REGIONAL SCHOOL DISTRICT NO. 14

Annual Financial Statements

For the Year Ended June 30, 2024

REGIONAL SCHOOL DISTRICT NO. 14

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Financial Section

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INDEPENDENT AUDITOR'S REPORT

To the Board of Education
Regional School District No. 14
Woodbury, 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 the Regional School District No. 14 (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 the District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, and the pension and OPEB schedules on pages 4-10, and 49-57 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 nonmajor fund financial statements, and other supplemental 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 nonmajor fund financial statements, and other supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 27,2024 on our consideration of the Regional School District No. 14's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 Regional School District No. 14's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
December 27, 2024

As management of the Regional School District No. 14, we offer readers of the Regional School District No. 14's financial statements this narrative overview and analysis of the financial activities of the Regional School District No. 14 for the fiscal year ended June 30, 2024.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Regional School District No. 14 exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $33,456,561 (*net position*). Governmental activities reflect a negative unrestricted net position in the amount of ($5,824,281) indicating that currently none of the net position may be used to meet ongoing obligations to citizens and creditors.

- The District's total net position increased by $2,800,895.

- As of the close of the current fiscal year, the Regional School District No. 14's governmental funds reported combined ending fund balances of $6,589,436, a decrease of $1,475,008 in comparison with the prior year.

- Of the General Fund's $2,924,083 fund balance, $140,418 is restricted to member Districts, $2,659,143 is committed for OPEB benefits and $55,000 committed for educational expenditures, and $69,522 is assigned for encumbrances.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Regional School District No. 14's basic financial statements. The Regional School District No. 14'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 Regional School District No. 14's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Regional School District No. 14's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Regional School District No. 14 is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is 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 periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Regional School District No. 14 that are principally supported by 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 District has no business-type activities. The governmental activities of the Regional School District No. 14 include education, food service, maintenance and general administration. Local revenue funding and federal and state grants finance most of these activities.

The government-wide financial statements can be found on pages 11-12 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 Regional School District No. 14, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Regional School District No. 14 can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term 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 a government'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 government'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.

The Regional School District No. 14, maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Reserve for Specific Capital Improvements, and State, Federal, and Other Grants. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Regional School District No. 14, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13-16 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Regional School District No. 14's own programs.

The basic fiduciary fund financial statements can be found on pages 17-18 of this report.

Notes to the financial statements. The notes 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 19-45 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Regional School District No. 14, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $33,456,561 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	2024	2023	Variance
Current and Other Assets	$ 8,206,480	$ 9,084,309	$ (877,829)
Capital Assets	79,098,213	77,449,960	1,648,253
Total Assets	87,304,693	86,534,269	770,424
Deferred Outflows of Resources	2,089,025	2,706,552	(617,527)
Other Liabilities	1,965,640	1,827,244	138,396
Long-Term Liabilities	47,245,818	49,568,821	(2,323,003)
Total Liabilities	49,211,458	51,396,065	(2,184,607)
Deferred Inflows of Resources	6,725,699	7,189,090	(463,391)
Net Position:			
Net Investment in Capital Assets	38,864,605	36,276,345	2,588,260
Restricted	416,237	489,232	(72,995)
Unrestricted	(5,824,281)	(6,109,911)	285,630
Total Net Position	$ 33,456,561	$ 30,655,666	$ 2,800,895

The largest portion of the District's net position reflects its investment in capital assets (land, buildings, and furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The District uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets increased by $2,588,260 due to current year capital purchases being greater than depreciation, less net change in the related debt, along with the amortization of the bond premiums.

The District's restricted net position of $416,237 decreased by $72,995 compared to last years restricted net position of $489,232.

The District's unrestricted net position of ($5,824,281) increased by $285,630 compared to last years unrestricted net position of ($6,109,911).

STATEMENT OF CHANGES IN NET POSITION

	2024	2023	Variance
REVENUES			
Program:			
Charges for Services	$ 2,840,351	$ 2,306,061	$ 534,290
Operating Grants and Contributions	9,146,934	10,946,317	(1,799,383)
Capital Grants and Contributions	1,226,285	552,792	673,493
General:			
Participating Towns	36,108,306	34,669,546	1,438,760
Unrestricted Investment Earnings	63,810	24,860	38,950
Other	132,613	75,900	56,713
Total Revenues	49,518,299	48,575,476	942,823
EXPENSES			
Governmental Activities:			
Instructional Services	17,832,684	16,995,309	837,375
Supporting Services:			
Instructional Staff	4,625,592	4,566,502	59,090
Administrative	5,473,575	4,913,755	559,820
Operation and Maintenance of Facilities	3,552,756	3,584,595	(31,839)
Transportation	2,119,404	2,121,107	(1,703)
School Lunch Services	989,691	1,152,465	(162,774)
Employee Benefits - Unallocated	10,774,300	12,129,351	(1,355,051)
Interest on long-term debt	1,349,402	1,499,272	(149,870)
Total Expenses	46,717,404	46,962,356	(244,952)
Change in Net Position	2,800,895	1,613,120	$ 1,187,775
Beginning Net Position	30,655,666	29,042,546	
Ending Net Position	$ 33,456,561	$ 30,655,666	

Governmental activities. Governmental activities increased the Regional School District No. 14's net position by $2,800,895.

- There was a decrease in the employee benefits expenses and operating grants and contributions due to a decreased actuarially determined on-behalf amount for the State Teachers Retirement System and related actuarially determined pension and OPEB expense.
- There was a budgeted increase in the member Districts annual assessments.

Seventy-three percent (73%) of the revenues of the District were derived from District assessments, followed by twenty-one percent (21%) from grants and contributions, six percent (6%) from charges for services and other, and less than one percent (1%) of the District's revenue in the fiscal year was derived from investment income.

Thirty-eight percent (38%) of the expenses of the District were related to instructional services, followed by thirty-four percent (34%) related to supporting services, two percent (2%) related to school lunch services and twenty-six percent (26%) related to employee benefits and interest expense.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Regional School District No. 14 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Regional School District No. 14's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Regional School District No. 14's financing requirements. In particular, *unassigned and assigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Regional School District No. 14's governmental funds reported combined ending fund balances of $6,589,436, a decrease of $1,475,008, in comparison with the prior year.

General Fund. The General Fund is the chief operating fund of the Regional School District No. 14. At the end of the current fiscal year the total fund balance of the General Fund was $2,924,083. Of this amount, $140,418 is restricted for the member Districts, $2,659,143 is committed for OPEB benefits, $55,000 is committed for Educational expenditures, and $69,522 is assigned for encumbrances.

Reserve for Capital Improvements. The state legislature established the ability to transfer to a capital reserve fund up to 2% of the annual approved budget. The Board of Education did not vote to transfer to this fund for future capital or nonrecurring expenditures during FY 2024. The Board of Education voted to send $55,000 to the new Reserve for educational expenditures fund allowed under state statutes.

State, Federal, and Other Grants. At the end of the current fiscal year the total fund balance of the State, Federal, and Other Grants fund was $0. The *State, Federal, and Other Grants Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures relating to the Districts education grant programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Budgetary revenues were $6,080 less than anticipated due primarily to not receiving the 21-22 Agri-Science/Tech grant offset by tuition income and use of prior years surplus.

Total budgetary expenditures were $6,080 less than anticipated due mainly to purchased services and employee benefits coming in less than budgeted. This was due to costs for special education tuition, transportation, and purchased services being less than anticipated.

Other financing uses included the approved transfer of the budget to the Food Service Fund of $10,167, a transfer to the Reserve for Education Expenditures fund of $55,000, and a transfer to the OPEB Reserve Fund of $34,410.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Regional School District No. 14's reported value in capital assets for its governmental activities as of June 30, 2024, amounts to $79,098,213 (net of accumulated depreciation). This reported value in capital assets includes land, building in progress, buildings and improvements, and furniture and equipment. The total increase in the District's investment in capital assets for the current fiscal year was $1,648,253, which consisted of capital additions of $2,216,902, offset by current year depreciation of $561,151 and loss on disposal of $7,498.

	2024	2023
Land	$ 494,814	$ 494,814
Building in Progress	66,741,184	65,308,422
Buildings and Improvements	11,319,677	11,103,927
Furniture and Equipment	457,703	422,858
Right of Use Equipment	84,835	119,939
	$ 79,098,213	$ 77,449,960

Major capital asset events during the current fiscal year included the following:

- Current year progress on the Nonnewaug High School renovation project and Horse Barn project.

Additional information on the Regional School District No. 14's capital assets can be found in Note 5 on page 30 of this report.

Long-term debt. At the end of the current fiscal year, the Regional School District No. 14 had long-term debt and other long-term liabilities outstanding of $47,245,818.

