

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2024**

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

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## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5 (the District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5 as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibilities of Management for the Financial Statements*

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 13 and the information on pages 66 through 76 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 15, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Mahoney Sabol + Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
November 15, 2024

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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As management of Amity Regional School District No. 5 (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$89,652,555 (net position). Included in this amount is a deficit in unrestricted net position of \$3,888,005. This deficit is primarily due to long-term liabilities for pension and other post-employment benefits, which are being funded on an annual basis by the District based on actuarially determined contributions.
- The District's total net position for the year ended June 30, 2024 increased by \$4,066,221.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,262,941, an increase of \$160,424 in comparison with the prior year.
- The principal balance outstanding on the District's long-term bonded debt decreased by \$3,990,000 or 27.4% from \$14,545,000 as of June 30, 2023 to \$10,555,000 as of June 30, 2024.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

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

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

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

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

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental Funds**

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Fund Financial Statements *(Continued)***

**Proprietary Funds**

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

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

**Fiduciary Funds**

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

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

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 65 of this report.

**Required Supplementary Information**

The General Fund budgetary schedules and the schedules on the District's pension and other post-employment benefit plans can be found on pages 66 through 76 of this report.

**Other Information**

Combining and individual fund statements and schedules can be found on pages 77 through 86 of this report.

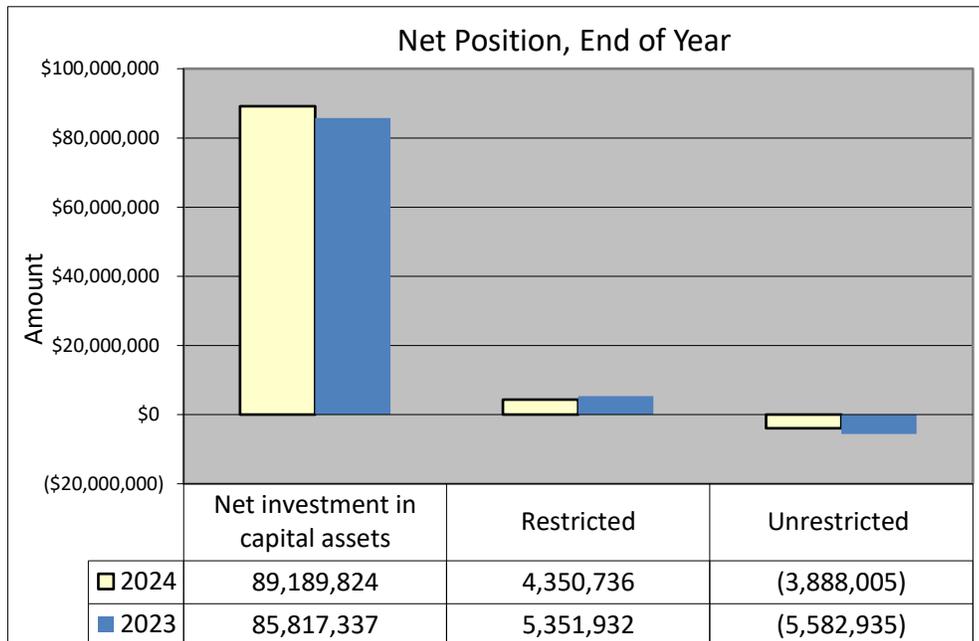
**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. The District's net position totaled \$89,652,555 as of June 30, 2024 and \$85,586,334 as of June 30, 2023 and are summarized as follows:

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Current and other assets	\$ 9,134,433	\$ 9,300,642	\$ (166,209)	-2%
Capital assets, net	100,958,621	101,606,080	(647,459)	-1%
Total assets	<u>110,093,054</u>	<u>110,906,722</u>	<u>(813,668)</u>	-1%
Deferred outflows of resources	984,095	1,586,307	(602,212)	-38%
Long-term liabilities	17,054,792	22,599,104	(5,544,312)	-25%
Other liabilities	1,846,235	2,345,927	(499,692)	-21%
Total liabilities	<u>18,901,027</u>	<u>24,945,031</u>	<u>(6,044,004)</u>	-24%
Deferred inflows of resources	2,523,567	1,961,664	561,903	29%
Net position:				
Net investment in capital assets	89,189,824	85,817,337	3,372,487	4%
Restricted	4,350,736	5,351,932	(1,001,196)	-19%
Unrestricted	(3,888,005)	(5,582,935)	1,694,930	-30%
Total net position	<u>\$ 89,652,555</u>	<u>\$ 85,586,334</u>	<u>\$ 4,066,221</u>	5%



**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Net Position *(Continued)***

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

**Change in Net Position**

Changes in net position for the years ended June 30, 2024 and 2023 are as follows.

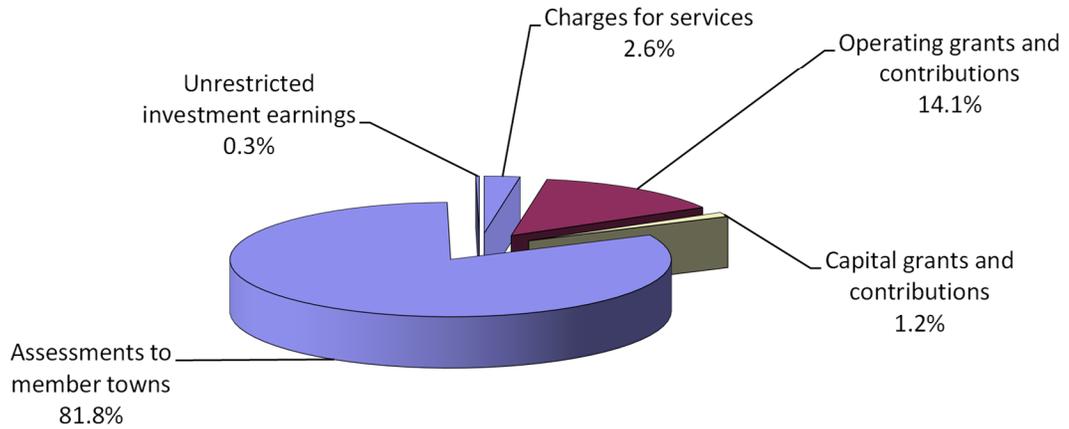
	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenues:				
Program revenues:				
Charges for services	\$ 1,652,986	\$ 1,298,789	\$ 354,197	27.3%
Operating grants and contributions	8,987,676	11,271,614	(2,283,938)	-20.3%
Capital grants and contributions	766,741	275,632	491,109	-
General revenues:				
Assessments to member towns	51,968,045	51,637,671	330,374	0.6%
Unrestricted investment earnings	160,942	89,082	71,860	80.7%
Total revenues	<u>63,536,390</u>	<u>64,572,788</u>	<u>(1,036,398)</u>	-1.6%
Program expenses:				
General instruction	36,265,140	37,242,849	(977,709)	-2.6%
Support services - students	5,074,273	5,047,022	27,251	0.5%
Improvement of instruction	839,013	772,192	66,821	8.7%
Media	624,686	599,083	25,603	4.3%
General administration	5,791,095	5,618,478	172,617	3.1%
Transportation	2,340,448	2,165,872	174,576	8.1%
Student activities	2,573,306	2,544,346	28,960	1.1%
Buildings and grounds	5,802,952	5,895,644	(92,692)	-1.6%
Interest expense	159,256	369,590	(210,334)	-56.9%
Total expenses	<u>59,470,169</u>	<u>60,255,076</u>	<u>(784,907)</u>	-1.3%
Change in net position	<u>\$ 4,066,221</u>	<u>\$ 4,317,712</u>	<u>\$ (251,491)</u>	-5.8%

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

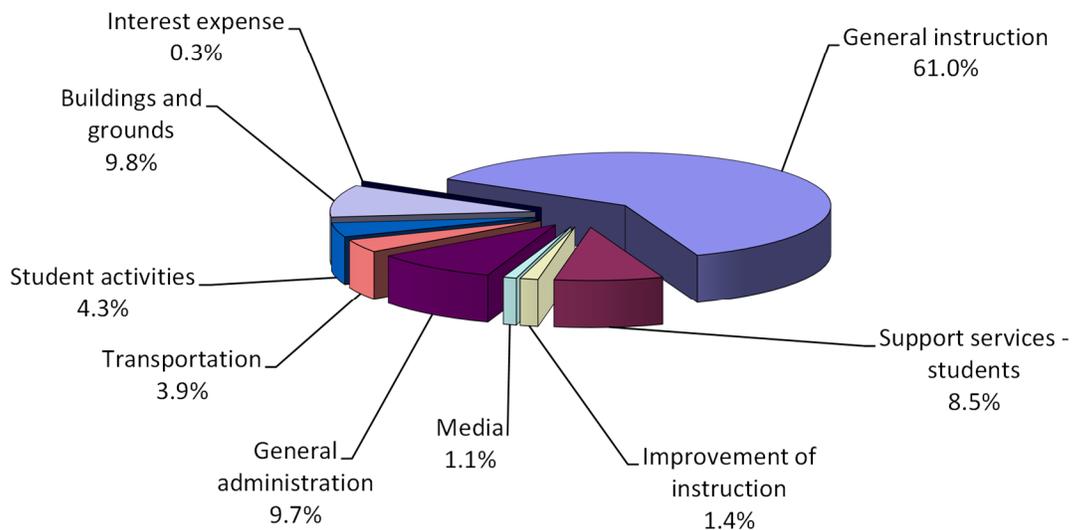
**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Change in Net Position (Continued)**

**2024 Revenues by Source -  
Governmental Activities**



**2024 Expenses by Function -  
Governmental Activities**



**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Change in Net Position *(Continued)***

The change in net position for the current fiscal year was a decrease of \$251,491 over the prior year. Revenues decreased by \$1,036,398 or 1.6% and expenses decreased by \$784,907 or 1.3%.

Operating grants and general instruction expenses decreased by \$2,003,342 from the prior year due to a decrease in the amount of on-behalf pension and OPEB expenses recognized by District in connection with its participation in the State of Connecticut Teachers' Retirement System. Although the District is not liable for pension and other post-employment benefits provided by the Connecticut Teachers' Retirement System, the District recognizes both revenues and expenses for the full pension and other post-employment benefit expenses that have been attributed to employees of the District.

**FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS**

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

**Governmental Funds**

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

As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$6,262,941, an increase in fund balance of \$160,424 over the prior year.

**General Fund**

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, fund balance of the General Fund totaled \$2,699,992, which consists of \$558,258 in encumbrances assigned to specific purposes, \$1,050,680 restricted for the reduction of future expenses, and \$1,091,054 committed for the District's Library Media Center renovation project. The overall fund balance of the General Fund decreased by \$238,586 during the current year.

**Reserve for Capital and Nonrecurring Fund**

The Reserve for Capital and Nonrecurring Fund has a fund balance of \$2,225,252 as of June 30, 2024. This represents an increase in fund balance of \$417,244 compared to the prior year. The increase was primarily due to a State grant reimbursement in the amount of \$766,741 for HVAC improvements made in prior years, a transfer in of a portion of the prior year surplus in the amount of \$1,101,955, offset by current year capital and capital related debt service in the amount of \$1,451,492.

