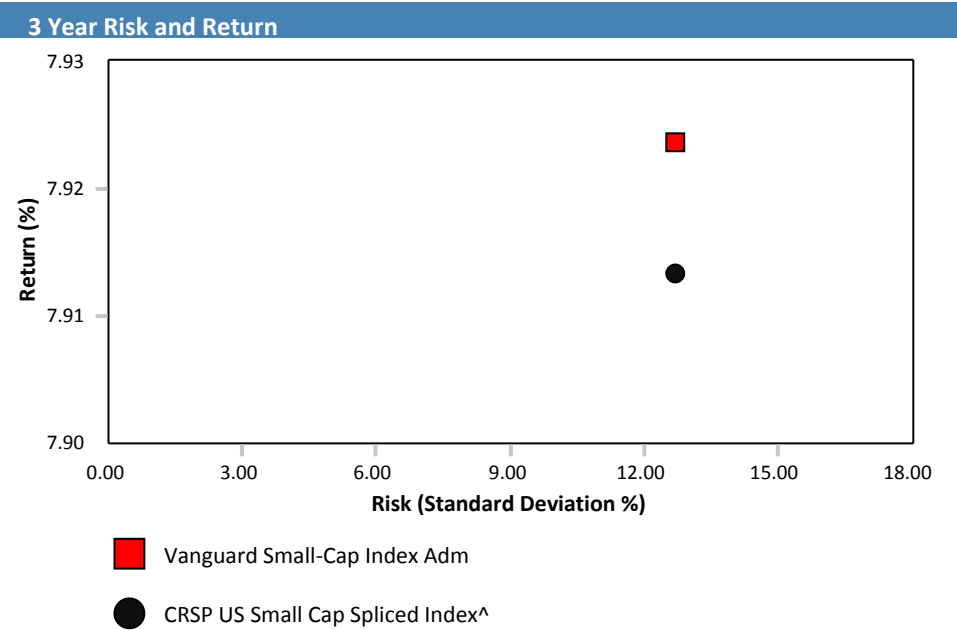


### 3 Year Rolling Under/Over Performance vs. CRSP US Small Cap Spliced Index^



Manager Evaluation

Vanguard Small-Cap Index Adm  
As of September 30, 2016



MPT Statistics vs. CRSP US Small Cap Spliced Index^

|                                      | 3 Years | 5 Years |
|--------------------------------------|---------|---------|
| Return                               | 7.9     | 16.7    |
| Standard Deviation                   | 12.7    | 13.8    |
| vs. CRSP US Small Cap Spliced Index^ |         |         |
| Alpha                                | 0.0     | 0.0     |
| Beta                                 | 1.0     | 1.0     |
| R-Squared                            | 1.0     | 1.0     |
| Consistency                          | 61.1    | 60.0    |
| Up Market Capture                    | 100.2   | 100.1   |
| Down Market Capture                  | 100.2   | 100.1   |
| vs. 90 Day U.S. Treasury Bill        |         |         |
| Sharpe Ratio                         | 0.7     | 1.2     |

Mutual fund data sourced from Lipper Analytical Services.

# Manager Evaluation

## Vanguard Small-Cap Index Adm

Report Date September 30, 2016

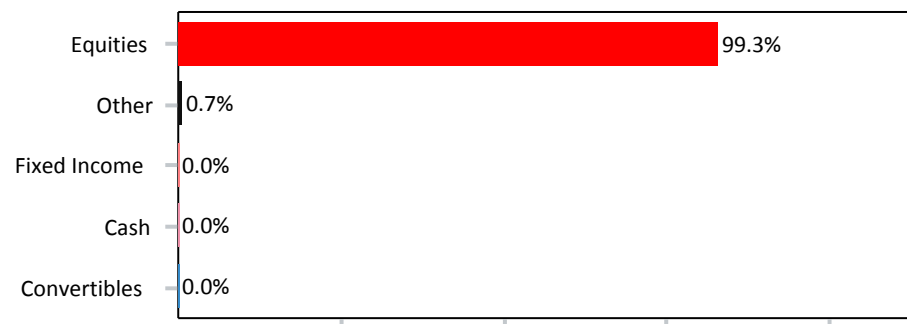
### Mutual Fund Information

|                      |                                                                     |                     |                  |
|----------------------|---------------------------------------------------------------------|---------------------|------------------|
| Fund Name :          | Vanguard Index Funds: Vanguard Small-Cap Index Fund; Admiral Shares | Portfolio Assets :  | \$61,930 Million |
| Fund Family :        | Vanguard Group Inc                                                  | Fund Assets :       | \$23,436 Million |
| Ticker :             | VSMAX                                                               | Portfolio Manager : | Michael H. Buek  |
| Inception Date :     | 11/13/2000                                                          | PM Tenure :         | 2000             |
| Portfolio Turnover : | 11%                                                                 |                     |                  |

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of small-capitalization stocks. The Fund employs an indexing investment approach designed to track the performance of the CRSP US Small Cap Index, a broadly diversified index of stocks of small U.S. companies.

### Asset Allocation as of 04/30/16



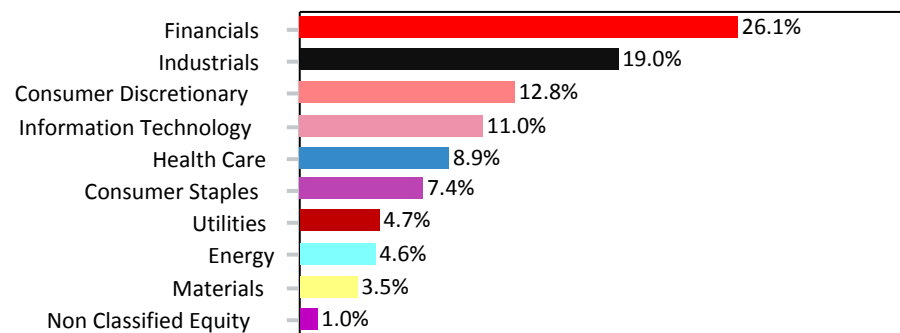
### Top 10 Securities as of 04/30/16

|                                       |       |
|---------------------------------------|-------|
| Vanguard Market Liquidity Fund        | 0.5 % |
| Ingredion Inc ORD                     | 0.3 % |
| Waste Connections Inc ORD             | 0.3 % |
| Arthur J Gallagher & Co ORD           | 0.3 % |
| AGL Resources Inc ORD                 | 0.3 % |
| Valspar Corp ORD                      | 0.3 % |
| Duke Realty Corp                      | 0.3 % |
| Atmos Energy Corp ORD                 | 0.3 % |
| Westar Energy Inc ORD                 | 0.3 % |
| Mid-America Apartment Communities Inc | 0.3 % |