	2024	2023
G.O. Bonds	$ 38,855,000	$ 40,285,000
Unamortized Premiums	2,512,008	2,625,003
Equipment Financing Notes	151,800	351,105
Leases Payable	89,422	123,677
Compensated Absences	781,598	994,501
Net Pension Liability	-	418,642
OPEB Liability	4,855,990	4,770,893
Total	$ 47,245,818	$ 49,568,821

The Regional School District No. 14's total long-term debt and other long term liabilities decreased by $2,323,003 (4.7 percent) during the current fiscal year primarily due to the annual paydown of general obligation bonds of $1,430,000, the current year paydown of the equipment financing notes in the amount of $335,205 and addition of $135,900, a decrease in compensated absences of $212,903, an increase in the OPEB liability in the amount of $85,097, and the decrease in the net pension liability of $418,642. Additional information on the Regional School District No. 14's long-term debt can be found in Note 6 on pages 31-33 of this report.

The District currently maintains a bond rating of Aa2 by Moody's.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Districts of Woodbury and Bethlehem continue to be concerned with the effect the current economic climate may have on their ability to generate revenue while holding taxes steady. The First Selectman from each District has raised concerns about increases in District budgets and the likely decreases in state funding and possible exposure to fund a significant portion of the annual contribution to the CT Teachers Retirement System currently funded by the CT State Government.

- The District receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the District will receive.

- Increased threat of losing state funding will continue to be a variable in our local budget.

All of these factors were considered in preparing the Regional School District No. 14's budget for the 2025 fiscal year.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Regional School District No. 14's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Business Office, Regional School District No. 14, 5 Minortown Road, Woodbury, CT 06798.

Basic Financial Statements

REGIONAL SCHOOL DISTRICT NO. 14

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Cash and Cash Equivalents	$ 5,696,505
Receivables, Net	2,295,181
Inventory	5,724
Net Pension Asset	209,070
Capital Assets:	
Assets Not Being Depreciated	67,235,998
Assets Being Depreciated, Net	11,862,215
Total Assets	87,304,693
Deferred Outflows of Resources	
Deferred Outflows - Pension	154,831
Deferred Outflows - OPEB	1,934,194
Total Deferred Outflows of Resources	2,089,025
Liabilities	
Accounts Payable and Accrued Items	1,206,233
Accrued Interest Payable	557,666
Unearned Revenues	201,741
Noncurrent Liabilities:	
Due Within One Year	2,067,303
Due In More Than One Year	45,178,515
Total Liabilities	49,211,458
Deferred Inflows of Resources	
Deferred Inflows - Pension	505,501
Deferred Inflows - OPEB	6,220,198
Total Deferred Inflows of Resources	6,725,699
Net Position	
Net Investment in Capital Assets	38,864,605
Restricted:	
Member Towns	140,418
Student Activities	275,819
Unrestricted	(5,824,281)
Total Net Position	$ 33,456,561

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:					
Instructional Services	$ 17,832,684	$ 2,304,611	$ 3,545,922	$ 1,226,285	$ (10,755,866)
Supporting Services:					
Instructional Staff	4,625,592	-	-	-	(4,625,592)
Administrative	5,473,575	-	-	-	(5,473,575)
Operation and Maintenance of Facilities	3,552,756	-	-	-	(3,552,756)
Transportation	2,119,404	-	-	-	(2,119,404)
School Lunch Services	989,691	535,740	498,744	-	44,793
Employee Benefits - Unallocated	10,774,300	-	5,102,268	-	(5,672,032)
Interest on Long-Term Debt	1,349,402	-	-	-	(1,349,402)
Total Governmental Activities	$ 46,717,404	$ 2,840,351	$ 9,146,934	$ 1,226,285	(33,503,834)
General Revenues:					
Participating Towns					36,108,306
Unrestricted Investment Earnings					63,810
Other					132,613
Total General Revenues					36,304,729
Change in Net Position					2,800,895
Net Position - Beginning of Year					30,655,666
Net Position - End of Year					$ 33,456,561

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14

Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Reserve for Capital Improvements	State, Federal and Other Grants	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	$ 5,074,006	$ -	$ 58,493	$ 564,006	$ 5,696,505
Receivables, Net of Allowance	27,580	-	2,194,904	72,697	2,295,181
Inventory	-	-	-	5,724	5,724
Due from Other Funds	2,123,829	2,027,844	-	1,467,709	5,619,382
Total Assets	$ 7,225,415	$ 2,027,844	$ 2,253,397	$ 2,110,136	$ 13,616,792
Liabilities					
Accounts Payable and Accrued Items	$ 769,377	$ 239,830	$ 142,436	$ 54,590	$ 1,206,233
Unearned Revenues	36,402	-	29,427	135,912	201,741
Due to Other Funds	3,495,553	-	2,081,534	42,295	5,619,382
Total Liabilities	4,301,332	239,830	2,253,397	232,797	7,027,356
Fund Balances					
Restricted	140,418	-	-	275,819	416,237
Committed	2,714,143	1,788,014	-	1,601,520	6,103,677
Assigned	69,522	-	-	-	69,522
Unassigned	-	-	-	-	-
Total Fund Balances	2,924,083	1,788,014	-	1,877,339	6,589,436
Total Liabilities and Fund Balances	$ 7,225,415	$ 2,027,844	$ 2,253,397	$ 2,110,136	$ 13,616,792

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2024

Fund balances reported in governmental funds Balance Sheet	$ 6,589,436
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital Assets	97,672,161
Depreciation	(18,573,948)
The net pension asset is not recognized in the governmental funds. The net pension asset results from the difference between the pension plan's fiduciary net position and the portion of the present value of the projected benefit payments to be provided through the pension plan.	209,070
Governmental funds report the effect of premiums, deferred charges and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Net Position.	(2,512,008)
Certain changes related to pensions and OPEB are deferred and amortized over time	
Deferred Outflows - Pension	154,831
Deferred Inflows - Pension	(505,501)
Deferred Outflows - OPEB	1,934,194
Deferred Inflows - OPEB	(6,220,198)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
Accrued Interest Payable	(557,666)
Bonds Payable	(38,855,000)
Equipment Financing Notes	(151,800)
Leases Payable	(89,422)
Compensated Absences	(781,598)
Total OPEB Liability	(4,855,990)
Net position of governmental activities	$ 33,456,561

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	High School Renovation Fund	Reserve for Capital Improvements	State, Federal and Other Grants	Nonmajor Governmental Funds	Total Governmental Funds
Revenues						
Participating Towns	$ 36,108,306	$ -	$ -	$ -	$ -	$ 36,108,306
Intergovernmental Revenues	7,778,768	-	-	2,215,921	498,744	10,493,433
Tuition and Charges for Services	2,304,611	-	-	-	978,181	3,282,792
Investment Income	13,182	-	50,521	-	107	63,810
Other Revenue	4,502	-	-	-	128,111	132,613
Total Revenues	46,209,369	-	50,521	2,215,921	1,605,143	50,080,954
Expenditures						
Current:						
Salaries - Certified	17,725,895	-	-	641,512	-	18,367,407
Salaries - Classified	5,094,592	-	-	75,171	361,467	5,531,230
Employee Benefits	11,725,094	-	-	340	43,318	11,768,752
Purchased Services	6,963,796	-	-	104,108	41,475	7,109,379
Supplies and Materials	1,331,270	-	-	59,231	132,699	1,523,200
Liability and Property Insurance	231,485	-	-	-	-	231,485
Dues and Fees	81,715	-	-	-	-	81,715
Cost of Food Purchased	-	-	-	-	494,757	494,757
Student Activities	-	-	-	-	515,436	515,436
Debt Service	2,937,808	-	-	-	573,762	3,511,570
Capital Outlay	114,714	-	820,211	1,335,559	286,447	2,556,931
Total Expenditures	46,206,369	-	820,211	2,215,921	2,449,361	51,691,862
Excess/(Deficiency) of Revenues over Expenditures	3,000	-	(769,690)	-	(844,218)	(1,610,908)
Other Financing Sources/(Uses)						
Issuance of Equipment Financing	-	-	-	-	135,900	135,900
Transfers In	-	-	-	-	10,167	10,167
Transfers Out	(10,167)	-	-	-	-	(10,167)
Total Other Financing Sources/(Uses)	(10,167)	-	-	-	146,067	135,900
Net Change in Fund Balances	(7,167)	-	(769,690)	-	(698,151)	(1,475,008)
Fund Balances at Beginning of Year	2,931,250	1,853,895	2,557,704	-	721,595	8,064,444
Change in Fund Presentation from Major to Nonmajor	-	(1,853,895)	-	-	1,853,895	-
Fund Balances at Beginning of Year - As Adjusted	2,931,250	-	2,557,704	-	2,575,490	8,064,444
Fund Balances at End of Year	$ 2,924,083	$ -	$ 1,788,014	$ -	$ 1,877,339	$ 6,589,436