**Education Grants Fund**

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**MANAGEMENT’S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

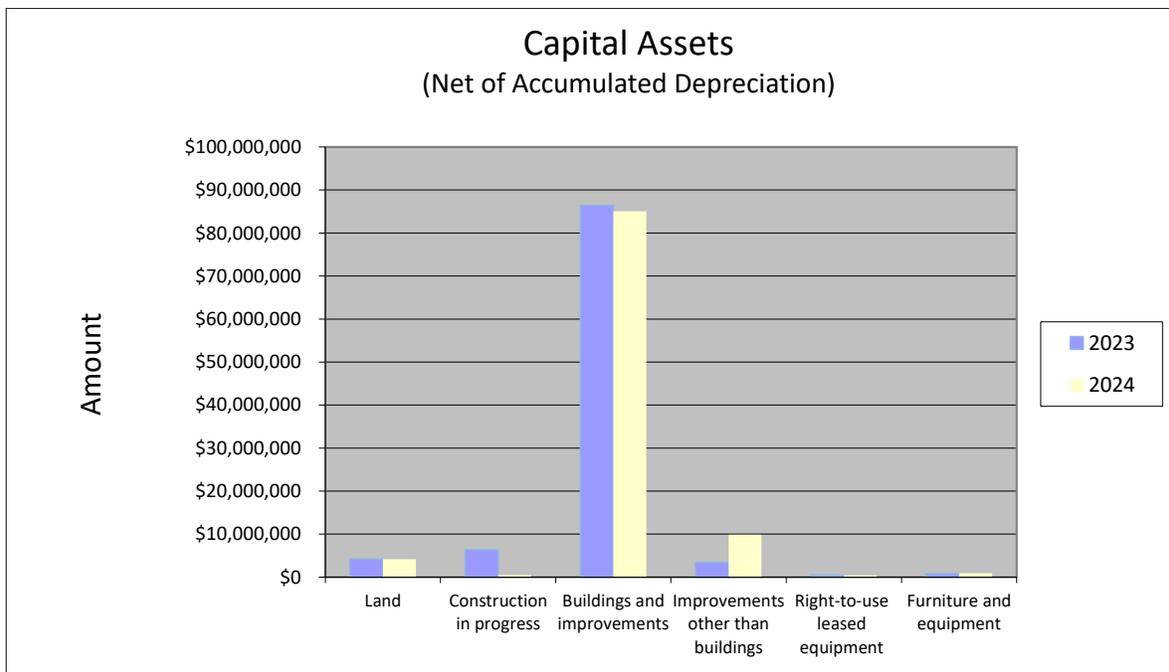
**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District’s original budget did not contemplate the use of fund balance and there were no additional appropriations authorized during the fiscal year. The final budget reflected the use of the District’s prior year budgetary surplus in the amount of \$1,420,396 to reduce member town assessments and \$1,066,995 transferred to the Reserve for Capital and Nonrecurring Fund for the High School Library Media Center renovation project. The actual budgetary surplus for the year ended June 30, 2024 totaled \$2,141,745. Revenues and other financing sources exceeded budgetary estimates by \$119,067 and expenditures were \$2,022,678 less than budgetary estimates. The District subsequently authorized the transfer of a portion of the current year surplus in the amount of \$1,091,054 to its Reserve for Educational Expenditures Fund. The remaining portion of the current year surplus is restricted for the reduction of future member assessments.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

The District’s investment in capital assets for its governmental activities as of June 30, 2024 totaled \$100,958,621 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, improvements other than buildings, right-to-use leased equipment, and furniture and equipment. The net decrease in the District’s investment in capital assets for the current fiscal year was \$647,459 or 0.6%. This was primarily due to depreciation expense of \$2,444,523, offset by capital additions of \$1,797,064. The following table is a two-year comparison of the District’s investment in capital assets, net of accumulated depreciation and amortization:

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
Land	\$ 4,186,566	\$ 4,186,566	\$ -	0.0%
Construction in progress	489,538	6,352,925	(5,863,387)	-92.3%
Buildings and improvements	85,085,178	86,393,814	(1,308,636)	-1.5%
Improvements other than buildings	9,866,656	3,454,028	6,412,628	185.7%
Right-to-use leased equipment	381,050	381,905	(855)	-0.2%
Furniture and equipment	949,633	836,842	112,791	13.5%
Totals	<u>\$ 100,958,621</u>	<u>\$ 101,606,080</u>	<u>\$ (647,459)</u>	-0.6%



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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)***

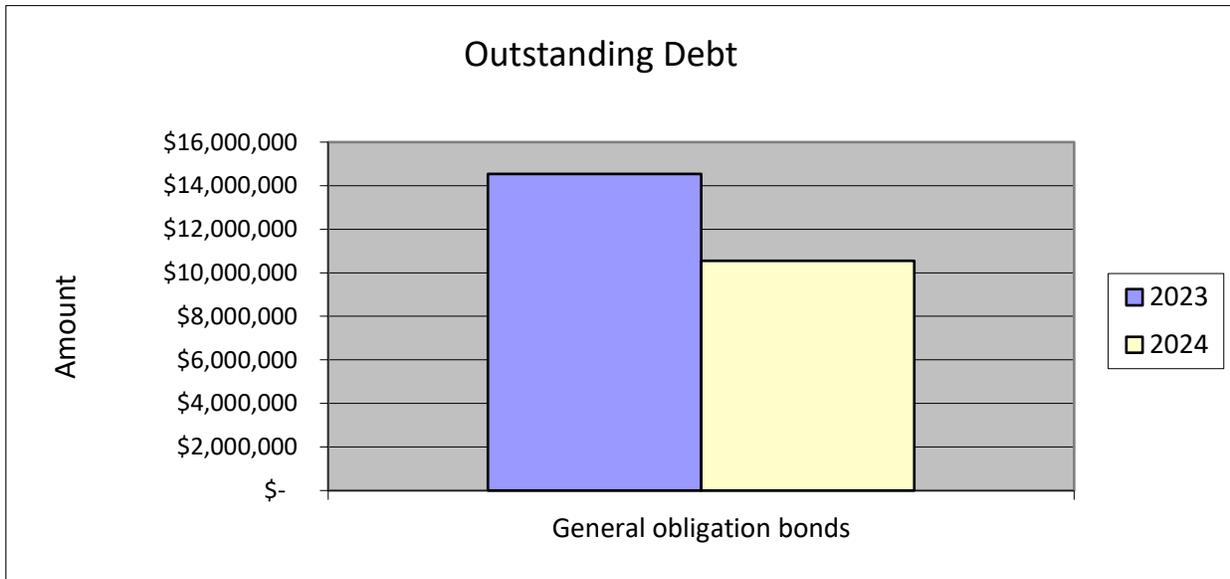
At the end of the current fiscal year, the District had total bonded debt outstanding of \$10,555,000, all of which is backed by the full faith and credit of the District and its member towns of Bethany, Orange and Woodbridge. Total long-term debt decreased by \$3,990,000 or 27.4% due to regularly scheduled debt service repayments.

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

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

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

	<u>2024</u>	<u>2023</u>	<u>\$ Variance</u>	<u>% Variance</u>
General obligation bonds	\$ 10,555,000	\$ 14,545,000	\$ (3,990,000)	-27.4%



Additional information on the District's long-term debt can be found in Note 7 of this report.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

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

- The District receives a significant amount of revenue from federal and state grants. Any loss or significant reduction in these grants could have an impact on the District's budget and program services.
- The District's healthcare plan is self-insured. Budgeted contributions from the General Fund into the Internal Service Fund are based on historical claims experience, but actual contributions may fluctuate significantly based on actual claims incurred.
- Other budgetary drivers consists of contracted salaries, instructional technology resources, and special education services. Contracted salaries are a significant driver with a new teacher contract effective in the proposed budget. The budget also includes personnel required to address additional unfunded mandates in special education.

All of these factors were considered in preparing the District's budget. The District's approved fiscal year 2025 budget contemplates expenditures of \$56,456,652, an increase of \$1,903,893 or 3.49% over the fiscal year 2024 budgeted expenditures. The budget represents a commitment to providing high quality and exceptional education, while attending to the financial well-being, stability, and fiscal impact on taxpayers. The foundational elements that drive the District's budgeting process have been under development for years: focusing on excellence in Academics, Athletics, and the Arts; forecasting and planning for capital improvements and technology upgrades; actively seeking and implementing cost savings and efficiencies across all departments; leveling funding in volatile categories; continuously evaluating and responding to risk and uncertainty; and, considering and incorporating community-based budgeting concerns.

**REQUESTS FOR INFORMATION**

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

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**BASIC FINANCIAL STATEMENTS**

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**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

STATEMENT OF NET POSITION

AS OF JUNE 30, 2024

	<b>Governmental Activities</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 8,797,584
Receivables:	
Grants and contracts	35,810
Other	138,098
Inventories	38,212
Net sick and severance asset	124,729
Capital assets:	
Non-depreciable	4,676,104
Depreciable, net	<u>96,282,517</u>
Total assets	<u>110,093,054</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred charges on refundings	42,189
Pension related	74,486
OPEB related	<u>867,420</u>
Total deferred outflows of resources	<u>984,095</u>
<b>LIABILITIES</b>	
Accounts payable	758,001
Accrued liabilities	168,798
Accrued interest	153,659
Claims payable	490,239
Unearned revenue	275,538
Noncurrent liabilities:	
Due within one year	4,072,476
Due in more than one year	<u>12,982,316</u>
Total liabilities	<u>18,901,027</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related	640,383
OPEB related	<u>1,883,184</u>
Total deferred inflows of resources	<u>2,523,567</u>
<b>NET POSITION</b>	
Net investment in capital assets	89,189,824
Restricted	4,350,736
Unrestricted	<u>(3,888,005)</u>
Total net position	<u>\$ 89,652,555</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position- Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Instruction:					
General instruction	\$ 36,265,140	\$ 139,838	\$ 8,132,000	\$ -	\$(27,993,302)
Total instruction	<u>36,265,140</u>	<u>139,838</u>	<u>8,132,000</u>	<u>-</u>	<u>(27,993,302)</u>
Support services:					
Support services - students	5,074,273	704,647	623,851	-	(3,745,775)
Improvement of instruction	839,013	-	92,838	-	(746,175)
Media	624,686	-	-	-	(624,686)
General administration	5,791,095	70,964	-	-	(5,720,131)
Transportation	2,340,448	-	22,100	-	(2,318,348)
Student activities	2,573,306	671,631	64,278	-	(1,837,397)
Buildings and grounds	5,802,952	65,906	52,609	766,741	(4,917,696)
Total support services	<u>23,045,773</u>	<u>1,513,148</u>	<u>855,676</u>	<u>766,741</u>	<u>(19,910,208)</u>
Interest expense	159,256	-	-	-	(159,256)
	<u>\$ 59,470,169</u>	<u>\$ 1,652,986</u>	<u>\$ 8,987,676</u>	<u>\$ 766,741</u>	<u>(48,062,766)</u>
General revenues:					
					51,968,045
					<u>160,942</u>
					<u>52,128,987</u>
					4,066,221
					<u>85,586,334</u>
					<u>\$ 89,652,555</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

BALANCE SHEET -  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2024

	<b>General Fund</b>	<b>Reserve for Capital and Nonrecurring Fund</b>	<b>Education Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 3,545,862	\$ 2,225,252	\$ 228,334	\$ 1,302,991	\$ 7,302,439
Receivables:					
Grants and contracts	-	-	1,824	33,986	35,810
Other	75,996	-	-	-	75,996
Due from other funds	-	-	-	28,778	28,778
Inventories	-	-	-	38,212	38,212
Total assets	<u>\$ 3,621,858</u>	<u>\$ 2,225,252</u>	<u>\$ 230,158</u>	<u>\$ 1,403,967</u>	<u>\$ 7,481,235</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 720,515	\$ -	\$ 10,499	\$ 26,987	\$ 758,001
Accrued liabilities	168,798	-	-	-	168,798
Due to other funds	32,553	-	32,230	-	64,783
Unearned revenue	-	-	187,321	39,391	226,712
Total liabilities	<u>921,866</u>	<u>-</u>	<u>230,050</u>	<u>66,378</u>	<u>1,218,294</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	38,212	38,212
Restricted	1,050,680	2,225,252	108	1,074,696	4,350,736
Committed	1,091,054	-	-	224,681	1,315,735
Assigned	558,258	-	-	-	558,258
Total fund balances	<u>2,699,992</u>	<u>2,225,252</u>	<u>108</u>	<u>1,337,589</u>	<u>6,262,941</u>
Total liabilities and fund balances	<u>\$ 3,621,858</u>	<u>\$ 2,225,252</u>	<u>\$ 230,158</u>	<u>\$ 1,403,967</u>	<u>\$ 7,481,235</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**RECONCILIATION OF THE BALANCE SHEET OF**  
**GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2024**

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Total fund balances for governmental funds \$ 6,262,941

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

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

Land	\$ 4,186,566	
Construction in progress	489,538	
Buildings and improvements	115,017,871	
Improvements other than buildings	11,003,553	
Right-to-use leased equipment	847,892	
Furniture and equipment	2,511,848	
Less: accumulated depreciation and amortization	<u>(33,098,647)</u>	
Total capital assets, net		100,958,621

The net sick and severance asset is not recognized in the governmental funds. The net sick and severance asset results from the difference between the plan's fiduciary net position and the portion of the present value of projected benefit payments to be provided through the sick and severance plan. 124,729

Deferred inflows and outflows of resources resulting from changes in the components of the net pension and OPEB liabilities are reported in the statement of net position. (1,581,661)

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

Accrued interest payable	(153,659)	
Long-term debt:		
Bonds payable	(10,555,000)	
Unamortized bond premiums	(683,710)	
Deferred charges on refundings	42,189	
Financed purchases	(314,050)	
Leases	(392,546)	
Other long-term liabilities:		
Net pension liability	(3,537,477)	
Net OPEB liability	(1,510,338)	
Vacation accrual payable	<u>(61,671)</u>	
Total long-term liabilities		(17,166,262)

An internal service fund is used to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position. 1,054,187