### Equity Characteristics as of 04/30/16

|                  |                 |
|------------------|-----------------|
| Total Securities | 1,488           |
| Avg. Market Cap  | \$3,481 Million |
| P/E              | 27.8            |
| P/B              | 4.0             |
| Div. Yield       | 2.8%            |
| Annual EPS       | 11.4            |
| 5Yr EPS          | 12.1            |
| 3Yr EPS Growth   | 14.0            |

### Sector Allocation as of 04/30/16



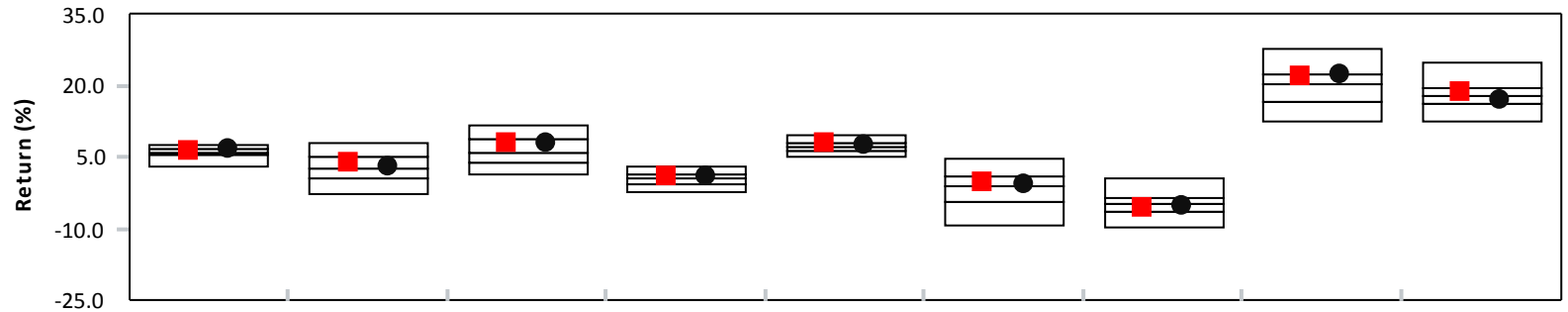
# Manager Evaluation

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## Vanguard Developed Markets Index Fund

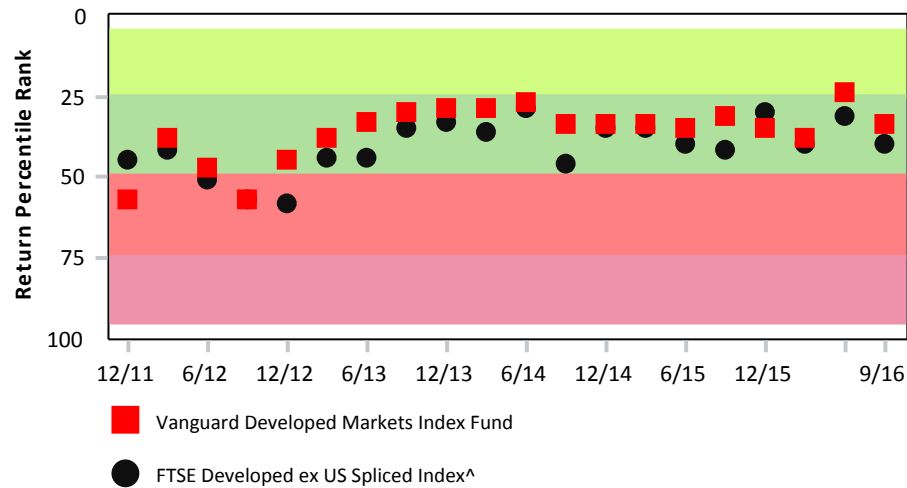
As of September 30, 2016

### Peer Group Analysis vs. IM International Multi-Cap Core Equity (MF)

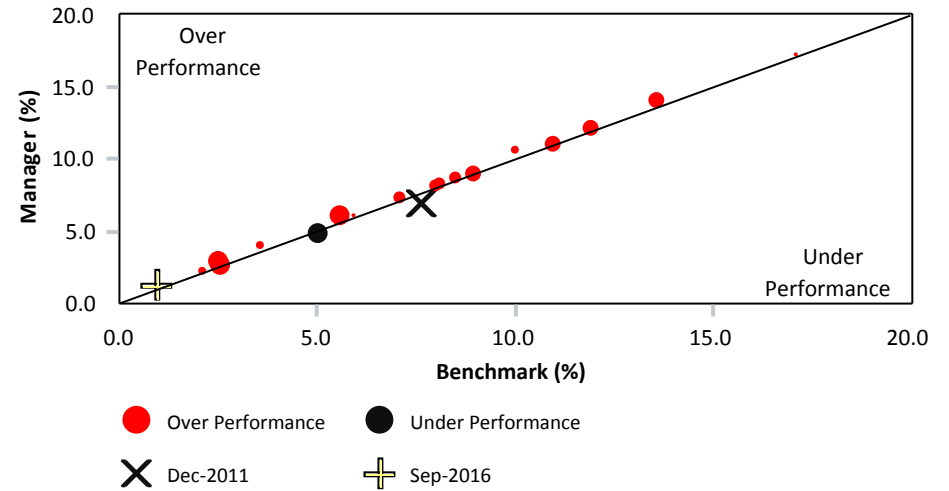


|                                         | QTR      | YTD      | 1 Year   | 3 Years  | 5 Years  | 2015      | 2014      | 2013      | 2012      |
|-----------------------------------------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|
| ■ Vanguard Developed Markets Index Fund | 6.4 (41) | 4.0 (37) | 8.1 (29) | 1.2 (34) | 8.2 (27) | -0.1 (33) | -5.6 (60) | 22.2 (31) | 18.7 (38) |
| ● FTSE Developed ex US Spliced Index^   | 6.7 (30) | 3.2 (44) | 8.2 (29) | 1.0 (40) | 7.7 (39) | -0.5 (38) | -5.0 (53) | 22.7 (26) | 17.3 (65) |
| 5th Percentile                          | 7.8      | 8.1      | 11.8     | 3.2      | 9.7      | 4.7       | 0.8       | 27.9      | 25.0      |
| 1st Quartile                            | 6.8      | 5.3      | 9.0      | 1.5      | 8.3      | 0.9       | -3.6      | 22.7      | 19.7      |
| Median                                  | 6.2      | 2.6      | 5.9      | 0.6      | 7.3      | -1.2      | -4.9      | 20.5      | 18.0      |
| 3rd Quartile                            | 5.7      | 0.7      | 4.2      | -0.4     | 6.6      | -4.2      | -6.4      | 16.7      | 16.4      |
| 95th Percentile                         | 3.0      | -2.6     | 1.5      | -2.3     | 5.2      | -9.2      | -9.7      | 12.8      | 12.7      |