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14

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 - Total Governmental Funds	$	(1,475,008)
Amounts reported for governmental activities in the Statement of Activities are 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 as depreciation expense.		
Capital outlay		2,216,902
Depreciation expense		(561,151)
Loss on disposal		(7,498)
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.		(154,136)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-tem liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal payments on long-term debt - general obligation bonds		1,430,000
Principal payments on long-term debt - equipment financing notes		335,205
Principal payments on long-term debt - leases payable		34,255
Proceeds from long-term debt - equipment financing notes		(135,900)
Amortization of premiums		112,995
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrued Interest		249,713
Compensated Absences		212,903
Total OPEB Liability		(85,097)
Net Pension Asset/Liability		627,712
Change in net position of governmental activities	$	2,800,895

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Pension Trust Fund	Private Purpose Trust Funds
Assets		
Cash and Cash Equivalents	$ -	$ 502,885
Investments, at Fair Value:		
Money Market Funds	147,435	-
Equity Mutual Funds	4,924,196	-
Fixed Income Mutual Funds	502,021	-
Corporate Bonds	199,536	-
U.S. Treasuries	1,735,022	-
Receivables	378,800	-
Total Assets	$ 7,887,010	$ 502,885
Deferred Outflows of Resources	-	-
Liabilities		
Payables	-	-
Deferred Inflows of Resources	-	-
Net Position		
Restricted for Pension Benefits	7,887,010	-
Restricted for Scholarships	-	502,885
Total Net Position	$ 7,887,010	$ 502,885

The notes to the financial statements are an integral part of this statement.

REGIONAL SCHOOL DISTRICT NO. 14

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Pension Trust Fund	Private Purpose Trust Funds
Additions		
Contributions:		
Employer	$ 378,800	$ -
Scholarships	-	53,902
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	899,183	-
Interest and Dividends	202,728	10,533
Total Investment Income	1,101,911	10,533
Less: Investment Management Fees	-	-
Net Investment Income	1,101,911	10,533
Total Additions	1,480,711	64,435
Deductions		
Benefit Payments	320,656	-
Administrative Costs	38,146	-
Scholarships	-	64,289
Total Deductions	358,802	64,289
Change in Net Position	1,121,909	146
Net Position at Beginning of Year	6,765,101	502,739
Net Position at End of Year	$ 7,887,010	$ 502,885

The notes to the financial statements are an integral part of this statement.

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

The accompanying financial statements of the Regional School District No. 14 (the "District") have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

Reporting Entity

The District was established in 1968 to provide education for the residents of two Connecticut Districts: Woodbury and Bethlehem. The District is primarily funded through assessments from its two member Districts. The District operates under the Board of Education form of government and provides education services to its member Districts.

The Legislative authority of the District is vested in the Board of Education meetings. The Superintendent is the chief executive, chief administrative officer and budget-making authority of the School. The Board of Education is responsible for revising the proposed budget and submitting the final budget to the Board meetings and referendums. The Board of Education is also responsible for establishing the annual assessments. The District has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The District's financial statements include the accounts of all District controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Regional School District No. 14 (the primary government) and its component units. The basic criterion for inclusion of a component unit in a governmental unit's reporting entity for general purpose financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the District. The District includes all funds, agencies, boards, and commissions that are controlled by or dependent on the District's executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Regional School District No. 14.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by District assessments and intergovernmental revenues.

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

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The District maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with nonmajor funds, if any, aggregated and presented in a single column. The District maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation
The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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 are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Assessments when levied, tuition, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Governmental Funds are those through which most governmental functions typically are financed. The following are the District's major governmental funds:

- The *General Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from District assessments, state grants, charges for services, and earnings on investments.

- The *Reserve for Capital Improvements* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

- The *State, Federal, and Other Grants Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures relating to the Districts education grant programs.

Fiduciary funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Pension Trust Fund* is used to account for the activities of the District Employees' Retirement System, which accumulates resources for retirement benefit payments to qualified employees.

- The *Private Purpose Trust Fund* is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The District utilizes private purpose trust funds to account for activities of funds held in trust for student scholarships.

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 of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
Cash and Cash Equivalents – The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - In general, State of Connecticut Statutes allow the District to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Trust funds are able to invest in a wider range of investments. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-

like pool is not necessarily registered with the Security and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAAm by Standard & Poor's. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the District does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

Receivables - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The District has not established an allowance for estimated uncollectibles because the majority of receivables are in the form of state and federal grants.

Inventories – Inventories are valued at cost using the first-in/first-out (FIFO) method, except for USDA donated commodities, which are valued at market value. The cost of governmental fund type inventories, are recorded as expenditures when consumed rather than when purchased. Inventories are comprised of food products for the School Cafeteria Fund.

Prepayments – Certain payments to vendors provide benefits in future accounting periods and therefore are recorded as prepayments on both government-wide and fund financial statements.

Due From/To Other Funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include equipment, fixtures, and other long-lived assets are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land Improvements	20
Buildings and Improvements	20 - 50
Furniture and Equipment	5 - 10

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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, and debt payments, are reported as debt service expenditures.

Compensated absences - District employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred pension and OPEB expense in the government-wide statement of net position. Deferred pension and OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred pension and OPEB expense in the government-wide statement of net position. Deferred pension and OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

Fund equity and net position – Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. In the government-wide statement of net position, net position is classified in the following categories:

> *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.
>
> *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
>
> *Unrestricted Net Position* – This category represents the net position of the District, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the District expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

> *Nonspendable Fund Balance* – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures in the General Fund. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.
>
> *Restricted Fund Balance* – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Education in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of District Officials.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The District does not have a formal policy over the use of fund balance. When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is assumed that the District will use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

Encumbrances – In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance in the General Fund since they do not constitute expenditures or liabilities. In other governmental funds, encumrbances are included in the corresponding fund balance of the fund.

Fair Value of Financial Instruments
In accordance with GASB Statement No. 72, the District is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

a. Quoted prices for similar assets or liabilities in active markets.
b. Quoted prices for identical or similar assets in markets that are not active;
c. Observable inputs other than quoted prices for the assets or liability;
d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit are reported at cost and are excluded from the fair value disclosures.

NOTE 2 – **CASH, CASH EQUIVALENTS, RESTRICTED CASH, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository". The following is a summary of cash and cash equivalents, and restricted cash at June 30, 2024.

	Governmental Funds	Fiduciary Funds	Total
Cash and Cash Equivalents	$ 5,696,505	$ 502,885	$ 6,199,390

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a deposit policy for custodial credit risk. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

At year-end, the District's carrying amount of deposits subject to custodial credit risk was $6,199,390 and the bank balance was $6,626,798. Of the bank balance, the Federal Depository Insurance Corporation insured $750,000.

As of June 30, 2024, $5,876,798 of the District's bank balance of $6,626,798 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 5,224,899
Uninsured and collateral held by pledging bank's Trust department not in the District's name	651,899
	$ 5,876,798

Investments

The following is a summary of investments at June 30, 2024:

	Fiduciary Funds
Corporate Bonds	$ 199,536
U.S. Treasuries	1,735,022
Money Market Funds	147,434
Equity Mutual Funds	4,924,197
Fixed Income Mutual Funds	502,021
Total Investments	$ 7,508,210

The following is a summary of assets measured at fair value:

		Fair Value Measurements Using		
	June 30, 2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Description				
Corporate Bonds	$ 199,536	$ -	$ 199,536	$ -
U.S. Treasuries	1,735,022	1,735,022	-	-
Money Market Funds	147,434	147,434	-	-
Equity Mutual Funds	4,924,197	4,924,197	-	-
Fixed Income Mutual Funds	502,021	502,021	-	-
Total Investments	$ 7,508,210	$ 7,308,674	$ 199,536	$ -

Custodial Credit Risk - This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The District does not have a policy for custodial credit risk.

Credit Risk – The District does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Concentrations of Credit Risk – The District places no limit on the amount of investment in any one issuer.

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.