Net position of governmental activities \$ 89,652,555

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>General Fund</b>	<b>Reserve for Capital and Nonrecurring Fund</b>	<b>Education Grants Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Assessments to member towns	\$ 51,968,045	\$ -	\$ -	\$ -	\$ 51,968,045
Intergovernmental	8,272,981	766,741	991,894	396,892	10,428,508
Charges for services	183,701	-	-	1,420,013	1,603,714
Interest income	151,963	-	-	8,979	160,942
Other	49,272	-	-	64,278	113,550
Total revenues	<u>60,625,962</u>	<u>766,741</u>	<u>991,894</u>	<u>1,890,162</u>	<u>64,274,759</u>
<b>EXPENDITURES</b>					
Current:					
General instruction	32,130,607	-	553,375	3,122	32,687,104
Support services:					
Support services - student	3,073,072	-	226,961	1,175,325	4,475,358
Improvement of instruction	651,025	-	93,213	-	744,238
Media	530,103	-	-	-	530,103
General administration	5,020,868	-	-	-	5,020,868
Transportation	2,340,448	-	-	-	2,340,448
Employee benefits	5,902,094	-	65,736	-	5,967,830
Student activities	1,649,773	-	-	714,987	2,364,760
Buildings and grounds	3,392,906	-	52,609	1,262	3,446,777
Capital outlays	651,162	1,355,448	-	13,700	2,020,310
Debt service:					
Principal payments	4,293,999	96,044	-	-	4,390,043
Interest and fiscal charges	552,872	-	-	-	552,872
Total expenditures	<u>60,188,929</u>	<u>1,451,492</u>	<u>991,894</u>	<u>1,908,396</u>	<u>64,540,711</u>
Excess (deficiency) of revenues over expenditures	437,033	(684,751)	-	(18,234)	(265,952)
<b>OTHER FINANCING SOURCES (USES)</b>					
Financed purchases	231,695	-	-	-	231,695
Leases (as lessee)	194,681	-	-	-	194,681
Transfers in	-	1,101,995	-	-	1,101,995
Transfers out	(1,101,995)	-	-	-	(1,101,995)
Total other financing sources (uses)	<u>(675,619)</u>	<u>1,101,995</u>	<u>-</u>	<u>-</u>	<u>426,376</u>
Net changes in fund balances	(238,586)	417,244	-	(18,234)	160,424
Fund balances - beginning	<u>2,938,578</u>	<u>1,808,008</u>	<u>108</u>	<u>1,355,823</u>	<u>6,102,517</u>
Fund balances - ending	<u>\$ 2,699,992</u>	<u>\$ 2,225,252</u>	<u>\$ 108</u>	<u>\$ 1,337,589</u>	<u>\$ 6,262,941</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2024**

Net change in fund balances for governmental funds \$ 160,424

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

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

Expenditures for capital assets	\$ 1,797,064	
Depreciation and amortization expense	<u>(2,444,523)</u>	
Net adjustment		(647,459)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of expense in the statement of activities. (1,115,582)

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

Debt issued or incurred:		
Finance purchases	(231,695)	
Leases	(194,681)	
Principal repayments:		
Bonds	3,990,000	
Financed purchases	202,386	
Leases	<u>197,657</u>	
Net adjustment		3,963,667

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

Accrued interest	120,708	
Amortization of deferred charges on refundings	(48,533)	
Amortization of bond premiums	321,441	
Net pension liability	1,414,081	
Net OPEB liability	(159,505)	
Net sick and severance asset	(82,273)	
Vacation accrual payable	<u>4,628</u>	
Net adjustment		1,570,547

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

134,624

Change in net position of governmental activities \$ 4,066,221

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**STATEMENT OF NET POSITION -**  
**PROPRIETARY FUND**  
**AS OF JUNE 30, 2024**

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,495,145
Receivables	62,102
Due from other funds	36,005
Total assets	1,593,252
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	490,239
Unearned revenue	48,826
Total liabilities	539,065
<b>NET POSITION</b>	
Unrestricted	1,054,187
Total net position	\$ 1,054,187

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -  
 PROPRIETARY FUND  
 FOR THE YEAR ENDED JUNE 30, 2024

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	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Employer	\$ 3,369,921
Employees	1,233,510
Retirees	645,830
Total operating revenues	5,249,261
<b>OPERATING EXPENSES</b>	
Claims incurred	4,628,190
Administrative and other	486,447
Total operating expenses	5,114,637
Change in net position	134,624
Net position - beginning	919,563
Net position - ending	\$ 1,054,187

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

STATEMENT OF CASH FLOWS -

PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2024

	<b>Governmental Activities</b>
	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from charges for services	\$ 5,521,102
Cash payments for claims incurred	(4,570,353)
Cash payments to vendors	(486,447)
Net cash provided by operating activities	<u>464,302</u>
Net increase in cash and cash equivalents	464,302
Cash and cash equivalents, beginning of year	<u>1,030,843</u>
Cash and cash equivalents, end of year	<u>\$ 1,495,145</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating income	\$ 134,624
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(6,284)
Decrease in due from other funds	283,709
Increase in claims payable	57,837
Decrease in unearned revenue	(5,584)
Net cash provided by operating activities	<u>\$ 464,302</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2024**

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	<b>Pension, Other Post-Employment Benefit and Sick and Severance Trust Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 684,328
Investments - mutual funds	<u>21,163,758</u>
Total assets	<u>21,848,086</u>
 <b>LIABILITIES</b>	
Accounts payable	<u>62,102</u>
 <b>NET POSITION</b>	
Restricted for:	
Pension benefits	17,681,468
Other post-employment benefits	3,666,605
Sick and severance benefits	<u>437,911</u>
Total net position	<u>\$ 21,785,984</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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	<b>Pension, Other Post-Employment Benefit and Sick and Severance Trust Funds</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 992,320
Employee	78,643
Total contributions	1,070,963
Investment earnings:	
Interest and dividends	552,641
Net change in the fair value of investments	1,989,305
	2,541,946
Less investment fees	(17,076)
Total investment earnings	2,524,870
Total additions	3,595,833
<b>DEDUCTIONS</b>	
Benefit payments	1,828,273
Total deductions	1,828,273
Change in net position	1,767,560
Net position - beginning	20,018,424
Net position - ending	\$ 21,785,984

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

**History and Organization**

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

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

The District's operating and debt service expenses are paid by the member towns in proportion to the number of attending pupils. The approximate assessment percentages for the year ended June 30, 2024 were: Bethany 17.45%, Orange 48.90%, and Woodbridge 33.65%.

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

*Fiduciary Component Units* - The District has established a single-employer defined benefit pension plan and an other post-employment benefit (OPEB) plan to provide retirement and health care benefits to employees and their beneficiaries. The District performs the duties of a governing board for the pension and OPEB plans and makes contributions to the plans. The financial statements of the fiduciary component units are reported as Pension and OPEB Trust Funds in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component units.

**Government-wide Financial Statements**

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

In addition, the District reports the following fund types:

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

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

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

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

**Measurement Focus and Basis of Accounting**

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Measurement Focus and Basis of Accounting *(Continued)***

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

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

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

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

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

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

**Cash and Cash Equivalents**

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Investments**

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

**Inventories and Prepaid Items**

Inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**Capital Assets**

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

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

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Deferred Outflows and Inflows of Resources**

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

**Unearned Revenue**

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

**Long-term Obligations**

***Long-term Debt***

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

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

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

***Leases***

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Long-term Obligations *(Continued)***

***Leases (Continued)***

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

***Compensated Absences***

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

**Net Position**

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

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

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Net Position *(Continued)***

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

**Fund Balance**

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

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

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

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

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

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

**Internal Activities**

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

**Use of Estimates**

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

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits - Custodial Credit Risk**

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

As of June 30, 2024, \$5,857,519 of the District's bank balance of \$6,107,519 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,271,767
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name	585,752
	<u>\$ 5,857,519</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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

**Cash Deposits - Custodial Credit Risk (Continued)**

A reconciliation of the District's cash deposits as of June 30, 2024 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 8,797,584
Less: cash equivalents considered investments for disclosure purposes	<u>(2,877,648)</u>
	5,919,936
Statement of fiduciary net position:	
Cash and cash equivalents	684,328
Less: cash equivalents considered investments for disclosure purposes	<u>(684,328)</u>
	-
	<u>\$ 5,919,936</u>

**Investments**

A reconciliation of the District's investments as of June 30, 2024 is as follows:

Government-wide statement of net position:	
Investments	\$ -
Add: cash equivalents considered investments for disclosure purposes	<u>2,877,648</u>
	2,877,648
Statement of fiduciary net position:	
Investments	21,163,758
Add: cash equivalents considered investments for disclosure purposes	<u>684,328</u>
	<u>21,848,086</u>
	<u>\$ 24,725,734</u>

As of June 30, 2024, the District's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
<b>Debt Securities:</b>				
<i>Government-wide statement of net position:</i>				
Short-term Investment Fund	Amortized cost	AAA	\$ 2,877,648	\$ 2,877,648
<i>Statement of fiduciary net position:</i>				
Money market mutual funds	Amortized cost	AAA	<u>684,328</u>	<u>684,328</u>
			3,561,976	<u>\$ 3,561,976</u>
<b>Other investments:</b>				
<i>Statement of fiduciary net position:</i>				
Mutual funds	Fair value		<u>21,163,758</u>	
			<u>\$ 24,725,734</u>	

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Investments *(Continued)***

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

**Interest Rate Risk**

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

**Credit Risk**

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

**Custodial Credit Risk**

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

**Concentrations of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from concentration of credit risk disclosures. As of June 30, 2024, none of the District's investments, in any one issuer that is subject to concentration of credit risk disclosures, exceeded 5% or more of the total investments reported for the District's governmental activities or fiduciary funds.

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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

**Investments (Continued)**

**Concentrations of Credit Risk (Continued)**

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

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

**NOTE 3 - FAIR VALUE MEASUREMENTS**

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

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

Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The District's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2024, by level within the fair value hierarchy are presented in the table below.

<b>Financial Assets Measured at Fair Value</b>	<b>Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>	<b>Total</b>
Mutual funds	\$ 21,163,758	\$ -	\$ -	\$ 21,163,758
		Investments measured at amortized cost		3,561,976
				<u>\$ 24,725,734</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2024 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 4,186,566	\$ -	\$ -	\$ -	\$ 4,186,566
Construction in progress	6,352,925	315,391	-	(6,178,778)	489,538
Total capital assets, not being depreciated	<u>10,539,491</u>	<u>315,391</u>	<u>-</u>	<u>(6,178,778)</u>	<u>4,676,104</u>
Capital assets, being depreciated:					
Buildings and improvements	115,003,171	-	-	14,700	115,017,871
Improvements other than buildings	3,951,084	888,391	-	6,164,078	11,003,553
Right-to-use leased equipment	1,422,481	194,681	(769,270)	-	847,892
Furniture and equipment	2,115,869	398,601	(2,622)	-	2,511,848
Total capital assets, being depreciated	<u>122,492,605</u>	<u>1,481,673</u>	<u>(771,892)</u>	<u>6,178,778</u>	<u>129,381,164</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	28,359,141	1,573,552	-	-	29,932,693
Improvements other than buildings	747,272	389,625	-	-	1,136,897
Right-to-use leased equipment	1,040,576	195,536	(769,270)	-	466,842
Furniture and equipment	1,279,027	285,810	(2,622)	-	1,562,215
Total accumulated depreciation and amortization	<u>31,426,016</u>	<u>2,444,523</u>	<u>(771,892)</u>	<u>-</u>	<u>33,098,647</u>
Total capital assets, being depreciated, net	<u>91,066,589</u>	<u>(962,850)</u>	<u>-</u>	<u>6,178,778</u>	<u>96,282,517</u>
Governmental activities capital assets, net	<u>\$ 101,606,080</u>	<u>\$ (647,459)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,958,621</u>

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

Governmental Activities:	
General instruction	\$ 365,855
Support services:	
Support services - students	39,339
Buildings and grounds	2,039,329
Total depreciation and amortization expense	<u>\$ 2,444,523</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2024 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
Nonmajor Governmental Funds	General Fund	\$ 28,778
<b>Proprietary Funds</b>		
Internal Service Fund	General Fund	3,775
	Education Grants Fund	32,230
		<u>36,005</u>
		<u>\$ 64,783</u>

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

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2024 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
Reserve for Capital and Nonrecurring Fund	General Fund	\$ 1,101,995

The above transfer was made pursuant to State statute to transfer a portion of the District's General Fund budgetary surplus for the year ended June 30, 2023 to the Reserve for Capital and Nonrecurring Fund for the purpose of funding capital purchases and improvements.