### 3 Year Rolling Percentile Ranking vs. IM International Multi-Cap Core Equity (MF)



### 3 Year Rolling Under/Over Performance vs. FTSE Developed ex US Spliced Index^



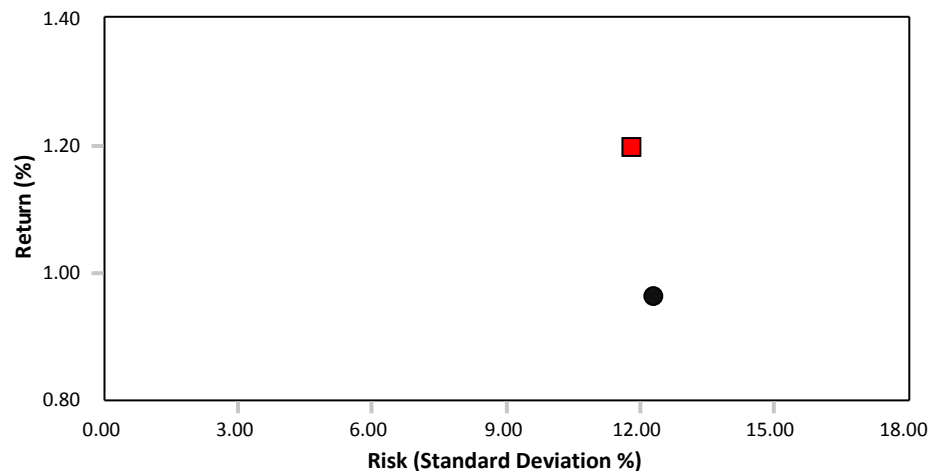
# Manager Evaluation

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## Vanguard Developed Markets Index Fund

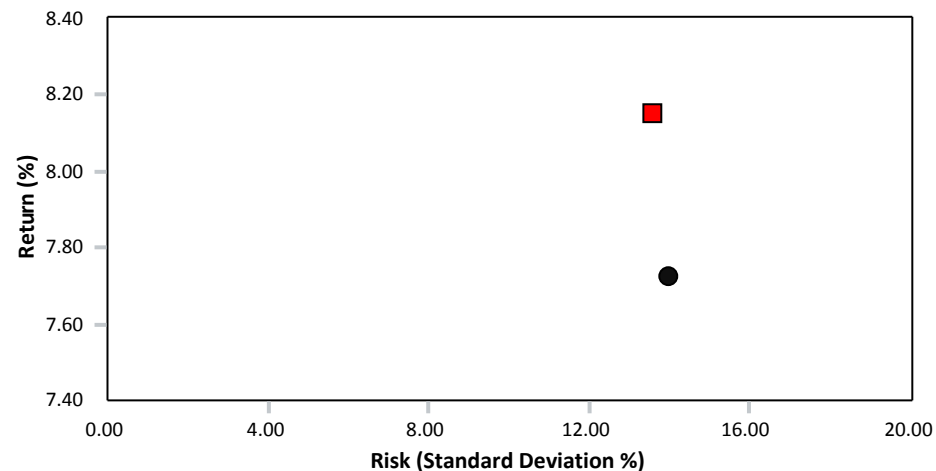
As of September 30, 2016

### 3 Year Risk and Return



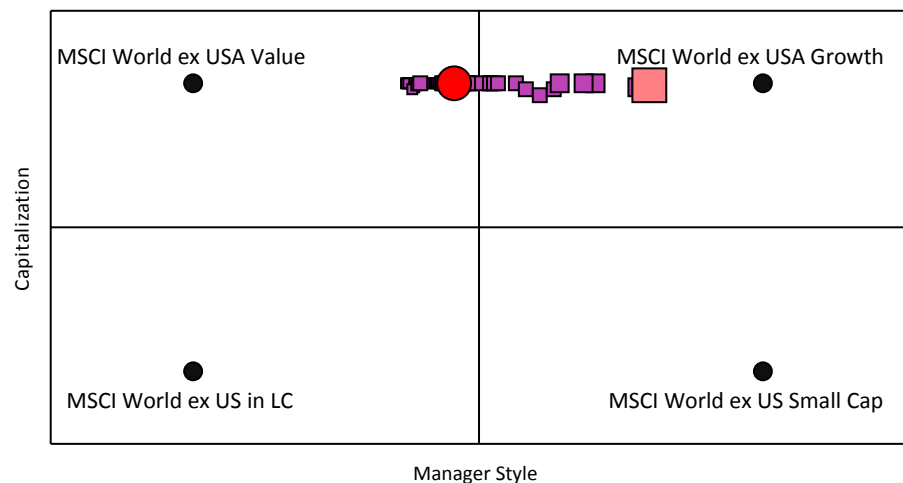
■ Vanguard Developed Markets Index Fund  
● FTSE Developed ex US Spliced Index^

### 5 Year Risk and Return



■ Vanguard Developed Markets Index Fund  
● FTSE Developed ex US Spliced Index^

### Style Map - 3 Years



■ Style History ■ Sep-2016 ● Average Style Exposure

### MPT Statistics vs. FTSE Developed ex US Spliced Index^

|                                         | 3 Years | 5 Years |
|-----------------------------------------|---------|---------|
| Return                                  | 1.2     | 8.2     |
| Standard Deviation                      | 11.8    | 13.6    |
| vs. FTSE Developed ex US Spliced Index^ |         |         |
| Alpha                                   | 0.3     | 0.7     |
| Beta                                    | 0.9     | 1.0     |
| R-Squared                               | 1.0     | 1.0     |
| Consistency                             | 52.8    | 55.0    |
| Up Market Capture                       | 95.5    | 98.3    |
| Down Market Capture                     | 93.9    | 95.1    |
| vs. 90 Day U.S. Treasury Bill           |         |         |
| Sharpe Ratio                            | 0.2     | 0.6     |