			Investment Maturities (Years)		
Investment Type	Credit Rating	Fair Value	Less Than 1	1-5	6-10
Corporate Bonds	A-2	$ 199,536	$ -	$ 199,536	$ -
U.S. Treasuries	N/A	1,735,022	986,176	748,846	-
		1,934,558	$ 986,176	$ 948,382	$ -
Other Investments:					
Money Market Funds	N/A	147,434			
Equity Mutual Funds	N/A	4,924,197			
Fixed Income Mutual Funds	N/A	502,021			
Total Investments		$ 7,508,210			

N/A - Not applicable

NOTE 3 – **RECEIVABLES**

Receivables as of year-end for the District's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, if any, are as follows:

	General Fund	State, Federal and Other Grants	Nonmajor and Other Funds	Total
Receivables:				
Intergovernmental	$ -	$ 2,194,904	$ 72,380	$ 2,267,284
Accounts	27,580	-	317	27,897
Gross Receivables	27,580	2,194,904	72,697	2,295,181
Less Allowance for Uncollectibles:				
Total Allowance	-	-	-	-
Net Total Receivables	$ 27,580	$ 2,194,904	$ 72,697	$ 2,295,181

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	Governmental Funds
General Fund:	
Fees Collected in Advance	$ 36,402
State, Federal and Other Grants:	
Advances on Grants	29,427
Nonmajor Funds:	
Advances on Grants	106,688
Fees Collected in Advance	29,224
Total Unearned Revenue	$ 201,741

NOTE 4 – **INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

The outstanding balances between funds result mainly 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. At June 30, 2024, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Reserve for Capital Improvements	2,027,844
General Fund	Nonmajor Governmental Funds	1,467,709
Nonmajor Governmental Funds	General Fund	2,123,829
		$ 5,619,382

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2024, were as follows:

Transfers In:	Transfers Out:	Total
Nonmajor Governmental Funds	General Fund	$ 10,167
		$ 10,167

NOTE 5 – **CAPITAL ASSETS**

The following is a summary of the change in capital assets as of June 30, 2024:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets, not being depreciated				
Land	$ 494,814	$ -	$ -	$ 494,814
Building in Progress	65,308,422	1,432,762	-	66,741,184
Total capital assets, not being depreciated	65,803,236	1,432,762	-	67,235,998
Capital assets, being depreciated				
Buildings and Improvements	28,332,996	655,789	-	28,988,785
Furniture and Equipment	1,206,617	128,351	(63,110)	1,271,858
Right of Use Equipment	175,520	-	-	175,520
Total capital assets, being depreciated	29,715,133	784,140	(63,110)	30,436,163
Less accumulated depreciation for:				
Buildings and Improvements	17,229,069	440,039	-	17,669,108
Furniture and Equipment	783,759	86,008	(55,612)	814,155
Right of Use Equipment	55,581	35,104	-	90,685
Total accumulated depreciation	18,068,409	561,151	(55,612)	18,573,948
Total capital assets, being depreciated, net	11,646,724	222,989	(7,498)	11,862,215
Governmental Activities capital assets, net	$ 77,449,960	$ 1,655,751	$ (7,498)	$ 79,098,213

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Instructional Services	$ 301,736
Supporting Services:	
Instructional Staff	75,913
Administrative	90,193
Operation and Maintenance of Facilities	58,444
Transportation	34,865
Total	$ 561,151

NOTE 6 – **LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2024, was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	$ 40,285,000	$ -	$ 1,430,000	$ 38,855,000	$ 1,780,000
Unamortized Premium	2,625,003	-	112,995	2,512,008	112,995
Total Bonds Payable	42,910,003	-	1,542,995	41,367,008	1,892,995
Equipment Financing Notes	351,105	135,900	335,205	151,800	83,931
Leases Payable	123,677	-	34,255	89,422	35,829
Compensated Absences	994,501	-	212,903	781,598	54,548
Net Pension Liability	418,642	-	418,642	-	-
Total OPEB Liability	4,770,893	85,097	-	4,855,990	-
Total	$ 49,568,821	$ 220,997	$ 2,544,000	$ 47,245,818	$ 2,067,303

Long-term obligations have typically been liquidated by the General Fund.

General Obligation Bonds
The District issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the District and pledge the full faith and credit of the District. General obligation bonds outstanding as of June 30, 2024, consisted of the following:

Bond Issue	Year of Issue	Original Amount	Interest Rates	Final Maturity	Principal Outstanding June 30, 2024
G.O. Bonds	2018	$ 12,000,000	2.25 - 5%	2043	$ 9,600,000
G.O. Bonds	2019	24,655,000	2.75 - 5%	2045	20,855,000
G.O. Bonds	2022	8,400,000	3.50 - 5%	2047	8,400,000
					$ 38,855,000

The annual debt service requirements of the District's general obligation bonds are as follows:

Year(s)	Principal	Interest	Total
2025	$ 1,780,000	$ 1,406,875	$ 3,186,875
2026	1,780,000	1,317,875	3,097,875
2027	1,780,000	1,235,475	3,015,475
2028	1,780,000	1,159,375	2,939,375
2029	1,780,000	1,106,075	2,886,075
2030-2034	8,900,000	4,312,575	13,212,575
2035-2039	8,890,000	2,742,812	11,632,812
2040-2044	8,875,000	1,300,175	10,175,175
2045-2049	3,290,000	175,700	3,465,700
Total	$ 38,855,000	$ 14,756,937	$ 53,611,937

Bonds Authorized and Unissued
At June 30, 2024, there were no authorized and unissued bonds.

Equipment Financing Notes
The District has outstanding equipment financing notes used to finance the purchase of technology equipment.

Equipment	Year of Issue	Original Amount	Interest Rate	Final Maturity	Principal Outstanding June 30, 2024
Technology Equipment	2020	250,000	3.23%	July 2024	$ 52,395
Technology Equipment	2023	135,900	4.99%	July 2026	99,405
					$ 151,800

The annual debt service requirements of the District's equipment financing notes are as follows:
s

Leases Payable
The District has entered into agreements to lease certain equipment. The leases qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of their inception.

The first agreement was entered into in November 2021, to lease copiers and printers and requires monthly payments of $3,260 through November 2026. The lease liability is measured at a discount rate of 4.5%, which is the average rate recently received when the District issued bonds. As a result of the lease, the District has recorded a right of use asset with a net book value of $84,835 at June 30, 2024.

The annual debt service requirements of the District's leases payable are as follows:

Year(s)	Principal	Interest	Total
2025	$ 35,829	$ 3,291	$ 39,120
2026	37,475	1,645	39,120
2027	16,118	182	16,300
Total	$ 89,422	$ 5,118	$ 94,540

Compensated Absences
Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

NOTE 7 - **FUND BALANCE COMPONENTS**

The components of fund balance for the governmental funds at June 30, 2024 are as follows:

	General Fund	Reserve for Capital Improvements	Nonmajor Governmental Funds	Total
Fund Balances:				
Restricted for:				
Member Towns	$ 140,418	$ -	$ -	$ 140,418
Student Activities	-	-	275,819	275,819
Total Restricted	$ 140,418	$ -	$ 275,819	$ 416,237
Committed to:				
OPEB	$ 2,659,143	$ -	$ -	$ 2,659,143
Education Reserve	55,000	-	-	55,000
Food Service	-	-	235,767	235,767
Special Activities	-	-	104,788	104,788
Debt Service	-	-	38,143	38,143
Capital	-	1,788,014	1,222,822	3,010,836
Total Committed	$ 2,714,143	$ 1,788,014	$ 1,601,520	$ 6,103,677
Assigned:				
Encumbrances	$ 69,522	$ -	$ -	$ 69,522
Total Assigned	$ 69,522	$ -	$ -	$ 69,522
Unassigned	$ -	$ -	$ -	$ -

There are significant encumbrances of $389,482 contained in the committed fund balance of the Reserve for Capital Improvements Fund.

NOTE 8 **– RETIREMENT BENEFITS**

Non-certified Employee Defined Benefit Pension Plan
The District is the administrator of a single-employer public employee retirement systems ("PERS"), called the Pension Plan of Regional School District No. 14, established and administered by the Board of Education to provide pension benefits for its non-certified employees. The plan is considered to be part of the District's financial reporting entity and is included in the District's financial statements as a pension trust fund. Separate stand-alone financial reports are not issued. Benefits may be changed by the Board of Education.

Eligibility – Substantially all full-time non-certified employees over the age of 25 are eligible after completion of one year of service.

Normal Retirement – Normal Retirement is the first of the month coincident with or next following the later of age 65 and 10 years of plan participation.

Early Retirement – Employees are eligible for early retirement at age 55 with 10 years of credited service, subject to reduced benefits.

Benefits Provided – The monthly benefit at normal retirement is equal to 30% of average compensation, reduced proportionately for less than 15 years of service.

Plan Membership – As of the date of the latest actuarial valuation, membership consisted of the following:

Inactive plan members or beneficiaries receiving payments	32
Inactive plan members entitled but not yet receiving payments	6
Active Members	34
Total Members	72

Contributions and Funding Policy
The contribution requirements of the plan members and the District are established and may be amended by the Board of Education. District is required to contribute at an actuarially determined rate. Administrative costs of the plan are financed through investment earnings of the plan's assets.

Summary of Significant Accounting Policies
Basis of Accounting - The District Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the District's fiduciary net position have been determined on the same basis as they are reported by the District's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Investment Policy – The District's pension plans policy in regard to the allocation of invested assets is established and may be amended by the Board of Education by a majority vote of its members. It is the policy of the Board of Education to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the target asset allocation of the pension plan as of June 30, 2024:

Target Allocation and Expected Rate of Return

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
Cash	5.00%	0.05%	0.00%
US Govt/Credited Fixed Income	25.50%	1.80%	0.46%
High-Yield Bonds	4.50%	4.05%	0.18%
US Large and Mid-Cap	51.00%	5.15%	2.63%
US Small Cap	4.50%	5.30%	0.24%
International Equity - Developed	6.00%	6.40%	0.38%
International Equity - Emerging	3.50%	7.70%	0.27%
	100.00%		4.16%
Long-Term Inflation Expectation			2.40%
Long-Term Expected Nominal Return			6.56%

Long-Term Expected Rate of Return – 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 are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation, and rebalancing. An expected rate of return of 7.00% was used.