**NOTE 7 - LONG-TERM LIABILITIES**

**Changes in Long-term Liabilities**

Changes in the District's long-term liabilities for the year ended June 30, 2024, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Long-term Debt:					
Bonds payable:					
General obligation bonds	\$ 14,545,000	\$ -	\$ 3,990,000	\$ 10,555,000	\$ 3,615,000
Unamortized premiums	1,005,151	-	321,441	683,710	-
Total bonds payable	<u>15,550,151</u>	<u>-</u>	<u>4,311,441</u>	<u>11,238,710</u>	<u>3,615,000</u>
Financed purchases	284,741	231,695	202,386	314,050	197,499
Other Long-term Liabilities:					
Leases	395,522	194,681	197,657	392,546	198,306
Compensated absences	66,299	10,009	14,637	61,671	61,671
Net pension liability (see Note 8)	4,951,558	-	1,414,081	3,537,477	-
Net OPEB liability (see Note 9)	1,350,833	159,505	-	1,510,338	-
Total governmental activities	<u>\$ 22,599,104</u>	<u>\$ 595,890</u>	<u>\$ 6,140,202</u>	<u>\$ 17,054,792</u>	<u>\$ 4,072,476</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**General Obligation Bonds**

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the District and its member towns. General obligation bonds outstanding at June 30, 2024, are as follows:

<u>Purpose of Bonds</u>	<u>Issuance Date</u>	<u>Original Amount</u>	<u>Final Maturity Date</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
<b>Governmental Activities</b>					
Bonds Payable:					
General obligation bonds	1/2017	\$ 1,960,000	1/2027	4.00%	\$ 645,000
General obligation refunding bonds	1/2017	12,130,000	7/2024	1.37% - 2.95%	1,290,000
General obligation refunding bonds	5/2018	10,300,000	7/2026	3.00% - 5.00%	3,700,000
General obligation bonds	7/2020	6,570,000	7/2035	2.00% - 5.00%	4,920,000
					<u>\$ 10,555,000</u>

**Financed Purchases**

The District has entered into financed purchase contracts for the acquisition of technology and related equipment. The contracts includes non-appropriation clauses and provide the obligors with a security interest in the underlying equipment in the event of default. Ownership of the underlying equipment is transferred to the District at the end of the contract. The District makes equal annual payments of principal and interest at interest rates ranging from 3.69% to 5.55% each year through the maturity dates.

**Advance Refundings**

The District has defeased general obligation bonds in prior years by placing the proceeds of the new bonds into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the District's financial statements. As of June 30, 2024, \$5,305,000 of defeased bonds remain outstanding. The District has recognized deferred charges on those refundings, which are being amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued. The carrying value of the deferred charges on refundings totaled \$42,189 as of June 30, 2024.

**Legal Debt Limit**

Connecticut General Statutes Chapter 164 Section 10-56 provides that the aggregate indebtedness of the District shall not exceed, 2 ¼ (two and one-quarter times) the annual receipts from taxation of its member towns. In computing the aggregate indebtedness, the District excludes each bond, note or other evidence of indebtedness issued in anticipation of the receipt of (a) payments by a member town or the state for the operation of the District's schools and (b) proceeds from any state or federal grant for which the District has received a written commitment or for which an allocation has been approved by the State Bond Commission or from a contract with the state, a state agency or another municipality providing for the reimbursement of capital costs, but only to the extent such indebtedness can be paid from such proceeds. The District did not exceed this statutory debt limitation as of June 30, 2024.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 7 - LONG-TERM LIABILITIES *(Continued)***

**Long-term Debt Service Requirements**

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

Year ending June 30:	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2025	\$ 3,615,000	\$ 368,978	\$ 197,499	\$ 14,160
2026	2,325,000	235,850	57,066	4,942
2027	1,345,000	146,250	59,485	2,523
2028	550,000	95,650	-	-
2029	550,000	68,150	-	-
2030-2034	1,745,000	115,150	-	-
2035-2036	425,000	8,450	-	-
	<u>\$ 10,555,000</u>	<u>\$ 1,038,478</u>	<u>\$ 314,050</u>	<u>\$ 21,625</u>

**Leases**

The District is a lessee for noncancellable leases of technology and related equipment. The terms of the noncancellable leases range from 3 to 5 years. The District makes fixed monthly or annual payments with interest rates ranging from 3.69% and 4.35%. The value of the right-to-use assets as of the end of June 30, 2024 was \$847,892 and had accumulated amortization of \$466,842. As of June 30, 2024, the value of the lease liability was \$392,546.

The future principal and interest lease payments as of June 30, 2024, were as follows:

Year ending June 30:	Leases	
	Principal	Interest
2025	\$ 198,306	\$ 13,161
2026	194,240	5,290
	<u>\$ 392,546</u>	<u>\$ 18,451</u>

**Compensated Absences**

**Vacation**

The District's permits certain employees to accumulate earned but unused vacation benefits. The liability for such benefits totaled \$61,671 as of June 30, 2024 and is reported in the government-wide financial statements. A liability for such amounts is only recorded in the governmental funds if the liability has matured as a result of employee resignations or retirements.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**Compensated Absences (Continued)**

**Sick and Severance**

The District provides sick and severance benefits to teachers and department coordinators upon retirement, death or severe illness and to administrators upon retirement or the elimination of a position. To qualify for benefits, the employee must achieve normal retirement with 15 consecutive years of service. Benefits are also provided to those who qualify for early retirement. All benefit amounts were frozen as of June 30, 1994. The District created a trust fund to accumulate resources for future projected benefit payments and recognizes a net asset or liability for the difference between the total sick severance liability and the market value of assets held in trust. The components of the District's net sick and severance asset as of June 30, 2024, were as follows:

Total sick and severance liability	\$	320,694
Assets held in Trust		445,423
District's net sick and severance asset	<u>\$</u>	<u>(124,729)</u>
Plan fiduciary net position as a percentage of the total sick and severance liability		138.89%

The total sick and severance benefits liability for the District was determined by an actuarial valuation as of July 1, 2024. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits include the types of benefits in force at the valuation date. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date	July 1, 2024
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level Dollar
Remaining amortization period	
Teachers and Administrators	5 years, closed
Other participants	5 years, closed
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.50%
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables (with separate tables for General Employees and Teachers), projected to the valuation date with Scale MP-2021.
Sick time accrual	Maximum number of sick days per year
Salary increases	Varies from 2.4% to 7.4%
Retirement age	Ranges from 55 to 70

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

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**NOTE 7 - LONG-TERM LIABILITIES (Continued)**

**Compensated Absences (Continued)**

**Sick and Severance (Continued)**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the District's sick and severance plan as of and for the year ended June 30, 2024.

	<b>Sick &amp; Severance Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 2,091
Investments	443,332
Total assets	445,423
<b>LIABILITIES</b>	
Accounts payable	7,512
<b>NET POSITION</b>	
Restricted for sick and severance benefits	\$ 437,911
<b>ADDITIONS</b>	
Investment earnings:	
Interest and dividends	\$ 13,041
Net changes in the fair value of investments	43,681
	56,722
Less investment fees	(2,082)
Total investment earnings	54,640
Total additions	54,640
<b>DEDUCTIONS</b>	
Benefit payments	86,068
Total deductions	86,068
Change in net position	(31,428)
Net position - beginning	469,339
Net position - ending	\$ 437,911

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 8 - PENSION PLANS**

The District accounts for activity relating to two defined benefit pension plans, (1) the Amity Regional School District No. 5 Pension Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2024, the two plans had the following balances reported in the District's government-wide financial statements:

	<b>Net Pension Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>On Behalf Revenues</b>	<b>Pension Expense</b>
Amity Regional School District No. 5 Pension Plan	\$ 3,537,477	\$ 74,486	\$ 640,383	\$ -	\$ 733,213
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	7,567,968	7,567,968
	\$ 3,537,477	\$ 74,486	\$ 640,383	\$ 7,567,968	\$ 8,301,181

Detailed disclosures for each plan follow.

**Amity Regional School District No. 5 Pension Plan**

**Plan Description**

*Plan administration* - The Amity Regional School District No. 5 Pension Plan (the Retirement Plan) is a single-employer, defined benefit pension plan. The Retirement Plan covered substantially all District employees other than teachers. Custodians, secretaries, non-union, security guards, and technology employees hired on or after July 1, 2016 are no longer eligible to participate in the Retirement Plan. Nurses hired on or after September 1, 2018 are no longer eligible to participate in the Retirement Plan.

*Plan membership* - Membership of the Retirement Plan consisted of the following at July 1, 2023, the date of the most recent actuarial valuation:

Inactive plan members or beneficiaries currently receiving benefits	63
Inactive plan members entitled to but not yet receiving benefits	3
Active employees	29
	95

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

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

For the year ended June 30, 2024, employer contributions to the Retirement Plan were \$726,430 and represented approximately 36.32% of covered payroll. District employees are required to contribute 4.00% of their earnings to the Retirement Plan.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 8 - PENSION PLANS *(Continued)***

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

**Summary of Significant Accounting Policies**

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

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

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

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

*Rate of return* - For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.03%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net Pension Liability**

The components of the net pension liability of the District's Plan at June 30, 2024, were as follows:

Total pension liability	\$ 21,218,945
Plan fiduciary net position	17,681,468
District's net pension liability	<u>\$ 3,537,477</u>
Plan fiduciary net position as a percentage of the total pension liability	 83.33%

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 8 - PENSION PLANS (Continued)**

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

**Net Pension Liability (Continued)**

The components of the change in the net pension liability of the District's Plan for the year ended June 30, 2024, were as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension</u>	<u>Plan Fiduciary</u>	<u>Net Pension</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balance as of June 30, 2023	\$ 21,156,964	\$ 16,205,406	\$ 4,951,558
Changes for the year:			
Service cost	392,321	-	392,321
Interest	1,433,480	-	1,433,480
Difference between expected and actual experience	(342,876)	-	(342,876)
Change of assumptions	-	-	-
Contributions - employer	-	726,430	(726,430)
Contributions - member	-	78,643	(78,643)
Net investment income	-	2,091,933	(2,091,933)
Benefit payments, including refunds	(1,420,944)	(1,420,944)	-
Net changes	<u>61,981</u>	<u>1,476,062</u>	<u>(1,414,081)</u>
Balance as of June 30, 2024	<u>\$ 21,218,945</u>	<u>\$ 17,681,468</u>	<u>\$ 3,537,477</u>

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

Inflation	2.40%
Investment rate of return	6.875%
Discount rate	6.875%

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 8 - PENSION PLANS *(Continued)***

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

**Net Pension Liability *(Continued)***

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
US Bond - Core	35.00%	2.05%
US Large Cap	40.00%	5.00%
US Small Cap	10.00%	5.30%
International Developed Equi	15.00%	6.40%

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

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

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
Net pension liability	\$ 5,580,103	\$ 3,537,477	\$ 1,776,702

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 8 - PENSION PLANS *(Continued)***

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

**Pension Plan Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the District's defined benefit plan as of and for the year ended June 30, 2024.

	<b>Pension Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 271,710
Investments	17,409,758
Total assets	17,681,468
 <b>NET POSITION</b>	
Restricted for pension benefits	\$ 17,681,468
 <b>ADDITIONS</b>	
Contributions:	
Employer contributions	\$ 726,430
Employee contributions	78,643
Total contributions	805,073
Investment earnings:	
Interest and dividends	445,879
Net changes in the fair value of investments	1,658,117
	2,103,996
Less investment fees	(12,063)
Total investment earnings	2,091,933
Total additions	2,897,006
 <b>DEDUCTIONS</b>	
Benefit payments	1,420,944
Total deductions	1,420,944
Change in net position	1,476,062
Net position - beginning	16,205,406
Net position - ending	\$ 17,681,468

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 8 - PENSION PLANS *(Continued)***

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

**Pension Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the District recognized pension expense of \$733,213. At June 30, 2024, the District reported deferred outflows and inflows of resources related to the Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Differences between expected and actual experience	\$ 74,486	\$ 171,438	\$ (96,952)
Changes of assumptions	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	468,945	(468,945)
Total	\$ 74,486	\$ 640,383	\$ (565,897)

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

Year ended June 30,	
2025	\$ (353,007)
2026	317,566
2027	(330,730)
2028	(199,726)
	\$ (565,897)

**Connecticut Teachers' Retirement System**

**Plan Description**

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Benefit Provisions**

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

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

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

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

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

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

**Contributions**

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

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

*Employees* - Each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Administrative Expenses**

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

**Basis of Presentation**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2023. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

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

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to District totaled 0.465% as of the most recent measurement date.

**Collective Net Pension Liability**

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2023, the measurement date, in addition to the District's and State's proportionate shares of the collective net pension liability that is attributed to the District:

Collective Net Pension Liability of the State for the TRS		\$ 17,007,295,000
	<b>Proportion</b>	<b>Proportionate Share</b>
District's proportionate share of the Collective Net Pension Liability	0.000%	\$ -
State's proportionate share of the Collective Net Pension Liability attributed to the District	0.465%	\$ 79,044,000

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 8 - PENSION PLANS *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Collective Pension Expense**

The District's expected contribution effort for allocation purposes totaled \$7,334,141 or 0.465% of the total expected contribution effort. The District has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2024.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the District totaled \$7,567,968 or 0.465% of the total collective pension expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2024.