# Manager Evaluation

## Vanguard Developed Markets Index Fund

Report Date September 30, 2016

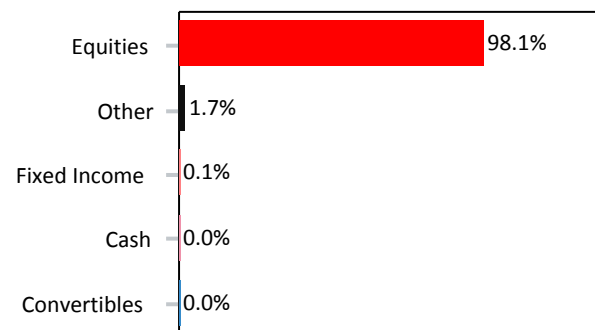
### Mutual Fund Information

|                      |                                                                                         |                     |                       |
|----------------------|-----------------------------------------------------------------------------------------|---------------------|-----------------------|
| Fund Name :          | Vanguard Tax-Managed Funds: Vanguard Developed Markets Index Fund; Admiral Class Shares | Portfolio Assets :  | \$58,702 Million      |
| Fund Family :        | Vanguard Group Inc                                                                      | Fund Assets :       | \$8,732 Million       |
| Ticker :             | VTMGX                                                                                   | Portfolio Manager : | Christine D. Franquin |
| Inception Date :     | 08/17/1999                                                                              | PM Tenure :         | 2013                  |
| Portfolio Turnover : | 3%                                                                                      |                     |                       |

### Fund Investment Policy

The Fund seeks to track the performance of a benchmark index that measures the investment return of stocks issued by companies located in the major markets of Europe and the Pacific Region. The Fund employs an indexing investment approach designed to track the performance of FTSE Developed All Cap ex North America Index.

### Asset Allocation as of 04/30/16



### Top 10 Securities as of 04/30/16

|                                  |       |
|----------------------------------|-------|
| Nestle SA ORD                    | 1.5 % |
| Roche Holding AG Par             | 1.2 % |
| Novartis AG ORD                  | 1.1 % |
| Toyota Motor Corp ORD            | 0.9 % |
| HSBC Holdings PLC ORD            | 0.8 % |
| British American Tobacco PLC ORD | 0.7 % |
| Royal Dutch Shell PLC ORD        | 0.7 % |
| Total SA ORD                     | 0.7 % |
| GlaxoSmithKline PLC ORD          | 0.7 % |
| Novo Nordisk A/S ORD             | 0.7 % |

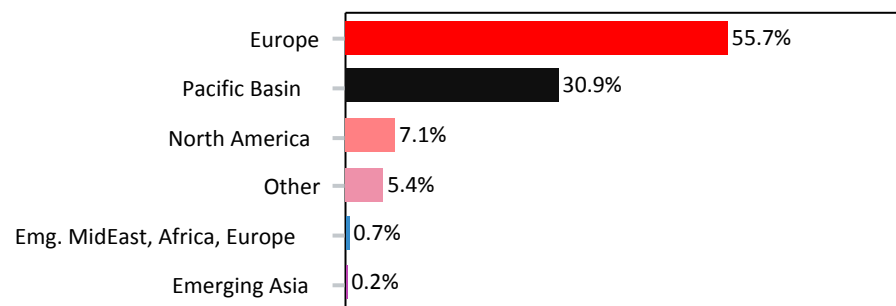
### Top 5 Countries as of 04/30/16

|                |        |
|----------------|--------|
| Japan          | 20.8 % |
| United Kingdom | 15.0 % |
| Switzerland    | 7.8 %  |
| France         | 7.7 %  |
| Germany        | 7.6 %  |

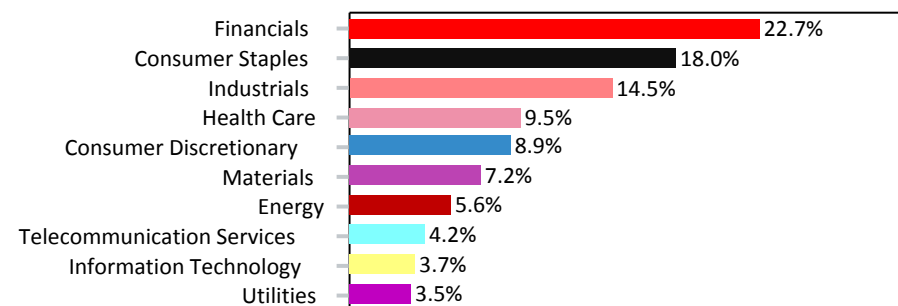
### Equity Characteristics as of 04/30/16

|                  |                  |
|------------------|------------------|
| Total Securities | 3,746            |
| Avg. Market Cap  | \$46,407 Million |
| P/E              | 21.2             |
| P/B              | 3.0              |
| Div. Yield       | 3.3%             |
| Annual EPS       | 7.3              |

### Region Allocation as of 04/30/16



### Sector Allocation as of 04/30/16



## Prospectus Links

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As of September 30, 2016

| <u>FUND FAMILY</u> | <u>WEB SITE</u>                                        |
|--------------------|--------------------------------------------------------|
| Vanguard           | <a href="http://www.vanguard.com">www.vanguard.com</a> |

## Custom Index Descriptions

**CRSP U.S. Large Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Growth.

**CRSP U.S. Large Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Large Cap TR. Periods prior to February 1, 2013: MSCI U.S. Prime Market 750.

**CRSP U.S. Large Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Large Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Prime Market Value.

**CRSP U.S. Mid Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Mid Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Mid Cap Growth.

**CRSP U.S. Mid Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Mid Cap TR. Periods prior to February 1, 2013: MSCI U.S. Mid Cap 450.

**CRSP U.S. Small Cap Growth Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Growth TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Growth.

**CRSP U.S. Small Cap Spliced Index** – Following February 1, 2013: CRSP U.S. Small Cap TR. Periods prior to February 1, 2013: MSCI U.S. Small Cap 1750.

**CRSP U.S. Small Cap Value Spliced Index** – Following May 1, 2013: CRSP U.S. Small Cap Value TR. Periods prior to May 1, 2013: MSCI U.S. Small Cap Value.