Net Pension Liability/ (Asset)
The components of the net pension liability of the District at June 30, 2024, were as follows:

	District
Total pension liability	$ 7,677,940
Plan fiduciary net position	7,887,010
Net pension liability (asset)	(209,070)
Plan fiduciary net position as a percentage of total pension liability	102.72%
Covered payroll	2,660,434
Net pension liability (asset) as a % of covered payroll	-7.86%

Actuarial Methods and Significant Assumptions
The following actuarial methods and assumptions were used in the July 1, 2023 valuation and projected forward to a measurement date of June 30, 2024:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Salary
Inflation	2.40%
Payroll growth	3.15%
Investment rate of return	7.00% net of investment and admin fees
Retirement age	10 years of service and age 55 for early retirement 10 years of service and age 65 for normal retirement
Post-retirement mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to the valuation date with Scale MP-2021

There were no changes of assumptions for FY 2024.

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payment to determine the local pension liability.

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

	Decrease 6.00%	Discount Rate 7.00%	Increase 8.00%
Net Pension Liability (Asset)	$ 533,787	$ (209,070)	$ (849,190)

	Increase (Decrease)		
	Total Pension Liablity (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at June 30, 2023	$ 7,183,743	$ 6,765,101	$ 418,642
Changes for the year:			
Service Cost	291,762	-	291,762
Interest	512,252	-	512,252
Differences Between Expected and Actual Experience	10,839	-	10,839
Changes of Assumptions	-	-	-
Employer Contributions	-	378,800	(378,800)
Member Contributions	-	-	-
Net Investment Income	-	1,101,911	(1,101,911)
Benefit Payments	(320,656)	(320,656)	-
Administrative Expenses	-	(38,146)	38,146
Net Changes	494,197	1,121,909	(627,712)
Balance at June 30, 2024	$ 7,677,940	$ 7,887,010	$ (209,070)
Plan fiduciary net position as a percentage of the total pension liability			102.72%
Covered Payroll			$ 2,660,434
Net pension liability (asset) as a percentage of covered payroll			-7.86%

For the year ended June 30, 2024, the total pension expense recognized was $197,904. As of June 30, 2024, the District reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	$ -	$ (380,403)
Differences between expected and actual experience	8,060	(107,555)
Changes of assumptions	146,771	(17,543)
	$ 154,831	$ (505,501)

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

Year ended June 30:	
2025	$ (162,687)
2026	124,905
2027	(187,354)
2028	(125,534)
	$ (350,670)

Connecticut State Teacher's Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov.

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% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary). In addition, amounts derived from the accumulation of the 6% 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% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding normal retirement age. Effective January 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement preceded 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% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15% nor more than 50%. In addition, disability benefits under this Plan (without regard for cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

A Plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefits 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: Per Connecticut General Studies 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 State Teachers Retirement Board 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.

Employer (School Districts): School District employers are not required to make contributions to the plan, and contributions are required only from employees and the State. 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 amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2024, the certified teachers' contribution to the Connecticut Teachers Retirement Board was $1,154,853. The covered payroll for the District for the year ended June 30, 2024, was approximately $16,497,900.

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

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2024 the District reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the District as its proportionate
share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ -
State's proportionate share of the net pension liability associated with the District	60,234,056
Total	$ 60,234,056

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2024, the District had no proportionate share of the net pension liability.

For the year ended June 30, 2024, the District recognized benefits expense and contribution revenue of $5,588,869 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the District recognized $5,767,062 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

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 Percent
Salary increases, including inflation	3.00-6.50 Percent
Investment rate of return	6.90 Percent net of pension plan investment expense, including inflation.

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

Future cost-of-living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% 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% 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% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distributions 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as provided by the State of Connecticut's Treasurer's Office are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00%	6.80%
Public Credit	2.00%	2.90%
Core Fixed Income	13.00%	0.40%
Liquidity Fund	1.00%	-0.40%
Risk Mitigation	5.00%	0.10%
Private Equity	15.00%	11.20%
Private Credit	10.00%	6.10%
Real Estate	10.00%	6.20%
Infrastructure and Natural Resources	7.00%	7.70%

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 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 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 District's proportionate share of the net pension liability is $0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other Post-Employment Benefits

Plan Description: The District provides post-retirement benefits, including medical and life insurance benefits, to eligible retirees and their spouses through a single-employer defined benefit plan called the Regional School District No. 14 Other Post-Employment Benefits Program (the "Plan"). Benefits provisions are established by the Board of Education and may be amended by the Board. The plan does not issue a publicly available financial report and is not included in the financial statements of another entity. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS No. 75.

Benefits Provided: The OPEB Plan provides medical and life insurance benefits for all eligible District retirees.

Eligibility: Teachers and Administrators (Certified) – A Teacher or administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse prior to reaching the age of eligibility for Medicare.

Employees Covered by Benefit Terms: The membership of the Plan consisted of the following at July 1, 2022, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	20
Active plan members	236
	256

Total OPEB Liability: The District's total OPEB liability of $4,855,990 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs: The total OPEB liability was determined by an actuarial valuation as of July 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal
Salary Increases	Graded by Service for Teachers
Medical Trend Rate	Varies by year
Discount Rate	3.93 (Bond Buyer General Obligation 20-Bond Municipal Index)
Inflation Rate	2.50%

The Plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

Changes in the Total OPEB Liability:

	Total OPEB Liability
Balance at 6/30/23	$ 4,770,893
Changes for the year:	
Service Cost	250,350
Interest	180,354
Effect of Economic/Demographic Gains/(Losses)	-
Changes in Assumptions	(184,122)
Benefit Payments	(161,485)
Net Changes	85,097
Balance at 6/30/24	$ 4,855,990

Changes of assumptions reflects a change in the discount rate from 3.65% to 3.93%. There have been no significant changes between the valuation and measurement dates.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93%) or 1-percentage-point higher (4.93%) than the current discount rate:

	1% Decrease 2.93%	Current Discount Rate 3.93%	1% Increase 4.93%
Total OPEB Liability	$ 5,561,961	$ 4,855,990	$ 4,271,496

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	$ 4,048,586	$ 4,855,990	$ 5,894,479

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB
For the year ended June 30, 2024, the District recognized OPEB expense of $(46,098). As of June 30, 2024, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,305,933	$ (3,866,887)
Change in assumptions	628,261	(2,353,311)
	$ 1,934,194	$ (6,220,198)

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

Year ended June 30:	
2025	$ (476,802)
2026	(467,928)
2027	(447,219)
2028	(447,219)
2029	(621,388)
Thereafter	(1,825,448)
	$ (4,286,004)

Connecticut Teachers' Retirement System - OPEB
Plan Description - 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 pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to $220 per month for a retired member plus an additional $220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute. A subsidy amount of $440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least $440 per month towards coverage under a local school district plan. 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. 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 TRS. 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 Parks A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retires, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Contributions - 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.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the District was $76,054.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 if the Connecticut General Statutes.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Municipal bond index rate:	
Measurement Date	3.65%
Prior Measurement Date	3.54%

The projected fiduciary net position is projected to be depleted in 2028.

Single equivalent interest rate	
Measurement Date	3.64%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.53%, net of OPEB plan investment expense, Including price inflation
Healthcare cost trend rates:	
Medicare	Known increases until calendar year 2024, then General trend decreasing to an ultimate rate of 4.5% by 2031.

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

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in the evaluation of 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:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.77%	1.09%
Price inflation		2.50%	
Expected Rate of return (rounded nearest 0.25%)		3.25%	

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 GASB 75. The projection's basis was 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 annually 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 was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.125%	5.125%	6.125%
Ultimate Healthcare Cost Trend Rate	3.50%	4.50%	5.50%
Net OPEB Liability	$ 4,797,157	$ 5,643,104	$ 6,792,415

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.64%)	Current Discount Rate (3.64%)	1% Increase (4.64%)
Net OPEB liability	$ 6,841,963	$ 5,643,104	$ 4,698,260

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2024 the District reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the net OPEB liability	$ -
State's proportionate share of the net OPEB liability associated with the District	5,643,104
Total	$ 5,643,104

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. At June 30, 2024, the District had no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the District recognized OPEB expense and revenue of $76,054 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the District recognized $(664,794) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 9 **– LITIGATION AND CONTINGENCIES**

Litigation - The District is not a defendant in any lawsuits that, in the opinion of District Management, in consultation with the District Attorney, will have an adverse, material effect on the District's financial position.