**Actuarial Assumptions**

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

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

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

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

**Long-Term Rate of Return**

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 8 - PENSION PLANS (Continued)**

**Connecticut Teachers' Retirement System (Continued)**

**Long-Term Rate of Return (Continued)**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	37.0%	6.8%
Public Credit	2.0%	2.9%
Core Fixed Income Fund	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.1%
Real Estate	10.0%	6.2%
Infrastructure and Natural Resources	7.0%	7.7%
	<u>100.0%</u>	

**Discount Rate**

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

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The District accounts for activity relating to two other post-employment benefits plans, (1) the Amity Regional School District No. 5 Pension Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2024, the two plans had the following balances reported in the District's government-wide financial statements:

	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>On Behalf Revenues</u>	<u>OPEB Expense</u>
Amity Regional School District No. 5 Other Post-employment Benefits Plan	\$ 1,510,338	\$ 867,420	\$ 1,883,184	\$ -	\$ 65,523
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	(872,393)	(872,393)
	<u>\$ 1,510,338</u>	<u>\$ 867,420</u>	<u>\$ 1,883,184</u>	<u>\$ (872,393)</u>	<u>\$ (806,870)</u>

Detailed disclosures for each plan follow.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Plan Description**

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

*Plan membership* - As of July 1, 2023, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	355
Retirees and beneficiaries receiving benefits	<u>18</u>
	<u><u>373</u></u>

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

*Contributions* - Contribution requirements of the District are established in the Plan document and may be amended by the District. State law requires that the premium charged to retirees may not be greater than that charged for the same form of coverage for active teachers. In addition, State law requires that the TRS provide a subsidy to the District to offset the cost to retirees. The subsidy amount is \$220 per person per month. For the year ended June 30, 2024, the District made contributions of \$265,890 into the OPEB Trust.

**Summary of Significant Accounting Policies**

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

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

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Summary of Significant Accounting Policies *(Continued)***

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

*Rate of return* - For the year ended June 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 13.81%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2023. The components of the net OPEB liability of the District's Plan at June 30, 2024, were as follows:

Total OPEB liability	\$ 5,176,943
Plan fiduciary net position	<u>3,666,605</u>
District's net OPEB liability	<u><u>\$ 1,510,338</u></u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 70.83%

The components of the change in the net OPEB liability of the District's Plan for the year ended June 30, 2024, were as follows:

	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance as of June 30, 2023	\$ 4,694,512	\$ 3,343,679	\$ 1,350,833
Changes for the year:			
Service cost	91,279	-	91,279
Interest	300,799	-	300,799
Differences between expected and actual experience	335,874	-	335,874
Changes of assumptions	75,740	-	75,740
Contributions - employer	-	265,890	(265,890)
Net investment income (loss)	-	378,297	(378,297)
Benefit payments, including refunds of member contributions	<u>(321,261)</u>	<u>(321,261)</u>	-
Net changes	<u>482,431</u>	<u>322,926</u>	<u>159,505</u>
Balances as of June 30, 2024	<u><u>\$ 5,176,943</u></u>	<u><u>\$ 3,666,605</u></u>	<u><u>\$ 1,510,338</u></u>

Benefit payments are reported net of retiree cost shares.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

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

**Net OPEB Liability (Continued)**

*Actuarial Assumptions* - The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date:	July 1, 2023
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Salary
Remaining amortization period	15 years, closed (12 years remaining as of July 1, 2023)
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.50%
Discount rate	6.50%
Salary increases	2.40%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.50%
Ultimate	4.40%

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for General employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2021.

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
U.S. Large Cap Equities	30.00%	5.00%	1.50%
U.S. Mid/Small Cap Equities	10.00%	5.30%	0.53%
Developed International Equities	20.00%	6.40%	1.28%
Intermediate Corporate	30.00%	2.30%	0.69%
Intermediate Government	10.00%	1.80%	0.18%
			4.18%
Inflation			2.40%
			<u>6.58%</u>

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Net OPEB Liability *(Continued)***

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

	Discount Rates		
	1% Decrease (5.50%)	Current (6.50%)	1% Increase (7.50%)
Net OPEB liability	\$ 1,931,303	\$ 1,510,338	\$ 1,033,636

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

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 944,237	\$ 1,510,338	\$ 2,047,028

**OPEB Plan Financial Statements**

The following presents the statement of fiduciary net position for the District's OPEB Plan as of and for the year ended June 30, 2024.

	<b>Other Post-Employment Benefits Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 410,527
Investments	3,310,668
Total assets	3,721,195
<b>LIABILITIES</b>	
Accounts payable	54,590
<b>NET POSITION</b>	
Restricted for other post-employment benefits	\$ 3,666,605

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

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

**OPEB Plan Financial Statements (Continued)**

The following presents the statement of changes in fiduciary net position for the District's OPEB Plan as of and for the year ended June 30, 2024.

	<b>Other Post-Employment Benefits Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 265,890
Investment earnings:	
Interest and dividends	93,721
Net changes in the fair value of investments	287,507
	381,228
Less investment fees	(2,931)
Total investment earnings	378,297
Total additions	644,187
<b>DEDUCTIONS</b>	
Benefit payments	321,261
Total deductions	321,261
Change in net position	322,926
Net position - beginning	3,343,679
Net position - ending	\$ 3,666,605

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2024, the District recognized OPEB expense of \$65,523. As of June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Differences between expected and actual experience	\$ 382,982	\$ 1,535,950	\$ (1,152,968)
Changes of assumptions	484,438	248,200	236,238
Net difference between projected and actual earnings on OPEB plan investments	-	99,034	(99,034)
Total	\$ 867,420	\$ 1,883,184	\$ (1,015,764)

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

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

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

Year Ended June 30:		
2025	\$	(143,766)
2026		(52,851)
2027		(169,294)
2028		(146,911)
2029		(103,447)
Thereafter		(399,495)
	<u>\$</u>	<u>(1,015,764)</u>

**Connecticut Teachers' Retirement System**

**Plan Description**

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

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

**Benefit Provisions**

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, with any remaining portion used to offset the school district's costs. The subsidy amount is set by statute. A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$440 per month towards coverage under a local school district plan.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Benefit Provisions *(Continued)***

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

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

**Contributions**

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

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

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

**Administrative Expenses**

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

**Basis of Presentation**

The components associated with the other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2023. The net OPEB liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the District totaled 0.465% as of the most recent measurement date.

**Collective Net OPEB Liability**

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2023, the measurement date, in addition to the District's and State's proportionate shares of the collective net OPEB liability that is attributed to the District:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 1,593,350,000</u>
	<b><u>Proportion</u></b>	<b><u>Proportionate Share</u></b>
District's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the District	0.465%	<u>\$ 7,405,000</u>

**Collective OPEB Expense**

The District's expected contribution effort for allocation purposes totaled \$99,803 or 0.465% of the total expected contribution effort. The District has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2024.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the District totaled a negative \$(872,393) or 0.465% of the total negative collective OPEB expense and has been recognized as a decrease in the District's operating contributions and related education expenses in the statement of activities for the year ended June 30, 2024.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Actuarial Assumptions**

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

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	Known increases until 2024, then general trend decreasing to an ultimate rate of 4.50% by 2031

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

**Long-Term Rate of Return**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	0.77%

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut Teachers' Retirement System *(Continued)***

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards based on an actuarial valuation performed as of June 30, 2023. In addition to the actuarial methods and assumptions of the June 30, 2023 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate of 3.65% was used in the determination of the single equivalent rate of 3.64%.

**NOTE 10 - OTHER RETIREMENT PLANS**

**401(a) Retirement Plan**

The District offers a 401(a) Retirement Plan (the plan), a defined contribution pension plan, for certain groups of employees who work more than twenty hours per week and that are not eligible to participate in either the District's pension plan or the Connecticut Teachers' Retirement System. The plan is administered by the District.

Benefit terms, including contribution requirements, for the plan are established and may be amended by the Board of Education through contract or union negotiations. For each employee in the plan, the District is required to contribute 5.0% of the employee's base pay, exclusive of overtime pay and any insurance waiver, to an individual employee account. In addition, the District may make matching contributions on the employee's post-tax contribution up to an additional 2.0%. Employees are permitted to make contributions to the pension plan, up to applicable Internal Revenue Code limits. For the year ended June 30, 2024, employee contributions totaled \$66,505 and the District recognized retirement expense of \$189,595. As of June 30, 2024, the balance of forfeitures available to reduce the District's future expenses totaled approximately \$157,000.

Employees are immediately vested in their own contributions and earnings thereon and become vested in District's contributions and earnings thereon after completion of 5 years of creditable service with the District. Nonvested District contributions are forfeited upon termination of employment. Such forfeitures are used to cover a portion of the District's expenses for the plan.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 10 - OTHER RETIREMENT PLANS (Continued)**

**Deferred Compensation Plans**

The District provides eligible employees with the ability to make contributions through voluntary salary deferrals on a tax-deferred basis in accordance with Section 403(b) and 457(b) of the Internal Revenue Code. Employees are permitted to make contributions to the plans, up to applicable Internal Revenue Code limits. The District may make contributions to the plans in accordance with employee contracts. Employees are immediately vested in contributions and earnings thereon. For the year ended June 30, 2024, employee contributions totaled \$1,063,813 and the District recognized retirement expense of \$11,876.

**NOTE 11 - FUND BALANCE**

**Fund Balance**

Connecticut General Statutes has historically limited the District's ability to maintain an unrestricted fund balance. Pursuant to Section 8 of Connecticut Public Act 24-45, for the fiscal year ending June 30, 2024, and each fiscal year thereafter, a regional board of education, by a majority vote of its members, may create a reserve fund for educational expenditures. The aggregate amount of annual and supplemental appropriations by a district to such fund may not exceed 2.0% of the annual district budget for such fiscal year. Transfers to the reserve fund for educational expenditures may be made from annual appropriations included in the share of net expenses to be paid by each member town or from the estimated fiscal year end surplus in operating funds. Such amounts are considered unassigned and may be used by the District to support its general operations.

Pursuant to Connecticut General Statutes, any budget appropriation that has not been expended must be used by the District to reduce the net expenses of the District in future years. In addition, any resources accumulated for capital and nonrecurring purposes must be used to fund all or part of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of any specific item of equipment. The various components of the District's fund balance as of June 30, 2024 are as follows:

	General Fund	Reserve for Capital and Nonrecurring Fund	Education Grants Fund	Nonmajor Governmental Funds	Total
Nonspendable:					
Inventories	\$ -	\$ -	\$ -	\$ 38,212	\$ 38,212
Restricted for:					
Capital purposes (unspent debt proceeds)	-	134,320	-	-	134,320
Capital and nonrecurring purposes (statutory)	-	2,090,932	-	-	2,090,932
Reduction of future net expenses (statutory)	1,050,680	-	-	-	1,050,680
Cafeteria operations	-	-	-	310,158	310,158
Educational programs	-	-	108	-	108
Student activities	-	-	-	481,116	481,116
Scholarships	-	-	-	283,422	283,422
Total restricted	1,050,680	2,225,252	108	1,074,696	4,350,736
Committed to:					
Educational programs	-	-	-	224,681	224,681
Library Media Center Renovation	1,091,054	-	-	-	1,091,054
Total restricted	1,091,054	-	-	224,681	1,315,735

*(Continued)*

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2024**

**NOTE 11 - FUND BALANCE (Continued)**

**Fund Balance (Continued)**

	General Fund	Reserve for Capital and Nonrecurring Fund	Education Grants Fund	Nonmajor Governmental Funds	Total
Assigned to:					
Encumbrances:					
General instruction	\$ 31,019	\$ -	\$ -	\$ -	\$ 31,019
Support services - student	30,162	-	-	-	30,162
Improvement of instruction	154	-	-	-	154
General administration	77,964	-	-	-	77,964
Transportation	188	-	-	-	188
Employee benefits	11,758	-	-	-	11,758
Student activities	20,449	-	-	-	20,449
Buildings and grounds	337,679	-	-	-	337,679
Capital outlays	48,885	-	-	-	48,885
Total assigned	<u>558,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>558,258</u>
Total fund balance	<u>\$ 2,699,992</u>	<u>\$ 2,225,252</u>	<u>\$ 108</u>	<u>\$ 1,337,589</u>	<u>\$ 6,262,941</u>

*(Concluded)*

Encumbrances are commitments as of June 30, 2024 related to unperformed (executory) contracts for goods or services. Such amounts have been included in assigned fund balance within the balance sheet of the General Fund.