**CRSP U.S. Total Market Spliced Index** – Following June 1, 2013: CRSP U.S. Total Market TR. Periods prior to June 1, 2003: MSCI U.S. Broad Market.

**FTSE Developed Asia Pacific Spliced Index** – Following April 1, 2013: FTSE Developed Asia Pacific. Periods prior to April 1, 2013: MSCI Pacific.

**FTSE Developed Europe Spliced Index** – Following April 1, 2013: FTSE Developed Europe. Periods prior to April 1, 2013: MSCI Europe.

**FTSE Developed ex US Spliced Index** – Following December 1, 2015: FTSE Developed All Cap Ex US Transition Index. Periods between May 1, 2013 and December 1, 2015: FTSE Developed ex NA Index. Periods before May 1, 2013: MSCI EAFE (net).

**FTSE Emerging Markets All Cap China A Inclusion Spliced Index** – Following November 1, 2015: FTSE Emerging Markets All Cap China A Inclusion Transition Index. Periods between July 1, 2013 and November 1, 2015: FTSE Emerging Markets (net). Periods between February 1, 2013 and July 1, 2013: FTSE Emerging Markets Transition. Periods Prior to February 1, 2013: MSCI Emerging Markets.

**FTSE Global All Cap ex U.S. Spliced Index** – Following June 1, 2013: FTSE Global ex USA All Cap. Periods between January 1, 2011 and July 1, 2013: MSCI ACWI ex USA IMI ND. Periods prior to January 1, 2011: MSCI EAFE + EM ND USD.

**MSCI AC World ex USA (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA (net). Prior to January 1, 2001: MSCI AC World ex USA.

**MSCI AC World ex USA Growth (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Growth (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Growth. Periods prior to January 1, 1997: MSCI AC World ex USA.

**MSCI AC World ex USA Value (net) Spliced Index** – Following January 1, 2001: MSCI AC World ex USA Value (net). Periods between January 1, 1997 and January 1, 2001: MSCI AC World ex USA Value. Periods prior to January 1, 1997: MSCI AC World ex USA.



## Statistics Definitions

| Statistics                    | Description                                                                                                                                                                                                                                                                                                                      |
|-------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Sharpe Ratio                  | -- Represents the excess rate of return over the risk free return divided by the standard deviation of the excess return. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance.                                                       |
| Alpha                         | -- A measure of the difference between a portfolio's actual returns and its expected performance, given its level of risk as measured by beta. It is a measure of the portfolio's historical performance not explained by movements of the market, or a portfolio's non-systematic return.                                       |
| Beta                          | -- A measure of the sensitivity of a portfolio to the movements in the market. It is a measure of a portfolio's non-diversifiable or systematic risk.                                                                                                                                                                            |
| R-Squared                     | -- The percentage of a portfolio's performance explained by the behavior of the appropriate benchmark. High R-Square means a higher correlation of the portfolio's performance to the appropriate benchmark.                                                                                                                     |
| Treynor Ratio                 | -- Similar to Sharpe ratio, but focuses on beta rather than excess risk (standard deviation). Represents the excess rate of return over the risk free rate divided by the beta. The result is the absolute rate of return per unit of risk. The higher the value, the better the product's historical risk-adjusted performance. |
| Tracking Error                | -- A measure of the standard deviation of a portfolio's performance relative to the performance of an appropriate market benchmark.                                                                                                                                                                                              |
| Information Ratio             | -- Measured by dividing the active rate of return by the tracking error. The higher the Information Ratio, the more value-added contribution by the manager.                                                                                                                                                                     |
| Consistency                   | -- The percentage of quarters that a product achieved a rate of return higher than that of its benchmark. The higher the consistency figure, the more value a manager has contributed to the product's performance.                                                                                                              |
| Excess Return                 | -- Arithmetic difference between the manager's return and the risk-free return over a specified time period.                                                                                                                                                                                                                     |
| Active Return                 | -- Arithmetic difference between the manager's return and the benchmark return over a specified time period.                                                                                                                                                                                                                     |
| Excess Risk                   | -- A measure of the standard deviation of a portfolio's performance relative to the risk free return.                                                                                                                                                                                                                            |
| Up Market Capture             | -- The ratio of average portfolio return over the benchmark during periods of positive benchmark return. Higher values indicate better product performance.                                                                                                                                                                      |
| Down Market Capture           | -- The ratio of average portfolio return over the benchmark during periods of negative benchmark return. Lower values indicate better product performance.                                                                                                                                                                       |
| Internal Rate of Return (IRR) | -- The IRR is the discount rate (effective compound rate) that makes the present value of the since inception paid-in capital associated with an investment equal to zero.                                                                                                                                                       |
| Investment Multiple (TVPI)    | -- Also known as the total value paid-in. Calculated by dividing the fund's cumulative distributions and residual value by the paid-in capital. Gives an investor the ability to see the fund's total value as a multiple of its cost basis.                                                                                     |
| Realization Multiple (DPI)    | -- Also known as the distributions to paid-in multiple. This is calculated by dividing the total accumulation of distributions by paid-in capital. This gives investors insight into how much of the fund's return has been paid out to investors.                                                                               |
| RVPI Multiple                 | -- Calculated by dividing paid-in capital by committed capital, it allows the investor see how much of the fund's return is unrealized and dependent on the market value of its investments.                                                                                                                                     |
| PIC Multiple                  | -- Calculated by dividing paid-in capital by committed capital. This ratio allows a potential investor to see the percentage of a fund's committed capital that has actually been drawn down.                                                                                                                                    |

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

**Bethany Orange Woodbridge**  
**25 Newton Road, Woodbridge Connecticut 06525**



**Theresa Lumas**  
**Director of Finance and Administration**  
[terry.lumas@reg5.k12.ct.us](mailto:terry.lumas@reg5.k12.ct.us)

**Phone (203) 397-4813**  
**Fax (203) 397-4864**

To: Dr. Charles S. Dumais, Superintendent of Schools

From: Theresa Lumas, Director of Finance and Administration

Re: Health Insurance Collaborative

Date: November 4, 2016

Recently, ACES held a meeting to see if there was interest in creating a coalition for health insurance among ACES member districts. Brokers from Brown and Brown insurance presented to a number of local towns and board of education representatives.