Grants - The District participates in several Federal and State assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2024, have not yet been conducted. Accordingly, the District's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the District expects such amounts, if any, to be immaterial.

NOTE 10 **– RISK MANAGEMENT**

The District is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, and natural disasters. The District generally obtains commercial insurance for these risks. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

NOTE 11 – **UPCOMING PRONOUNCEMENTS**

GASB Pronouncements Issued, But Not Yet Effective
The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 101 – Compensated Absences - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for the District's reporting period beginning July 1, 2024.

GASB Statement No. 102 – Certain Risk Disclosures – The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for the District's reporting period beginning July 1, 2024.

GASB Statement No. 103 – Financial Reporting Model Improvements – The objective of this Statement is to provide key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for the District's reporting period beginning July 1, 2025.

GASB Statement No. 104 – Disclosure of Certain Capital Assets – The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for the District's reporting period beginning July 1, 2025.

NOTE 12 – **ACCOUNTING CHANGES AND ERROR CORRECTIONS**

Changes to or within the Financial Reporting Entity
The High School Renovation Fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2023, the fund no longer met the criteria to be reported as a major governmental fund and is reported as a nonmajor governmental fund for the fiscal year ended June 30, 2024. The effect of that change to or within the financial reporting entity is to remove the beginning fund balance of $1,853,895 from the High School Renovation Fund major fund and report it with the beginning fund balance of the nonmajor governmental funds.

Required Supplementary Information

REGIONAL SCHOOL DISTRICT NO. 14

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
REVENUES				
Participating Towns				
Town of Bethlehem	$ 9,373,017	$ 9,373,017	**$ 9,373,016**	$ (1)
Town of Woodbury	26,735,290	26,735,290	**26,735,290**	-
State of Connecticut				
Adult Education Grant	6,517	6,517	**4,719**	(1,798)
Agri-Science/Tech Grant	1,757,600	1,757,600	**1,705,746**	(51,854)
Other				
Tuition Income	2,193,254	2,193,254	**2,304,611**	111,357
Other Income	2,000	2,000	**4,503**	2,503
Investment Income	5,000	5,000	**13,182**	8,182
Prior Year Surplus	76,596	76,596	**-**	(76,596)
Encumbrance Credits	-	-	**2,127**	2,127
Total Revenues	40,149,274	40,149,274	**40,143,194**	(6,080)
EXPENDITURES				
Current:				
Salaries - Certified	17,538,916	17,501,828	**17,686,267**	(184,439)
Salaries - Classified	4,926,353	4,926,353	**5,062,829**	(136,476)
Employee Benefits	6,288,029	6,288,029	**6,060,040**	227,989
Purchased Services	6,915,893	6,842,102	**6,533,901**	308,201
Supplies and Materials	1,318,576	1,333,900	**1,360,545**	(26,645)
Liability and Property Insurance	193,044	193,044	**231,485**	(38,441)
Dues and Fees	69,675	70,280	**81,715**	(11,435)
Debt Service	2,586,125	2,586,125	**2,586,125**	-
Capital Outlay	312,563	407,513	**440,710**	(33,197)
Total Expenditures	40,149,174	40,149,174	**40,043,617**	105,557
Other Financing Uses				
Transfers Out:				
Reserve for Specific Capital Improvements	100	100	**-**	100
Reserve for OPEB	-	-	**34,410**	(34,410)
Reserve for Educational Expenditures	-	-	**55,000**	(55,000)
Food Service	-	-	**10,167**	(10,167)
Total Other Financing Uses	100	100	**99,577**	(99,477)
Total Expenditures and Other Financing Uses	40,149,274	40,149,274	**40,143,194**	6,080
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - Budgetary Basis	**$ -**	**$ -**	**-**	**$ -**
Fund Balance, Beginning of Year			**140,418**	
Fund Balance, End of Year			**$ 140,418**	

See accountant's report.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES**

Budgetary Information and Accounting
The District adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements in accordance with provisions of Connecticut General Statutes and annually adopted budget policies.

- On or before the last Wednesday in January of each year all cost centers submit requests for appropriations to the Regional School Board Central Office administration so that the general fund budget may be prepared.

- Before March 31st, the proposed budget is presented to the finance committee for review. By the end of April, the proposed budget will be reviewed and adopted by the Regional Board of Education to be presented at the annual public budget meeting.

- Not less than two weeks before the annual meeting held pursuant to C.G.S. Section 10-47, the Board shall hold a public district meeting to present a proposed budget for the next fiscal year. Any person may recommend the inclusion or deletion of expenditures at such time. After the public hearing, the Board prepares an annual budget for the next fiscal year. At the annual meeting on the first Monday in May, the Board presents a budget which includes a statement of (1) estimated receipts and expenditures for the next fiscal year, (2) estimated receipts and expenditures for the current fiscal year, (3) estimated surplus or deficit in operating funds at the end of the current year, (4) bonded or other debt, (5) estimated per pupil expenditure for the current and for the next fiscal year, and (6) such other information as is necessary in the opinion of the Board. Persons present and eligible to vote under section 7-6 may accept or reject the proposed budget. The regional Board of Education may, in the call to the meeting, designate that the vote on the motion to adopt a budget shall be by paper ballots at the district meeting held on the budget or by a “yes” or “no” vote on the voting machines in each of the member Districts on the day following the district meetings. After budget approval, the Board shall estimate the net expenditures to be paid by each member District.

- The budget is prepared on the modified accrual basis of accounting. 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.

- The state legislature established the ability to transfer to the Reserve for Educational Expenditures fund up to 2% of the Districts approved appropriations. During the year, $55,000 was voted to be transferred to the Reserve for Educational Expenditures Fund by the Board of Education. This fund can be carried forward each year and is subject to the Board of Education approval for expenditures made from it.

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, along with encumbrances, and state grants that are net with expenditures for budgetary basis.

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:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses)
Budgetary Basis	$ 40,143,194	$ 40,043,617	$ (99,577)
"On-behalf" payments - State Teachers Retirement Fund	5,664,923	5,664,923	-
Excess Cost Grant	402,359	402,359	-
TEAM Grant	1,021	1,021	-
Reserve for Educational Expenditures	-	-	55,000
OPEB Activity	-	-	34,410
Accrued Retirement Adjustment	-	71,391	-
Adjustment for Encumbrances	(2,128)	23,058	-
GAAP Basis	$ 46,209,369	$ 46,206,369	$ (10,167)

REGIONAL SCHOOL DISTRICT NO. 14
Employee Retirement System, Non-Certified Employee Plan
Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	$ 291,762	$ 280,798	$ 243,505	$ 222,922	$ 213,838	$ 214,921	$ 217,067	$ 208,741	$ 235,893	$ 223,630
Interest	512,252	482,900	427,673	453,407	438,260	411,151	406,261	375,388	363,266	340,255
Differences Between Expected and Actual Experience	10,839	(30,086)	(8,063)	(438,170)	(203,801)	93,311	(241,887)	13,928	(90,824)	27,648
Changes of Assumptions	-	-	405,779	(87,707)	130,945	1,728	61,883	56,455	-	-
Benefit Payments, Including Refunds of Member Contributions	(320,656)	(329,707)	(305,172)	(324,910)	(432,013)	(263,167)	(257,135)	(234,551)	(397,294)	(192,023)
Net Change in Total Pension Liability	494,197	403,905	763,722	(174,458)	147,229	457,944	186,189	419,961	111,041	399,510
Total Pension Liability - Beginnning	7,183,743	6,779,838	6,016,116	6,190,574	6,043,345	5,585,401	5,399,212	4,979,251	4,868,210	4,468,700
Total Pension Liability - Ending (a)	$ 7,677,940	$ 7,183,743	$ 6,779,838	$ 6,016,116	$ 6,190,574	$ 6,043,345	$ 5,585,401	$ 5,399,212	$ 4,979,251	$ 4,868,210
Plan Fiduciary Net Position										
Contributions - Employer	$ 378,800	$ 350,000	$ 360,000	$ 350,000	$ 350,000	$ 350,000	$ 315,000	$ 570,000	$ 342,600	$ 311,452
Net Investment Income	1,101,911	725,269	(797,778)	1,431,093	361,078	334,042	454,736	466,694	68,222	150,722
Benefit Payments, Including Refunds of Member Contributions	(320,656)	(329,707)	(305,172)	(324,910)	(432,013)	(263,167)	(257,135)	(234,551)	(397,294)	(192,023)
Administrative Expenses	(38,146)	(34,444)	(37,752)	(34,199)	(30,677)	(29,053)	(27,414)	(24,804)	(22,030)	(21,386)
Net Change in Pension Fiduciary Net Position	1,121,909	711,118	(780,702)	1,421,984	248,388	391,822	485,187	777,339	(8,502)	248,765
Plan Fiduciary Net Position - Beginning	6,765,101	6,053,983	6,834,685	5,412,701	5,164,313	4,772,491	4,287,304	3,509,965	3,518,467	3,269,702
Plan Fiduciary Net Position - Ending (b)	$ 7,887,010	$ 6,765,101	$ 6,053,983	$ 6,834,685	$ 5,412,701	$ 5,164,313	$ 4,772,491	$ 4,287,304	$ 3,509,965	$ 3,518,467
Net Pension Liability (Asset) - Ending: (a) - (b)	$ (209,070)	$ 418,642	$ 725,855	$ (818,569)	$ 777,873	$ 879,032	$ 812,910	$ 1,111,908	$ 1,469,286	$ 1,349,743
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.72%	94.17%	89.29%	113.61%	87.43%	85.45%	85.45%	79.41%	70.49%	72.27%
Covered Payroll	$ 2,660,434	$ 2,661,445	$ 2,536,462	$ 2,616,044	$ 2,648,824	$ 2,627,003	$ 2,534,857	$ 2,662,340	$ 2,498,132	$ 2,504,616
Net Pension Liability (Asset) as a Percentage of Covered Payroll	-7.86%	15.73%	28.62%	-31.29%	29.37%	33.46%	32.07%	41.76%	58.82%	53.89%