**NOTE 12 - RISK MANAGEMENT**

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

**Risk Sharing Pools**

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

**Workers' Compensation Pool**

The District is a member of CIRMA's Workers' Compensation Pool, a risk-sharing pool. The worker's compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Worker's Compensation Act. The District has workers compensation coverage at statutory required limits with CIRMA and carries \$1,000,000 employer's liability through CIRMA.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 12 - RISK MANAGEMENT *(Continued)***

**Risk Sharing Pools *(Continued)***

**Liability-Automobile-Property Pool**

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

**Self-Insured Medical Benefits**

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

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

A summary of claims activity for the years ended June 30, 2024 and 2023 are as follows:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2024	\$ 432,402	\$ 4,628,190	\$ 4,570,353	\$ 490,239
2023	330,441	4,363,542	4,261,581	432,402

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

**Litigation, Claims and Assessments**

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 13 - COMMITMENTS AND CONTINGENCIES *(Continued)***

**Federal Awards and State Financial Assistance**

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

**Encumbrances**

As disclosed in Note 11, the District has recorded \$558,258 in encumbrances as of June 30, 2024. Encumbrances represent commitments for the purchase of goods or services and have been included in assigned fund balance within the balance sheet of the General Fund.

**NOTE 14 - SUBSEQUENT EVENTS**

Subsequent to year end, the Board of Education authorized the transfer of a portion of the District's fiscal year 2024 budgetary surplus in the amount \$1,091,054 to its Reserve for Educational Expenditures Fund. This transfer has been reflected in the accompanying financial statements as if the authorization had been in place as of June 30, 2024.

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**REQUIRED SUPPLEMENTARY INFORMATION**

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**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Assessments to member towns	\$ 53,388,441	\$ 51,968,045	\$ 51,968,045	\$ -
Intergovernmental	993,305	993,305	839,037	(154,268)
Charges for services	115,013	115,013	183,701	68,688
Interest income	20,000	20,000	151,963	131,963
Other	36,000	36,000	49,272	13,272
Total revenues	<u>54,552,759</u>	<u>53,132,363</u>	<u>53,192,018</u>	<u>59,655</u>
<b>EXPENDITURES</b>				
Current:				
Salaries	29,742,117	29,760,698	29,108,673	(652,025)
Employee benefits	6,540,201	6,613,602	5,796,459	(817,143)
Instruction	1,053,858	1,046,990	1,003,868	(43,122)
Pupil transport	4,120,205	4,126,097	4,030,647	(95,450)
Tuition	2,963,731	2,741,860	2,712,997	(28,863)
Purchased services	2,480,326	2,599,956	2,433,660	(166,296)
Rental and other services	364,545	370,111	339,837	(30,274)
Buildings and grounds	1,014,166	1,007,548	964,646	(42,902)
Utilities	890,947	891,528	827,001	(64,527)
Property and liability insurance	308,963	308,963	282,623	(26,340)
Travel and memberships	199,728	211,540	169,465	(42,075)
Contingency	150,000	12,838	-	(12,838)
Capital outlays	306,030	443,086	442,263	(823)
Debt service:				
Principal	3,893,956	3,893,956	3,893,956	-
Interest	523,986	523,986	523,986	-
Total expenditures	<u>54,552,759</u>	<u>54,552,759</u>	<u>52,530,081</u>	<u>(2,022,678)</u>
Excess (deficiency) of revenues over expenditures	-	(1,420,396)	661,937	2,082,333
<b>OTHER FINANCING SOURCES (USES)</b>				
Use of prior year surplus	-	2,487,391	-	(2,487,391)
Use of current year surplus	-	1,091,054	-	(1,091,054)
Cancellation of prior year encumbrances	-	-	59,412	59,412
Transfers out	-	(2,158,049)	(2,158,049)	-
Total other financing sources	<u>-</u>	<u>1,420,396</u>	<u>(2,098,637)</u>	<u>(3,519,033)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,436,700)</u>	<u>\$ (1,436,700)</u>

*See accompanying notes to required supplementary information.*

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>										
Service cost	\$ 392,321	\$ 437,003	\$ 482,823	\$ 510,895	\$ 544,055	\$ 546,532	\$ 539,815	\$ 542,547	\$ 493,768	\$ 479,386
Interest	1,433,480	1,376,849	1,288,630	1,240,598	1,202,276	1,165,984	1,095,440	1,096,406	988,845	930,362
Differences between expected and actual experience	(342,876)	446,922	507,841	11,260	(271,511)	(454,769)	138,984	(143,763)	19,949	(247,484)
Changes of assumptions	-	-	315,117	315,597	(47,566)	-	(99,030)	210,599	529,757	962,070
Benefit payments, including refunds	(1,420,944)	(1,364,711)	(1,169,346)	(893,770)	(801,082)	(674,698)	(673,617)	(670,971)	(623,779)	(677,103)
Net change in total pension liability	61,981	896,063	1,425,065	1,184,580	626,172	583,049	1,001,592	1,034,818	1,408,540	1,447,231
Total pension liability - beginning	21,156,964	20,260,901	18,835,836	17,651,256	17,025,084	16,442,035	15,440,443	14,405,625	12,997,085	11,549,854
Total pension liability - ending	<u>21,218,945</u>	<u>21,156,964</u>	<u>20,260,901</u>	<u>18,835,836</u>	<u>17,651,256</u>	<u>17,025,084</u>	<u>16,442,035</u>	<u>15,440,443</u>	<u>14,405,625</u>	<u>12,997,085</u>
<b>Plan fiduciary net position</b>										
Contributions - employer	726,430	725,924	764,395	790,234	851,987	892,845	886,831	862,404	772,191	738,934
Contributions - members	78,643	83,376	87,689	88,848	72,237	77,728	77,655	81,533	80,951	77,564
Net investment income	2,091,933	1,673,292	(2,052,044)	3,822,979	628,125	836,401	886,762	1,091,425	176,979	281,690
Benefit payments, including refunds	(1,420,944)	(1,364,711)	(1,169,346)	(893,770)	(801,082)	(674,698)	(673,617)	(670,971)	(623,779)	(677,103)
Administrative expense	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	1,476,062	1,117,881	(2,369,306)	3,808,291	751,267	1,132,276	1,177,631	1,364,391	406,342	421,085
Plan fiduciary net position - beginning	16,205,406	15,087,525	17,456,831	13,648,540	12,897,273	11,764,997	10,587,366	9,222,975	8,816,633	8,395,548
Plan fiduciary net position - ending	<u>17,681,468</u>	<u>16,205,406</u>	<u>15,087,525</u>	<u>17,456,831</u>	<u>13,648,540</u>	<u>12,897,273</u>	<u>11,764,997</u>	<u>10,587,366</u>	<u>9,222,975</u>	<u>8,816,633</u>
<b>District's net pension liability</b>	<u>\$3,537,477</u>	<u>\$4,951,558</u>	<u>\$5,173,376</u>	<u>\$1,379,005</u>	<u>\$4,002,716</u>	<u>\$4,127,811</u>	<u>\$4,677,038</u>	<u>\$4,853,077</u>	<u>\$5,182,650</u>	<u>\$4,180,452</u>
Plan fiduciary net position as a percentage of total pension liability	83.33%	76.60%	74.47%	92.68%	77.32%	75.75%	71.55%	68.57%	64.02%	67.84%
Covered payroll	\$2,000,262	\$2,538,401	\$2,684,485	\$3,040,958	\$3,312,394	\$3,484,925	\$3,423,413	\$3,368,174	\$3,473,851	\$3,264,904
District's net pension liability as a percentage of covered payroll	176.85%	195.07%	192.71%	45.35%	120.84%	118.45%	136.62%	144.09%	149.19%	128.04%

*See accompanying notes to required supplementary information.*

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 726,430	\$ 725,924	\$ 764,395	\$ 790,234	\$ 851,987	\$ 892,845	\$ 886,831	\$ 862,402	\$ 772,191	\$ 738,934
Contributions in relation to the actuarially determined contribution	<u>726,430</u>	<u>725,924</u>	<u>764,395</u>	<u>790,234</u>	<u>851,987</u>	<u>892,845</u>	<u>886,831</u>	<u>862,404</u>	<u>772,191</u>	<u>738,934</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>						
Covered payroll	\$ 2,000,262	\$ 2,538,401	\$ 2,684,485	\$ 3,040,958	\$ 3,312,394	\$ 3,484,925	\$ 3,423,413	\$ 3,368,174	\$ 3,473,851	\$ 3,264,904
Contributions as a percentage of covered payroll	36.32%	28.60%	28.47%	25.99%	25.72%	25.62%	25.90%	25.60%	22.23%	22.63%
Annual money-weighted rate of return, net of investment expense	13.03%	11.24%	-11.78%	27.74%	4.81%	6.92%	8.16%	11.46%	1.96%	3.27%

*See accompanying notes to required supplementary information.*

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

	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the District	79,044,000	85,342,000	70,803,000	89,397,000	81,597,000	62,916,000	63,998,000	67,518,000	51,711,000	47,796,000
<b>Total</b>	<b>\$ 79,044,000</b>	<b>\$ 85,342,000</b>	<b>\$ 70,803,000</b>	<b>\$ 89,397,000</b>	<b>\$ 81,597,000</b>	<b>\$ 62,916,000</b>	<b>\$ 63,998,000</b>	<b>\$ 67,518,000</b>	<b>\$ 51,711,000</b>	<b>\$ 47,796,000</b>
District's covered payroll	\$ 23,224,000	\$ 21,307,000	\$ 21,349,000	\$ 20,648,000	\$ 20,980,000	\$ 20,654,000	\$ 20,286,000	\$ 19,553,000	\$ 19,209,000	\$ 18,515,000
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

*See accompanying notes to required supplementary information.*

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the District	7,405,000	7,474,000	7,714,000	13,334,000	12,725,000	12,557,000	16,472,000
Total	<u>\$ 7,405,000</u>	<u>\$ 7,474,000</u>	<u>\$ 7,714,000</u>	<u>\$ 13,334,000</u>	<u>\$ 12,725,000</u>	<u>\$ 12,557,000</u>	<u>\$ 16,472,000</u>
District's covered payroll	\$ 21,823,000	\$ 21,886,000	\$ 21,054,000	\$ 21,054,000	\$ 20,980,000	\$ 20,654,000	\$ 20,286,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

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

*See accompanying notes to required supplementary information.*

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability</b>								
Service cost	\$ 91,279	\$ 87,074	\$ 80,818	\$ 97,152	\$ 94,104	\$ 94,804	\$ 108,167	\$ 105,426
Interest	300,799	299,937	289,465	342,209	334,998	321,315	315,156	293,998
Differences between expected and actual experience	335,874	(279,842)	86,185	(766,551)	(735,952)	(213,246)	(266,055)	(1,788)
Changes of assumptions	75,740	142,856	(194,633)	(124,088)	377,326	77,972	(3,351)	-
Benefit payments, including refunds	(321,261)	(163,156)	(52,493)	(57,416)	(52,322)	(116,010)	8,789	(203,200)
Other	-	-	-	171,562	-	-	-	-
Net change in total OPEB liability	482,431	86,869	209,342	(337,132)	18,154	164,835	162,706	194,436
Total OPEB liability - beginning	4,694,512	4,607,643	4,398,301	4,735,433	4,717,279	4,552,444	4,389,738	4,195,302
Total OPEB liability - ending	<u>5,176,943</u>	<u>4,694,512</u>	<u>4,607,643</u>	<u>4,398,301</u>	<u>4,735,433</u>	<u>4,717,279</u>	<u>4,552,444</u>	<u>4,389,738</u>
<b>Plan fiduciary net position</b>								
Contributions - employer	265,890	267,232	-	31,678	93,272	178,920	45,377	282,793
Contributions - retirees' subsidies	-	-	-	57,416	64,709	70,408	51,371	77,679
Net investment income	378,297	305,924	(367,623)	695,258	11,748	52,854	152,252	169,538
Benefit payments, including refunds	(321,261)	(163,156)	-	(57,416)	(52,322)	(116,010)	8,789	(203,200)
Administrative expense	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	322,926	410,000	(367,623)	726,936	117,407	186,172	257,789	326,810
Plan fiduciary net position - beginning	3,343,679	2,933,679	3,301,302	2,574,366	2,456,959	2,270,787	2,012,998	1,686,188
Plan fiduciary net position - ending	<u>3,666,605</u>	<u>3,343,679</u>	<u>2,933,679</u>	<u>3,301,302</u>	<u>2,574,366</u>	<u>2,456,959</u>	<u>2,270,787</u>	<u>2,012,998</u>
<b>District's net OPEB liability</b>	<u>\$ 1,510,338</u>	<u>\$ 1,350,833</u>	<u>\$ 1,673,964</u>	<u>\$ 1,096,999</u>	<u>\$ 2,161,067</u>	<u>\$ 2,260,320</u>	<u>\$ 2,281,657</u>	<u>\$ 2,376,740</u>
Plan fiduciary net position as a percentage of total OPEB liability	70.83%	71.23%	63.67%	75.06%	54.36%	52.08%	49.88%	45.86%
Covered employee payroll	\$ 29,908,333	\$ 28,902,146	\$ 28,332,286	\$ 27,487,263	\$ 26,530,584	\$ 25,670,057	\$ 25,121,818	\$ 24,809,512
District's net OPEB liability as a percentage of covered employee payroll	5.05%	4.67%	5.91%	3.99%	8.15%	8.81%	9.08%	9.58%