Some of the proposed benefits communicated were:

*“Strength in Numbers - Larger groups can potentially achieve lower administrative fees for Medical, Prescription, Dental, Vision and Life Insurance; Shared Collective Bargaining Data -Working together for health insurance can be beneficial in other ways as well, not just financially; Approval from the State of Connecticut - Public Act 10-174 took effect on Oct. 1, 2010 and gives all towns and school boards the ability to come together for the purposes of creating health insurance coalitions. “*

I attended the meeting, spoke with my counterparts, the brokers at Brown and Brown, and our current insurance brokers at Arthur J. Gallagher. After these discussions, I am not recommending we join the collaborative if it forms, but review the option again in the future.

We are doing many of the actions to save costs that this coalition would look to do. For example, many of the towns or boards of education represented were not currently self-funded for health insurance. We are self-funded *and* belong to a consortium for the stop loss insurance. The last round of contract negotiations moves all classified employees to the HDHP format for January 2017. The District saw a drop in participation and should expect to see lower claims now that the entire certified staff moved to the HDHP plan in January 2016. I think it would be best for us to evaluate the effect of the negotiated changes. The broker at Brown and Brown and our own broker did not think we would see savings from our current position.

Attached are the minutes from the following Board of Education Sub-Committee meetings:

|                      |          |
|----------------------|----------|
| Finance Committee    | 10/17/16 |
| Policy Committee     | 10/24/16 |
| Curriculum Committee | 10/27/16 |
| Personnel Committee  | 11/7/16  |



MINUTES

**COMMITTEE MEMBERS PRESENT:** Ms. Pat Cardozo, Mr. Matt Giglietti, Mr. John Grabowski and Mr. Joseph Nuzzo.

**COMMITTEE MEMBERS ABSENT:** Chairman James Stirling and Mr. John Belfonti.

**Staff members present:** Dr. Charles Dumais, Ms. Theresa Lumas and Mr. Scott Cleary.

**Also present:** Board members: Mr. Tom Hurley and Ms. Sheila McCreven.

A meeting of the Finance Committee of the Amity Regional Board of Education (BOE) was held on Monday, October 17, 2016 at 5:30 pm in the auditorium at Amity Middle School, Bethany Campus.

**1. Call to Order:** In the absence of the chairman, Mr. Giglietti called the meeting to order at 5:34 pm.

**2. Discussion and possible action on minutes.**

**A. Finance Committee Meeting - September 12, 2016**

***Motion by Mr. Giglietti, 2<sup>nd</sup> by Mr. Grabowski to accept the minutes as submitted.***

**Vote unanimous**

**Motion carried**

**3. Public Comment – none.**

**4. October enrollment report** - Dr. Dumais went over the enrollment report with the Committee. Dr. Dumais highlighted the changes in enrollment and member allocation for each member town. There was a question and discussion regarding the calculation formula for average daily enrollment as noted in appendix 8 in the Board of Education packet.

**5. ICMA-RC appointment as defined contribution retirement plan administrator** – International City Management Association Retirement Corporation (ICMA-RC) has been selected to administer the plan as noted on page 7 of the Finance packet, memo from Ms. Lumas to Dr. Dumais.

**6. Discussion of monthly financial statements** - Ms. Lumas highlighted changes in her report from the previous month including a new funding request and estimated savings from staff turnover, lower medical costs year-to-date, and energy savings.

**7. Director of Finance and Administration –approved transfers under \$3,000**

**8. Discussion and possible action on new funding requests** - Ms. Lumas noted that the name of account number 05-15-2512-5281 as noted in her memo should be Defined Contribution Retirement Plan rather than Defined Benefit Pension Plan.

***Motion by Mr. Giglietti, 2<sup>nd</sup> by Ms. Cardozo, to recommend the Amity Board of Education make the following budget transfer into the Defined Contribution Retirement Plan account to cover the District's contributions on behalf of employees:***

| ACCOUNT NUMBER  | ACCOUNT NAME                         | FROM     | TO       |
|-----------------|--------------------------------------|----------|----------|
| 05-00-0000-5850 | Contingency                          | \$41,074 |          |
| 05-15-2512-5281 | Defined Contribution Retirement Plan |          | \$41,074 |

**Vote unanimous**

**Motion carried**

**9. Other**

**A. Audit Update** – Ms. Lumas stated that the audit is complete, there were no issues, and a draft of the report for Federal and State grants has been received. The draft of the full report should be received soon.

Ms. Lumas noted that Fiduciary Investment Advisors (FIA) is scheduled to come to the November meeting but they may not need to do so since they recently attended the September meeting. FIA is currently in discussion with the actuary regarding lowering the District's investment return from 7.5% to 7.0%. After discussion, the Committee agreed that FIA does not need to attend the November meeting.

**10. Adjourn**

***Motion by Ms. Cardozo, 2<sup>nd</sup> by Mr. Giglietti to adjourn at 6:46 p.m.***

**Vote unanimous**

**Motion carried**

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

MINUTES

**COMMITTEE MEMBERS PRESENT:** Mr. Tom Hurley, Ms. Sheila McCreven and Ms. Diane Urbano.

**COMMITTEE MEMBERS ABSENT:** Ms. Sue Cohen

**Staff members present:** Dr. Charles Dumais

**Also present:** Mr. Vincent Mustaro

A meeting of the Policy Committee of the Amity Regional Board of Education (BOE) was held on October 25, 2016 at 5:30 pm in the Presentation Room at the Amity District Offices.

1. **Call to Order:** Mr. Hurley called the meeting to order at 5:42 pm.
2. **Public Comment** - None
3. **Policy update/review process facilitated by Vincent Mustaro of the Connecticut Association of Boards of Education (CABE).**

Mr. Mustaro stated that his overall goal is to have everyone on the same page in the review and update of Amity BOE policies. He gave each member present a procedure review packet (attachment) and then went through the process of policy review with the Committee as outlined in the packet. Dr. Dumais was designated as the project manager, as noted on page 3 of the attachment. A tentative order for the review and development of policy is on page 6 of the attachment and the Committee agreed with this order; the 9000 series will be first. Mr. Mustaro recommended staying with the order as written throughout the process and Dr. Dumais requested that this recommendation be followed; the Committee agreed to do so. It was understood by all present that a policy can be reviewed and discussed out of order if there are extenuating circumstances that require it. There was lengthy discussion between the Committee, Dr. Dumais and Mr. Mustaro about the procedure going forward.