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Employee Retirement System, Non-Certified Employee Plan
Schedule of Contributions
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Employer Contribution (ADEC)	$ 378,800	$ 359,468	$ 306,533	$ 344,229	$ 347,949	$ 336,953	$ 369,039	$ 332,247	$ 315,120	$ 307,332
Contributions in Relation to the ADEC	378,800	350,000	360,000	350,000	350,000	350,000	315,000	570,000	342,600	311,452
Contribution Deficiency (Excess)	$ -	$ 9,468	$ (53,467)	$ (5,771)	$ (2,051)	$ (13,047)	$ 54,039	$(237,753)	$ (27,480)	$ (4,120)
Covered Payroll	2,580,170	2,459,003	2,536,155	2,562,965	2,541,851	2,452,692	2,534,857	2,662,340	2,498,132	2,504,616
Contributions as a Percentage of Covered Payroll	14.68%	14.23%	14.19%	13.66%	13.77%	14.27%	12.43%	21.41%	13.71%	12.44%

Notes to Schedule
Valuation Date: 7/1/2022

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Asset valuation method	5-year Smoothed Market
Inflation	2.40%
Salary increases	3.15%
Investment rate of return	7.00%
Normal Retirement	Age 65
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables for General Employees, projected to the valuation date with Scale MP-2021. (Prior: RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2020.)

REGIONAL SCHOOL DISTRICT NO. 14
Employee Retirement System, Non-Certified Plan
Schedule of Investment Returns
Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual Money-Weighted Rate of Return, Net of Investment Expense	16.69%	12.09%	-11.94%	26.80%	7.06%	7.03%	10.61%	12.02%	1.95%	4.43%

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
Last Ten Fiscal Years

Schedule of Proportionate Share of Net Pension Liability

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's percentage of the 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 net pension liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Connecticut's proportionate share of the net pension liability associated with the District	60,234,056	63,308,575	51,377,690	64,870,126	61,076,960	47,093,885	47,747,856	50,374,354	39,553,506	36,559,289
Total	$ 60,234,056	$ 63,308,575	$ 51,377,690	$ 64,870,126	$ 61,076,960	$ 47,093,885	$ 47,747,856	$ 50,374,354	$ 39,553,506	$ 36,559,289
District's covered payroll	$ 16,497,900	$ 16,396,186	$ 15,596,615	$ 15,023,443	$ 14,705,200	$ 14,915,106	$ 14,682,350	$ 14,318,692	$ 13,899,431	$ 13,613,280
District's proportionate share of the net pension liability (asset) 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 pension liability	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of pay closed, grading to a level dollar amortization method for the June 30, 2024 valuation.
Remaining amortization period	27.8 years
Asset valuation method	4-year smoothed market
Inflation	2.50%
Salary increases	3.00% - 6.50% average, including inflation
Investment rate of return	6.9% net of investment expense, including inflation

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
Last Seven Fiscal Years*

Schedule of Proportionate Share of Net OPEB Liability

	2024	2023	2022	2021	2020	2019	2018
District's percentage of the net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the net OPEB liability	$ -	$ -	$ -	$ -	$ -	$ -	$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the District	5,643,104	5,544,379	5,597,505	9,675,382	9,525,296	9,414,387	12,289,755
Total	$ 5,643,104	$ 5,544,379	$ 5,597,505	$ 9,675,382	$ 9,525,296	$ 9,414,387	$ 12,289,755
District's covered-employee payroll	$ 16,497,900	$ 16,396,186	$ 15,596,615	$ 15,023,443	$ 14,705,200	$ 14,915,106	$ 14,682,350
District's proportionate share of the net OPEB liability as a percentage of its covered-employee 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 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. Additional years' information will be displayed as it becomes available.

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll over an open period
Remaining Amortization Period	30 years
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.50%

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Other Post Employment Benefits (OPEB) Plan
Schedule of Changes in Total OPEB Liability
Last Seven Fiscal Years*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability							
Service Cost	$ 250,350	$ 242,875	$ 316,405	$ 414,677	$ 360,205	$ 320,914	$ 267,655
Interest	180,354	325,729	236,022	245,291	346,952	276,761	253,613
Economic/Demographic Gains/(Losses)	-	(4,810,031)	-	816,777	-	1,928,412	-
Changes of Assumptions	(184,122)	134,114	(2,008,191)	(1,320,908)	673,575	475,997	(257,373)
Benefit Payments	(161,485)	(159,196)	(233,531)	(226,007)	(270,828)	(288,576)	(212,020)
Net Change in Total OPEB Liability	85,097	(4,266,509)	(1,689,295)	(70,170)	1,109,904	2,713,508	51,875
Total OPEB Liability - Beginnning	4,770,893	9,037,402	10,726,697	10,796,867	9,686,963	6,973,455	6,921,580
Total OPEB Liability - Ending	$ 4,855,990	$ 4,770,893	$ 9,037,402	$ 10,726,697	$ 10,796,867	$ 9,686,963	$ 6,973,455

There are no assets that are being accumulated in a trust that meets the criteria in GASB 75 to pay benefits.

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

Notes to Schedule

Measurement Date	June 30, 2024
Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal
Discount Rate	3.53% (Prior 3.65%)
Inflation Rate	2.50%
Salary Increases	Graded by Service
Healthcare Cost Trend Rates	6.60% trending to 3.90% for years 2072 and after

See accountant's report.

Supplemental, Combining and Individual Fund Statements and Schedules

REGIONAL SCHOOL DISTRICT NO.14
Combining Balance Sheet
General Fund
June 30, 2024

	General Fund	Reserve for Educational Expenditures Fund	OPEB Reserve Fund	Eliminations	Total
Assets					
Cash and Cash Equivalents	$ 5,074,006	$ -	$ -	$ -	$ 5,074,006
Receivables, net of Allowance	27,580	-	-	-	27,580
Due from Other Funds	2,123,829	55,000	2,659,143	(2,714,143)	2,123,829
Total Assets	$ 7,225,415	$ 55,000	$ 2,659,143	$ (2,714,143)	$ 7,225,415
Liabilities					
Accounts Payable & Accrued Items	$ 769,377	$ -	$ -	$ -	$ 769,377
Unearned Revenue	36,402	-	-	-	36,402
Due to Other Funds	6,209,696	-	-	(2,714,143)	3,495,553
Total Liabilities	7,015,475	-	-	(2,714,143)	4,301,332
Fund Balances					
Restricted	140,418	-	-	-	140,418
Committed	-	55,000	2,659,143	-	2,714,143
Assigned	69,522	-	-	-	69,522
Unassigned	-	-	-	-	-
Total Fund Balances	209,940	55,000	2,659,143	-	2,924,083
Total Liabilities and Fund Balances	$ 7,225,415	$ 55,000	$ 2,659,143	$ (2,714,143)	$ 7,225,415

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
General Fund
For the Year Ended June 30, 2024