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

*See accompanying notes to required supplementary information.*

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 265,890	\$ 267,232	\$ 260,943	\$ 318,874	\$ 341,547	\$ 343,728	\$ 323,526	\$ 442,313
Contributions in relation to the actuarially determined contribution	265,890	267,232	-	-	93,272	178,920	45,377	282,793
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 260,943</u>	<u>\$ 318,874</u>	<u>\$ 248,275</u>	<u>\$ 164,808</u>	<u>\$ 278,149</u>	<u>\$ 159,520</u>
Covered employee payroll	\$ 29,908,333	\$ 28,902,146	\$ 28,332,286	\$ 27,487,263	\$ 26,530,584	\$ 25,670,057	\$ 25,121,818	\$ 24,809,512
Contributions as a percentage of covered employee payroll	0.89%	0.92%	0.00%	0.00%	0.35%	0.70%	0.18%	1.14%
Annual money-weighted rate of return, net of investment expense	13.81%	10.71%	-11.14%	27.01%	3.11%	5.43%	7.56%	10.05%

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

*See accompanying notes to required supplementary information.*

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

**Budgetary Information**

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

- The District legally adopts an annual budget for the General Fund pursuant to Connecticut General Statutes Section 10-51. Formal budgetary integration is employed by the District as a management control device during the year for the General Fund.
- Prior to January, each department head or other agency as designated by the Superintendent submits budget requests accompanied by detailed estimates of expenditures to be made and, where appropriate, revenues to be collected during the ensuing fiscal year.
- Annually, prior to the annual meeting of the Board, a public budget meeting is held for the purpose of presenting and voting upon a regional school budget.
- After the budget is approved, the Board estimates the share of the net expenditures to be paid by each member District in accordance with Connecticut General Statutes Section 10-51, and notifies the respective member District's treasurer thereof.
- The level of control for a legally adopted budget (the level at which expenditures may not legally exceed appropriations without Board approval) is at the program level. Transfers from one budget line to another may be made by the Director of Finance and Administration with the approval of the Superintendent, Finance Committee and Board of Education.
- The Board does not have the authority to expend beyond the total budget appropriation without Board of Education and member District approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Project Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.
- No additional appropriations were authorized during the year ended June 30, 2024.

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

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

***Budgetary Information (Continued)***

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2024:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Change in Fund Balance</u>
Budgetary basis	\$ 53,192,018	\$ 52,530,081	\$ (2,098,637)	\$ (1,436,700)
"On-behalf" payments - State Teachers' Retirement Fund	7,433,944	7,433,944	-	-
Transfers in from other funds recorded as a reduction of expenditures for budgetary purposes	-	(35,000)	(35,000)	-
Changes in encumbrances	-	(166,472)	(59,412)	107,060
Noncash financing sources not recognized for budgetary purposes:				
Financed purchases	-	426,376	426,376	-
Reserve for Educational Expenditures Fund	-	-	1,091,054	1,091,054
GAAP basis	<u>\$ 60,625,962</u>	<u>\$ 60,188,929</u>	<u>\$ (675,619)</u>	<u>\$ (238,586)</u>

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

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2023. The July 1, 2023 valuation was utilized to calculate the total pension liability as of July 1, 2023, which was rolled forward to the most recent measurement date of June 30, 2024.

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

*Assumption Changes* - There have been no assumption changes that have had a significant effect on the measurement of the net pension liability as of June 30, 2024. The District lowered the discount rate utilized to measure its total pension liability from 8.0% as of the June 30, 2015 to 7.5% as of the June 30, 2016, and then again to 7.0% as of the June 30, 2017 measurement date. As of June 30, 2021 the District lowered the discount rate from 7.0% to 6.875%.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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

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

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2024.

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of salary, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed market
Inflation rate	2.40%
Investment rate of return	6.875%, net of pension plan investment expense, including inflation
Retirement age	Ranges from 55 to 70
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, for nonannuitants and annuitants, projected to the valuation date with Scale MP-2021

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

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2023. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the District for reporting as of June 30, 2024.

*Benefit Changes* - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability as of June 30, 2024.

*Assumption Changes* - There were no assumption changes that had a significant effect on the measurement of the collective net pension liability as of June 30, 2024.

**NOTE 5 - SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM**

The District began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years. Information prior to fiscal year 2018 is not available.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2022. The liabilities were estimated based on a measurement date of June 30, 2023. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. This information is utilized by the District for reporting as of June 30, 2024.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED) *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2024

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**NOTE 6 - SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM *(Continued)***

*Benefit Changes* - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2024.

*Assumption Changes* - There were no assumption changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2024.

**NOTE 7 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

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

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2023. The July 1, 2023 actuarial valuation was utilized to calculate the total OPEB liability as of July 1, 2023, which was rolled forward to the most recent measurement date of June 30, 2024.

*Benefit Changes* - There have been no benefit term changes that have had a significant effect on the measurement of the net OPEB liability as of June 30, 2024.

*Assumption Changes* - There have been no assumption changes that have had a significant effect on the measurement of the net OPEB liability as of June 30, 2024.

**NOTE 8 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER POST-EMPLOYMENT BENEFITS PLAN**

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

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported. The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2024.

Valuation date	July 1, 2022
Actuarial cost method:	Entry Age Normal
Amortization method:	Level Percentage of Salary
Remaining amortization period	15 years, closed (13 years remaining as of July 1, 2022)
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.50%
Discount rate	6.50%
Salary increases	2.40%
Inflation rate	2.40%
Healthcare cost trend rate:	
Initial	6.50%
Ultimate	4.40%

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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**GENERAL FUND**

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**AMITY REGIONAL SCHOOL DISTRICT NO. 5**

COMBINING BALANCE SHEET -

GENERAL FUND

AS OF JUNE 30, 2024

	<b>General Fund</b>	<b>Reserve for Educational Expenditures Fund</b>	<b>Eliminations</b>	<b>Total General Fund</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,545,862	\$ -	\$ -	\$ 3,545,862
Other receivables	75,996	-	-	75,996
Due from other funds	-	1,091,054	(1,091,054)	-
Total assets	<u>\$ 3,621,858</u>	<u>\$ 1,091,054</u>	<u>\$ (1,091,054)</u>	<u>\$ 3,621,858</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 720,515	\$ -	\$ -	\$ 720,515
Accrued liabilities	168,798	-	-	168,798
Due to other funds	1,123,607	-	(1,091,054)	32,553
Total liabilities	<u>2,012,920</u>	<u>-</u>	<u>(1,091,054)</u>	<u>921,866</u>
<b>FUND BALANCES</b>				
Restricted	1,050,680	-	-	1,050,680
Committed	-	1,091,054	-	1,091,054
Assigned	558,258	-	-	558,258
Total fund balances	<u>1,608,938</u>	<u>1,091,054</u>	<u>-</u>	<u>2,699,992</u>
Total liabilities and fund balances	<u>\$ 3,621,858</u>	<u>\$ 1,091,054</u>	<u>\$ (1,091,054)</u>	<u>\$ 3,621,858</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -**  
**GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>General Fund</b>	<b>Reserve for Educational Expenditures Fund</b>	<b>Eliminations</b>	<b>Total General Fund</b>
<b>REVENUES</b>				
Assessments to member towns	\$ 51,968,045	\$ -	\$ -	\$ 51,968,045
Intergovernmental	8,272,981	-	-	8,272,981
Charges for services	183,701	-	-	183,701
Interest income	151,963	-	-	151,963
Other	49,272	-	-	49,272
Total revenues	<u>60,625,962</u>	<u>-</u>	<u>-</u>	<u>60,625,962</u>
<b>EXPENDITURES</b>				
Current:				
General instruction	32,130,607	-	-	32,130,607
Support services:				
Support services - student	3,073,072	-	-	3,073,072
Improvement of instruction	651,025	-	-	651,025
Media	530,103	-	-	530,103
General administration	5,020,868	-	-	5,020,868
Transportation	2,340,448	-	-	2,340,448
Employee benefits	5,902,094	-	-	5,902,094
Student activities	1,649,773	-	-	1,649,773
Buildings and grounds	3,392,906	-	-	3,392,906
Capital outlays	651,162	-	-	651,162
Debt service:				
Principal payments	4,293,999	-	-	4,293,999
Interest and fiscal charges	552,872	-	-	552,872
Total expenditures	<u>60,188,929</u>	<u>-</u>	<u>-</u>	<u>60,188,929</u>
Excess (deficiency) of revenues over expenditures	437,033	-	-	437,033
<b>OTHER FINANCING SOURCES (USES)</b>				
Financed purchases	231,695	-	-	231,695
Leases (as lessee)	194,681	-	-	194,681
Transfers in	-	1,091,054	(1,091,054)	-
Transfers out	(2,193,049)	-	1,091,054	(1,101,995)
Total other financing sources (uses)	<u>(1,766,673)</u>	<u>1,091,054</u>	<u>-</u>	<u>(675,619)</u>
Net changes in fund balances	(1,329,640)	1,091,054	-	(238,586)
Fund balances - beginning	<u>2,938,578</u>	<u>-</u>	<u>-</u>	<u>2,938,578</u>
Fund balances - ending	<u>\$ 1,608,938</u>	<u>\$ 1,091,054</u>	<u>\$ -</u>	<u>\$ 2,699,992</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
<b>ASSESSMENTS TO MEMBER TOWNS:</b>				
Bethany	\$ 9,317,351	\$ 9,075,014	\$ 9,075,014	\$ -
Orange	26,103,744	25,388,491	25,388,491	-
Woodbridge	17,967,346	17,504,540	17,504,540	-
Total assessment to member towns	<u>53,388,441</u>	<u>51,968,045</u>	<u>51,968,045</u>	<u>-</u>
<b>INTERGOVERNMENTAL:</b>				
Adult education	4,000	4,000	4,521	521
Transportation income	23,400	23,400	22,100	(1,300)
Special education	965,905	965,905	812,270	(153,635)
Health services	-	-	146	146
Total intergovernmental	<u>993,305</u>	<u>993,305</u>	<u>839,037</u>	<u>(154,268)</u>
<b>CHARGES FOR SERVICES:</b>				
Parking income	32,400	32,400	32,019	(381)
Athletics	24,000	24,000	27,229	3,229
Tuition revenue	58,613	58,613	124,453	65,840
Total charges for services	<u>115,013</u>	<u>115,013</u>	<u>183,701</u>	<u>68,688</u>
<b>INTEREST INCOME</b>	<u>20,000</u>	<u>20,000</u>	<u>151,963</u>	<u>131,963</u>
<b>OTHER REVENUES:</b>				
Rental income	18,000	18,000	33,887	15,887
Miscellaneous	18,000	18,000	15,385	(2,615)
Total other revenues	<u>36,000</u>	<u>36,000</u>	<u>49,272</u>	<u>13,272</u>
<b>Total revenues</b>	<u>54,552,759</u>	<u>53,132,363</u>	<u>53,192,018</u>	<u>59,655</u>
<b>OTHER FINANCING SOURCES:</b>				
Use of prior year surplus:				
Reduction of assessments to member towns	-	1,420,396	-	(1,420,396)
Transfer to Reserve for Capital and Nonrecurring Fund	-	1,066,995	-	(1,066,995)
Use of current year surplus:				
Transfer to Reserve for Educational Expenditures Fund	-	1,091,054	-	(1,091,054)
Cancellation of prior year encumbrances	-	-	59,412	59,412
Total other financing sources	<u>-</u>	<u>3,578,445</u>	<u>59,412</u>	<u>(3,519,033)</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>	<u>\$ 54,552,759</u>	<u>\$ 56,710,808</u>	<u>\$ 53,251,430</u>	<u>\$ (3,459,378)</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>SALARIES:</b>				
Certified	\$ 24,354,524	\$ 24,507,800	\$ 23,917,069	\$ (590,731)
Classified	5,387,593	5,252,898	5,191,604	(61,294)
Total salaries	<u>29,742,117</u>	<u>29,760,698</u>	<u>29,108,673</u>	<u>(652,025)</u>
<b>EMPLOYEE BENEFITS:</b>				
Medicare	432,831	432,831	407,317	(25,514)
FICA	341,251	341,251	337,860	(3,391)
Workers' compensation	178,436	178,436	158,561	(19,875)
Medical and dental insurance	4,364,277	4,364,277	3,611,804	(752,473)
OPEB trust	265,890	265,890	265,890	-
Life insurance	63,986	63,986	48,405	(15,581)
Disability insurance	12,062	12,106	12,106	-
Pension plan - classified	726,430	726,430	726,430	-
Defined contribution retirement plan	144,838	189,595	189,595	-
Unemployment compensation	8,000	36,600	36,600	-
Clothing allowance	2,200	2,200	1,891	(309)
Total employee benefits	<u>6,540,201</u>	<u>6,613,602</u>	<u>5,796,459</u>	<u>(817,143)</u>
<b>INSTRUCTION:</b>				
Instructional program improvement	60,750	63,340	61,690	(1,650)
Instructional supplies	405,738	401,292	371,601	(29,691)
Text and digital resources	131,085	127,000	117,944	(9,056)
Library books & periodicals	20,550	19,933	17,715	(2,218)
Technology supplies	435,735	435,425	434,918	(507)
Total instruction	<u>1,053,858</u>	<u>1,046,990</u>	<u>1,003,868</u>	<u>(43,122)</u>
<b>PUPIL TRANSPORT:</b>				
Pupil transportation	3,931,690	3,928,574	3,833,124	(95,450)
Transportation supplies	188,515	197,523	197,523	-
Total pupil transport	<u>4,120,205</u>	<u>4,126,097</u>	<u>4,030,647</u>	<u>(95,450)</u>
<b>TUITION</b>	<u>2,963,731</u>	<u>2,741,860</u>	<u>2,712,997</u>	<u>(28,863)</u>
<b>PURCHASED SERVICES:</b>				
Data processing	148,943	148,943	132,568	(16,375)
Other professional & technical services	2,129,048	2,254,561	2,129,838	(124,723)
Communications	114,805	116,156	103,473	(12,683)
Other purchased services	87,530	80,296	67,781	(12,515)
Total purchased services	<u>2,480,326</u>	<u>2,599,956</u>	<u>2,433,660</u>	<u>(166,296)</u>
<b>RENTAL AND OTHER SERVICES:</b>				
Rentals - land, building, equipment	117,846	117,799	109,701	(8,098)
Other supplies	246,699	252,312	230,136	(22,176)
Total rental and other services	<u>364,545</u>	<u>370,111</u>	<u>339,837</u>	<u>(30,274)</u>