For purposes of discussion, Mr. Mustaro defined policy as “a philosophical point of view on a particular topic.” He recommended that the Committee craft their policies to be as succinct as possible and that the policies clearly and concisely communicate the Board’s intent. The packet includes sample drafts, final copies, suggested motions and policy deliberation questions that the Committee will find helpful. There was further long discussion between all present regarding the procedure. The Committee members agreed that copies of the 2<sup>nd</sup> draft of policies be disseminated to all BOE members for the purposes of information and soliciting feedback; Dr. Dumais will facilitate that process. The Committee members thanked Mr. Mustaro for his time and assistance.

4. **Discussion and possible action on Amity Board of Education (BOE) policies, 9000 series (enclosure)**

*Motion by Ms. McCreven to discuss and act on the policies in the 9000 series.*

**Vote Ms. McCreven yes, Mr. Hurley and Ms. Urbano, no**

**Motion defeated**

Mr. Hurley requested that the Committee be prepared to go thru the policies in the 9000 series at the next Policy Committee meeting (November 21, 2016) with the intent of getting through the entire series at that meeting.

5. **Discussion and possible action on Woodbridge School Resource Officer (SRO) Memorandum of Understanding (MOU) (enclosure).**

Dr. Dumais gave the Committee some background regarding the original MOU – The original was signed in 2007 but requirements for MOUs have changed since that time, in particular, signatories on the memorandum and the onset of the use of body cameras by the Woodbridge Police Department.

Ms. McCreven presented written information to the Committee regarding SROs from the State legislature, federal government, CAFE, and various attorneys.

The Committee discussed the MOU currently in place at length. Dr. Dumais gave an overview of current established practices and functions in terms of the SRO at Amity High School. They then took up a list of questions posed on page 3 of the CAFE document (attached) the request of Ms. McCreven to determine what is covered under the current MOU.

1. Salary/fee structure – this does not apply because the BOE does not pay the salary of the SRO

Discussion turned toward whether or not the Committee should recommend that the Board continue with the current MOU for the SRO or explore the hiring of an SRO by the Board. They also discussed the reason and need for a full-time SRO at the high school. Dr. Dumais stated that the current role is to be a support to students, develop relationships and be a first responder in a medical emergency.

Questions 2) Selection process for a school SRO, 3) Desired qualifications of the potential SRO and 4) Training to be provided by the police department to the SRO, 5) Specify that the SRO should be on a safety or school climate committee – all covered in the current MOU.

6. Clarification of issues pertaining to search and seizure – covered in the MOU but with concerns.
7. Access to student records under the “school official” exception – covered in the MOU
8. a) Specify the SRO’s direct supervisor, b) The chain of command at the school, c) who may provide direction to or oversight of the SRO while at school – covered in the MOU  
d) meetings, including frequency, between the SRO and school administrators – not specifically defined
9. Personnel issues –  
a) Will school administration contribute to the SRO’s police department evaluation? And, b) Steps to be taken in the event of a personnel issue or performance problem with the assigned SRO – both of these are not included in the current MOU but it is as practice.

***Motion by Ms. McCreven to review sample language from CAFE for policy 5142.4, School Resource Officer and 5131.11 Video Surveillance, and make sure that is applied to the MOU and ensure that they are incorporated in the MOU.***

***Amendment to the motion by Ms. Urbano to get further information regarding this.***

***Amendment to the motion by Mr. Hurley to table this discussion until the next policy meeting.***

**Vote unanimous**

**Motion carried**

## **6. Adjournment**

***Motion by Ms. McCreven to adjourn at 9:26 pm***

**Vote unanimous**

**Motion carried**

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

Attachments (2)

Procedural Review Packet – Mr. Vincent Mustaro from CAFE

CAFE Policy Highlights – October 14, 2016, Volume 16, issue #8 – Ms. Sheila McCreven



**COMMITTEE MEMBERS PRESENT:** Mr. Christopher Browe, Ms. Amy Esposito and Mr. Tom Hurley.

**COMMITTEE MEMBERS ABSENT:** Ms. Robyn Berke.

**Staff members present:** Dr. Marie McPadden, Ms. Anna Mahon and Mr. Dameon Kellogg.

A meeting of the Curriculum Committee of the Amity Regional Board of Education (BOE) was held on Thursday, October 27, 2016 at 6:30 pm in the Conference Room at the Amity District Offices.

**1. Call to order:** Chairman Browe called the meeting to order at 6:34 pm.

**2. Approval of minutes – Curriculum Committee meeting 09/01/2016 (enclosure)**

*Motion by Ms. Esposito to approve the minutes as submitted.*

**Vote Ms. Esposito in favor, Mr. Hurley abstained.**

**Motion carried**

**3. Public comment -** None.

The Committee agreed to take item numbers 4 and 5 in the agenda together as outlined in the packet so that the math items would be covered first.

**4. New course proposals/modifications (for 2017-2018) and 5. Bethany, Orange Woodbridge and Amity (BOWA) curriculum articulation update**

**A. Middle School math textbook proposal – Glencoe Math: Course 3 (volumes 1 and 2)**

Ms. Mahon and Mr. Kellogg explained that the entire course is online, no textbooks are used; the course also aligns with the high school math courses. After discussion, the Committee requested that they be sent a link to be able to examine the online content of this course. Dr. McPadden will forward the link to the Committee members. The Committee will schedule a short meeting at some point in the near future for the discussion and hopeful approval of this item.

**B. High School Math new course proposals/modifications**

Ms. Mahon explained that the purpose of these changes is to create a more flexible scope and sequence for the students.

**1. Math Concepts and Applications LE changes to Match Concepts and Applications Level 2 and 3 (name change)**

*Motion by Mr. Hurley to approve the name change from Math Concepts and Applications LE to Match Concepts and Applications Level 2 and 3.*

Mr. Kellogg answered specific questions regarding the content of the course relative to consumer math, personal finance, etc. There was discussion regarding the need for more emphasis on these subjects.

**Vote unanimous**

**Motion carried**

**2. Algebra 3 and Trigonometry**

*Motion by Mr. Hurley to accept Algebra 3 and Trigonometry as a new course to replace Pre-Calculus Level 2.*

Ms. Mahon explained the changes as outline in the packet. This course will replace Pre-Calculus Level 2.

**Vote unanimous**

**Motion carried**

### 3. Integrated 3 Algebra 2 Probability and Statistics

*Motion by Mr. Hurley to approve Integrated 3 Algebra 2 Probability and Statistics as a new course.*

There was discussion about the course and questions from the Committee members were answered by Ms. Mahon and Mr. Kellogg.