	General Fund	Reserve for Educational Expenditures Fund	OPEB Reserve Fund	Eliminations	Total
Revenues					
Participating Towns	$ 36,108,306	$ -	$ -	$ -	$ 36,108,306
Intergovernmental	7,778,768	-	-	-	7,778,768
Tuition and Charges for Services	2,304,611	-	-	-	2,304,611
Investment Income	13,182	-	-	-	13,182
Other Income	4,502	-	-	-	4,502
Total Revenues	46,209,369	-	-	-	46,209,369
Expenditures					
Current:					
Salaries - Certified	17,725,895	-	-	-	17,725,895
Salaries - Classified	5,094,592	-	-	-	5,094,592
Employee Benefits	11,725,094	-	-	-	11,725,094
Purchased Services	6,963,796	-	-	-	6,963,796
Supplies and Materials	1,331,270	-	-	-	1,331,270
Liabilities and Property Insurance	231,485	-	-	-	231,485
Dues and Fees	81,715	-	-	-	81,715
Debt Service	2,937,808	-	-	-	2,937,808
Capital Outlay	114,714	-	-	-	114,714
Total Expenditures	46,206,369	-	-	-	46,206,369
Excess/(Deficiency) of Revenues over Expenditures	3,000	-	-	-	3,000
Other Financing Sources/(Uses)					
Transfers in	-	55,000	34,410	(89,410)	-
Transfers out	(99,577)	-	-	89,410	(10,167)
Total other financing sourses (uses)	(99,577)	55,000	34,410	-	(10,167)
Net Change in Fund Balances	(96,577)	55,000	34,410	-	(7,167)
Fund Balances at Beginning of Year	306,517	-	2,624,733	-	2,931,250
Fund Balances at End of Year	$ 209,940	$ 55,000	$ 2,659,143	$ -	$ 2,924,083

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS			
	Food Service	Special Accounts	E-Rate Program	Student Activities Fund	High School Renovation Fund	VoAg Equipment Fund	Debt Service Fund	Total
Assets								
Cash and Cash Equivalents	$ 230,058	$ 13,679	$ -	$ 282,126	$ -	$ -	$ 38,143	$ 564,006
Receivables, Net	72,380	-	-	317	-	-	-	72,697
Inventory	5,724	-	-	-	-	-	-	5,724
Due from Other Funds	-	91,109	110,782	600	1,222,983	42,235	-	1,467,709
Total Assets	$ 308,162	$ 104,788	$ 110,782	$ 283,043	$ 1,222,983	$ 42,235	$ 38,143	$ 2,110,136
Liabilities and Fund Balances								
Liabilities:								
Accounts Payable and Accrued Items	$ 876	$ -	$ 4,094	$ 7,224	$ 161	$ 42,235	$ -	$ 54,590
Unearned Revenue	29,224	-	106,688	-	-	-	-	135,912
Due to Other Funds	42,295	-	-	-	-	-	-	42,295
Total Liabilities	72,395	-	110,782	7,224	161	42,235	-	232,797
Fund Balances:								
Restricted	-	-	-	275,819	-	-	-	275,819
Committed	235,767	104,788	-	-	1,222,822	-	38,143	1,601,520
Unassigned	-	-	-	-	-	-	-	-
Total Fund Balances	235,767	104,788	-	275,819	1,222,822	-	38,143	1,877,339
Total Liabilities and Fund Balances	$ 308,162	$ 104,788	$ 110,782	$ 283,043	$ 1,222,983	$ 42,235	$ 38,143	$ 2,110,136

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS			
	Food Service	Special Accounts	E-Rate Program	Student Activities Fund	High School Renovation Fund	VoAg Equipment Fund	Debt Service Fund	Total
Revenues								
Intergovernmental Revenues	$ 498,744	$ -	$ -	$ -	$ -	$ -	$ -	$ 498,744
Charges for Services	535,740	-	-	442,441	-	-	-	978,181
Investment Income	-	107	-	-	-	-	-	107
Other Revenue	-	10,709	117,402	-	-	-	-	128,111
Total Revenues	1,034,484	10,816	117,402	442,441	-	-	-	1,605,143
Expenditures								
Current:								
Salaries - Classified	361,467	-	-	-	-	-	-	361,467
Employee Benefits	43,318	-	-	-	-	-	-	43,318
Purchased Services	36,475	-	5,000	-	-	-	-	41,475
Supplies and Materials	39,168	17,624	75,907	-	-	-	-	132,699
Dues and Fees	-	-	-	-	-	-	-	-
Cost of Food Purchased	494,757	-	-	-	-	-	-	494,757
Student Activities	-	-	-	515,436	-	-	-	515,436
Debt Service	-	-	36,495	-	537,267	-	-	573,762
Capital Outlay	14,506	-	135,900	-	93,806	42,235	-	286,447
Total Expenditures	989,691	17,624	253,302	515,436	631,073	42,235	-	2,449,361
Excess/(Deficiency) of Revenues Over Expenditures	44,793	(6,808)	(135,900)	(72,995)	(631,073)	(42,235)	-	(844,218)
Other Financing Sources/(Uses)								
Issuance of Equipment Financing	-	-	135,900	-	-	-	-	135,900
Transfers In	10,167	-	-	-	-	-	-	10,167
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	10,167	-	135,900	-	-	-	-	146,067
Net Change in Fund Balances	54,960	(6,808)	-	(72,995)	(631,073)	(42,235)	-	(698,151)
Fund Balances at Beginning of Year	180,807	111,596	-	348,814	-	42,235	38,143	721,595
Change in Fund Presentation from Major to Nonmajor	-	-	-	-	1,853,895	-	-	1,853,895
Fund Balances at Beginning of Year - As Adjusted	180,807	111,596	-	348,814	1,853,895	42,235	38,143	2,575,490
Fund Balances at End of Year	$ 235,767	$ 104,788	$ -	$ 275,819	$ 1,222,822	$ -	$ 38,143	$ 1,877,339

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Detailed Statement of Scholarship Net Position
Private Purpose Trust Funds
June 30, 2024

Name	Assets		Liabilities	Net Position
	Cash and Cash Equivalents	Accounts Receivable	Accounts Payable	Restricted for Scholarships
Nonexpendable Funds				
Blechner	$ 55,662	$ -	$ -	$ 55,662
Sanford	46,720	-	-	46,720
Expendable Funds				
Albert	3,031	-	-	3,031
Bailey	1,159	-	-	1,159
Besanson	6,039	-	-	6,039
Blinstrubas	704	-	-	704
Bloss	321,729	-	-	321,729
Brown	2,446	-	-	2,446
Burger	103	-	-	103
Cummings	19,924	-	-	19,924
Gagne	1,756	-	-	1,756
Lovett	5,393	-	-	5,393
Meeker	1,238	-	-	1,238
Mirfield	11,132	-	-	11,132
Oxbury 4-H	5,548	-	-	5,548
Pierpoint	3,473	-	-	3,473
Pomperaug Grange	1,404	-	-	1,404
Ruggiero	3,642	-	-	3,642
Sprano	1,704	-	-	1,704
Tateo	2,237	-	-	2,237
Vaszauskas	1,507	-	-	1,507
Weltsek	929	-	-	929
Zane	5,405	-	-	5,405
	$ 502,885	$ -	$ -	$ 502,885

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14
Detailed Statement of Changes in Scholarship Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2024

Name	Additions			Deductions	Net Increase (Decrease)	Net Position June 30, 2023	Net Position June 30, 2024
	Contributions	Interest	Total	Scholarship Payments			
Nonexpendable Funds							
Blechner	$ -	$ 1,160	$ 1,160	$ -	$ 1,160	$ 54,502	$ 55,662
Sanford	-	999	999	800	199	46,521	46,720
Expendable Funds							
Albert	-	64	64	-	64	2,967	3,031
Bailey	-	24	24	-	24	1,135	1,159
Besanson	-	137	137	500	(363)	6,402	6,039
Blinstrubas	-	36	36	500	(464)	1,168	704
Bloss	53,152	6,613	59,765	58,489	1,276	320,453	321,729
Brown	250	71	321	1,000	(679)	3,125	2,446
Burger	-	2	2	-	2	101	103
Cummings	-	420	420	500	(80)	20,004	19,924
Gagne	-	37	37	-	37	1,719	1,756
Lovett	-	124	124	500	(376)	5,769	5,393
Meeker	-	26	26	-	26	1,212	1,238
Mirfield	-	234	234	-	234	10,898	11,132
Oxbury 4-H	-	117	117	-	117	5,431	5,548
Pierpoint	-	73	73	-	73	3,400	3,473
Pomperaug Grange	-	29	29	-	29	1,375	1,404
Ruggiero	-	77	77	-	77	3,565	3,642
Sprano	-	36	36	-	36	1,668	1,704
Tateo	-	57	57	500	(443)	2,680	2,237
Vaszauskas	-	47	47	500	(453)	1,960	1,507
Weltsek	500	27	527	500	27	902	929
Zane	-	123	123	500	(377)	5,782	5,405
	$ 53,902	$ 10,533	$ 64,435	$ 64,289	$ 146	$ 502,739	$ 502,885

See accountant's report.

REGIONAL SCHOOL DISTRICT NO. 14

Schedule of Debt Limitation
June 30, 2024

Total Tax Collections of Member Towns - Prior Year	
Town of Woodbury	$ 32,968,453
Town of Bethlehem	10,702,810
Base	$ 43,671,263

	District
Debt Limitation:	
Limit for School Building Purposes (4.5 times base)	$ 196,520,684
Indebtedness:	
General Obligation Bonds	38,855,000
Equipment Financing Notes	151,800
Net Indebtedness	39,006,800
Debt Limitation in Excess of Net Indebtedness	$ 157,513,884

See accountant's report.