*(Continued)*

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b>BUILDINGS AND GROUNDS:</b>				
Repairs, maintenance and cleaning	\$ 773,846	\$ 809,877	\$ 792,147	\$ (17,730)
Maintenance and custodial supplies	240,320	197,671	172,499	(25,172)
Total buildings and grounds	<u>1,014,166</u>	<u>1,007,548</u>	<u>964,646</u>	<u>(42,902)</u>
<b>UTILITIES:</b>				
Utilities, excluding heat	710,802	711,327	679,400	(31,927)
Oil and natural gas used for heating	64,900	64,956	63,373	(1,583)
Natural gas	115,245	115,245	84,228	(31,017)
Total utilities	<u>890,947</u>	<u>891,528</u>	<u>827,001</u>	<u>(64,527)</u>
<b>PROPERTY AND LIABILITY INSURANCE</b>	<u>308,963</u>	<u>308,963</u>	<u>282,623</u>	<u>(26,340)</u>
<b>TRAVEL AND MEMBERSHIPS:</b>				
Staff travel	24,650	29,399	24,997	(4,402)
Travel - conferences	66,380	75,132	53,964	(21,168)
Dues and fees	108,698	107,009	90,504	(16,505)
Total travel and memberships	<u>199,728</u>	<u>211,540</u>	<u>169,465</u>	<u>(42,075)</u>
<b>CONTINGENCY</b>	<u>150,000</u>	<u>12,838</u>	<u>-</u>	<u>(12,838)</u>
<b>CAPITAL OUTLAYS:</b>				
Equipment - new	1,000	36,354	36,099	(255)
Equipment - replacement	5,000	60,704	60,137	(567)
Improvements to sites	94,000	97,610	97,610	-
Improvements to buildings	129,500	175,146	175,146	-
Equipment - technology - new	2,030	317	317	-
Equipment - technology - replacement	74,500	72,955	72,954	(1)
Total capital outlays	<u>306,030</u>	<u>443,086</u>	<u>442,263</u>	<u>(823)</u>
<b>DEBT SERVICE:</b>				
Principal	3,893,956	3,893,956	3,893,956	-
Interest	523,986	523,986	523,986	-
Total debt service	<u>4,417,942</u>	<u>4,417,942</u>	<u>4,417,942</u>	<u>-</u>
<b>TOTAL EXPENDITURES</b>	<u>54,552,759</u>	<u>54,552,759</u>	<u>52,530,081</u>	<u>(2,022,678)</u>
<b>OTHER FINANCING USES:</b>				
Transfers out:				
Reserve for Capital and Nonrecurring Fund	-	1,066,995	1,066,995	-
Reserve for Educational Expenditures Fund	-	1,091,054	1,091,054	-
Total other financing uses	<u>-</u>	<u>2,158,049</u>	<u>2,158,049</u>	<u>-</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 54,552,759</u>	<u>\$ 56,710,808</u>	<u>\$ 54,688,130</u>	<u>\$ (2,022,678)</u>

*(Concluded)*

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**SCHEDULE OF DEBT LIMITATION -**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2024**

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	Orange	Woodbridge	Bethany	Total
Total cash collections for the year ended June 30, 2024:	<u>\$ 25,388,491</u>	<u>\$ 17,504,540</u>	<u>\$ 9,075,014</u>	<u>\$ 51,968,045</u>
				District
Debt limitation: 2-1/4 times base				<u>\$ 116,928,101</u>
Indebtedness:				
Bonds payable				<u>10,555,000</u>
Net indebtedness				<u>10,555,000</u>
Debt limitation in excess of outstanding and authorized debt				<u>\$ 106,373,101</u>
Total capacity of borrowing (2-1/4 times base)				\$ 116,928,101
Total present indebtedness				<u>10,555,000</u>
Margin for additional borrowing				<u>\$ 106,373,101</u>

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**NONMAJOR GOVERNMENTAL FUNDS**

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**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**COMBINING BALANCE SHEET -**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**AS OF JUNE 30, 2024**

	<b>Nonmajor Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>School Operating Fund</b>	<b>Cafeteria Fund</b>	<b>School Activity Fund</b>	<b>Scholarship Fund</b>	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 225,492	\$ 312,961	\$ 481,116	\$ 283,422	\$ 1,302,991
Grants and contracts receivables	-	33,986	-	-	33,986
Due from other funds	-	28,778	-	-	28,778
Inventories	-	38,212	-	-	38,212
Total assets	<u>\$ 225,492</u>	<u>\$ 413,937</u>	<u>\$ 481,116</u>	<u>\$ 283,422</u>	<u>\$ 1,403,967</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 811	\$ 26,176	\$ -	\$ -	\$ 26,987
Due to other funds	-	-	-	-	-
Unearned revenue	-	39,391	-	-	39,391
Total liabilities	<u>811</u>	<u>65,567</u>	<u>-</u>	<u>-</u>	<u>66,378</u>
<b>FUND BALANCES</b>					
Nonspendable	-	38,212	-	-	38,212
Restricted	-	310,158	481,116	283,422	1,074,696
Committed	224,681	-	-	-	224,681
Total fund balances	<u>224,681</u>	<u>348,370</u>	<u>481,116</u>	<u>283,422</u>	<u>1,337,589</u>
Total liabilities and fund balances	<u>\$ 225,492</u>	<u>\$ 413,937</u>	<u>\$ 481,116</u>	<u>\$ 283,422</u>	<u>\$ 1,403,967</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2024

	<b>Nonmajor Special Revenue Funds</b>				<b>Total Nonmajor Governmental Funds</b>
	<b>School Operating Fund</b>	<b>Cafeteria Fund</b>	<b>School Activity Fund</b>	<b>Scholarship Fund</b>	
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 396,892	\$ -	\$ -	\$ 396,892
Charges for services	70,964	704,647	644,402	-	1,420,013
Interest Income	-	-	-	8,979	8,979
Other	-	-	-	64,278	64,278
Total revenues	<u>70,964</u>	<u>1,101,539</u>	<u>644,402</u>	<u>73,257</u>	<u>1,890,162</u>
<b>EXPENDITURES</b>					
Current:					
General instruction	3,122	-	-	-	3,122
Support services:					
Support services - student	110,305	1,065,020	-	-	1,175,325
Improvement of instruction	-	-	-	-	-
Employee benefits	-	-	-	-	-
Student activities	35	-	649,047	65,905	714,987
Buildings and grounds	1,262	-	-	-	1,262
Capital outlays	-	13,700	-	-	13,700
Total expenditures	<u>114,724</u>	<u>1,078,720</u>	<u>649,047</u>	<u>65,905</u>	<u>1,908,396</u>
Excess (deficiency) of revenues over expenditures and net change in fund balance	(43,760)	22,819	(4,645)	7,352	(18,234)
Fund balances - beginning	<u>268,441</u>	<u>325,551</u>	<u>485,761</u>	<u>276,070</u>	<u>1,355,823</u>
Fund balances - ending	<u>\$ 224,681</u>	<u>\$ 348,370</u>	<u>\$ 481,116</u>	<u>\$ 283,422</u>	<u>\$ 1,337,589</u>

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**FIDUCIARY FUNDS**

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**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2024**

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	<b>Pension Trust Fund</b>	<b>Other Post-Employment Benefit Trust Fund</b>	<b>Sick and Severance Trust Fund</b>	<b>Total Fiduciary Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 271,710	\$ 410,527	\$ 2,091	\$ 684,328
Investments - mutual funds	<u>17,409,758</u>	<u>3,310,668</u>	<u>443,332</u>	<u>21,163,758</u>
Total assets	<u>17,681,468</u>	<u>3,721,195</u>	<u>445,423</u>	<u>21,848,086</u>
<b>LIABILITIES</b>				
Accounts payable	<u>-</u>	<u>54,590</u>	<u>7,512</u>	<u>62,102</u>
<b>NET POSITION</b>				
Restricted for benefits	<u>17,681,468</u>	<u>3,666,605</u>	<u>437,911</u>	<u>21,785,984</u>
Total net position	<u>\$ 17,681,468</u>	<u>\$ 3,666,605</u>	<u>\$ 437,911</u>	<u>\$ 21,785,984</u>

**AMITY REGIONAL SCHOOL DISTRICT NO. 5**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2024**

	<b>Pension Trust Fund</b>	<b>Other Post-Employment Benefit Trust Fund</b>	<b>Sick and Severance Trust Fund</b>	<b>Total Fiduciary Funds</b>
<b>ADDITIONS</b>				
Contributions:				
Employer	\$ 726,430	\$ 265,890	\$ -	\$ 992,320
Employee	78,643	-	-	78,643
Total contributions	<u>805,073</u>	<u>265,890</u>	<u>-</u>	<u>1,070,963</u>
Investment earnings:				
Interest and dividends	445,879	93,721	13,041	552,641
Net change in the fair value of investments	<u>1,658,117</u>	<u>287,507</u>	<u>43,681</u>	<u>1,989,305</u>
	2,103,996	381,228	56,722	2,541,946
Less investment fees	<u>(12,063)</u>	<u>(2,931)</u>	<u>(2,082)</u>	<u>(17,076)</u>
Total investment earnings	<u>2,091,933</u>	<u>378,297</u>	<u>54,640</u>	<u>2,524,870</u>
Total additions	<u>2,897,006</u>	<u>644,187</u>	<u>54,640</u>	<u>3,595,833</u>
<b>DEDUCTIONS</b>				
Benefit payments	<u>1,420,944</u>	<u>321,261</u>	<u>86,068</u>	<u>1,828,273</u>
Total deductions	<u>1,420,944</u>	<u>321,261</u>	<u>86,068</u>	<u>1,828,273</u>
Change in net position	1,476,062	322,926	(31,428)	1,767,560
Net position - beginning	<u>16,205,406</u>	<u>3,343,679</u>	<u>469,339</u>	<u>20,018,424</u>
Net position - ending	<u>\$ 17,681,468</u>	<u>\$ 3,666,605</u>	<u>\$ 437,911</u>	<u>\$ 21,785,984</u>