Vote unanimous

Motion carried

### 4. Integrated 1 Algebra and Geometry and Integrated 2 Algebra and Geometry (name changes)

*Motion by Mr. Hurley to approve the name changes for Integrated 1 Algebra and Geometry and Integrated 2 Algebra and Geometry.*

Vote unanimous

Motion carried

### 5. Advanced Placement (AP) Computer Science Principles

*Motion by Mr. Hurley to approve AP Computer Science Principles as a new course.*

Mr. Kellogg gave an overview of the course in which coding is more heavily emphasized. There was discussion about the course, the requirements in terms of hardware needed and teacher training.

Vote unanimous

Motion carried

### C. High school Math new text proposal

1. Algebra and Trigonometry
2. Pre-Calculus: Graphs and Models
3. Calculus: Graphical, Numerical and Algebraic, AP Edition

*Motion by Mr. Hurley to approve the three math text books, Algebra and Trigonometry, Pre-Calculus: Graphs and Models and Calculus: Graphical, Numerical and Algebraic, AP Edition for use.*

Mr. Kellogg gave the Committee an overview of the three textbooks proposed; Mr. Kellogg had copies of the books for the Committee peruse. The books will be used in conjunction with MathXL or MyMathLab. Mr. Kellogg explained the cost savings that will be realized by purchasing the 2013 (5<sup>th</sup>) editions of the Algebra and Trigonometry and Pre-Calculus texts used rather than the newest editions. The books have been compared and sampled by the Math department and will give the students more challenging material. The Calculus text will increase the rigor of the current honors program.

Vote unanimous

Motion carried

### D. High School Science new course proposal AP Physics I and II

*Motion by Mr. Hurley to replace the current course, Physics I honors with AP Physics I*

Vote unanimous

Motion carried

*Motion by Mr. Hurley to re-name AP Physics as AP Physics II*

Vote unanimous

Motion carried

**E. High School Fine Arts new course proposals**

**1. Honors Ceramics and Pottery**

***Motion by Ms. Esposito to add Honors Ceramics and Pottery as a new course.***

Ms. Mahon explained the need for this class.

Vote unanimous

Motion carried

**2. Photography IV**

***Motion by Ms. Esposito to add Photography IV as a new course.***

There was discussion about this course and questions regarding the sentence in the packet under “rationale” that stated “They will volunteer for community photograph jobs and they will be given the change to shoot jobs for pay if they so desire.” The Committee agree that this sentence would be changed to read “...given the change to explore their own marketability if they so desire.” The reason for this was to eliminate the possibility of the school being seen as an employer. Ms. Mahon will make the change to the sentence.

***Ms. Esposito amended her motion to add Honors Ceramics and Pottery as a new course with the sentence change as noted.***

Vote unanimous

Motion carried

**3. Introduction to Art History I/II**

***Motion by Ms. Esposito to add Introduction to Art History I/II as a new course***

There was lengthy discussion about this course. After discussion, the Committee agreed that the proposal should go back and be rewritten to add some items to the student learning objectives and to have the curriculum further fleshed out for components I and II separately, to be one semester each.

***Ms. Esposito amended her motion, that Introduction to Art History I be approved as a new, one semester course.***

Vote unanimous

Motion carried

**4. Acting and Directing for Film**

***Motion by Ms. Esposito to add Acting and Directing for Film as a new course.***

Ms. Mahon explained that this course as proposed is moving back to a full year course rather than one semester and will be open to 9<sup>th</sup> grade students. There was lengthy discussion about the course.

Vote, Ms. Esposito in favor, Mr. Hurley abstained

Motion carried

**5. Internet Broadcast Radio**

***Motion by Ms. Esposito to add Internet Broadcast Radio as a new course.***

Ms. Mahon explained that the long-term goal of the course is to create an internet broadcast channel that belongs to Amity. There was discussion at length about this class.

**Vote, Ms. Esposito in favor, Mr. Hurley abstained**

**Motion carried**

**F. High School Physical Education new course proposal  
Unified Physical Education**

***Motion by Mr. Hurley to add Unified Physical Education as a new course.***

Ms. Mahon explained that this is an elective course that does not give a student credit for physical education (PE) but only credit as an elective. Students that elect this course would be placed with special needs students in their PE class and work with special needs students one-on-one. There was discussion about the logistics of this course; all questions were answered by Ms. Mahon.

**Vote unanimous**

**Motion carried**

**G. High School Career and Technical Education (CTE) new course modification**

***Motion by Mr. Hurley to change the name of the course Silkscreening to Screen and Specialty Printing.***

Dr. McPadden explained that the course will not change, just the name.

**Vote unanimous**

**Motion carried**

**6. Follow-up testing report: Discussion**

Because of the late hour, Mr. Browe called for Item #6 on the agenda to be moved to the next Committee meeting. Mr. Hurley asked Dr. McPadden to give a brief update regarding the testing report. She stated that she has upcoming meetings with various staff regarding the testing results/scores. Ms. Mahon added that there is additional information about testing changes that she will give at the next meeting.

Committee members were in favor of moving this report and discussion to the next meeting.

**7. Other – none.**

**8. Adjourn**

***Motion to adjourn by Ms. Esposito at 10:04 pm.***

**Vote unanimous**

**Motion carried**

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

**Personnel Committee Meeting**  
**November 7, 2016, 5:30 p.m.**  
**MINUTES**

Committee Members Present: Ms. Cohen, Ms. Cardozo, Ms. Russo, Mr. Stirling

Also Present: Charles Dumais

1. Call to Order: Sue Cohen called the meeting to order at 5:40 p.m.
2. Approval of the Minutes
  - a. Motion by Ms. Russo, 2<sup>nd</sup> by Mr. Stirling, Unanimous
3. Review of Regulation 2151 and Associated Timeline
4. Motion to move into Executive Session by Mr. Stirling, 2<sup>nd</sup> by Ms. Russo, Unanimous
  - a. Entered Executive Session to discuss Preparations for Administrative Negotiations at 5:47 p.m.
  - b. Exited Executive Session at 8:12 p.m.
5. Motion to Adjourn by Ms. Russo, 2<sup>nd</sup> by Ms. Cohen, Unanimous
  - a. Meeting was adjourned at 8:13 p.m.

Respectfully Submitted,

Charles Dumais, Ed.D.  
Superintendent