

---

# **REGIONAL SCHOOL DISTRICT NO. 14**

---

Annual Financial Statements

For the Year Ended June 30, 2025

# REGIONAL SCHOOL DISTRICT NO. 14

## Table of Contents

For the Year Ended June 30, 2025

---

	<u>Page</u>
<b>INDEPENDENT AUDITOR’S REPORT</b>	1
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS</b>	4
<b>BASIC FINANCIAL STATEMENTS:</b>	
<i>Government-Wide Financial Statements:</i>	
Statement of Net Position	11
Statement of Activities	12
<i>Fund Financial Statements:</i>	
<b>Governmental Funds</b>	
Balance Sheet	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	14
Statement of Revenues, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	16
<b>Fiduciary Funds</b>	
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to the Financial Statements	19
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
<b>General Fund</b>	
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual (Budgetary Basis)	49
Notes to Required Supplementary Information	50
<b>Pension and OPEB Plans</b>	
Schedule of Changes in Net Pension Liability and Related Ratios - Employee Retirement System, Non-Certified Employee Plan	52
Schedule of Contributions - Employee Retirement System, Non-Certified Employee Plan	53
Schedule of Investment Returns - Employee Retirement System, Non-Certified Employee Plan	54
State Teacher’s Retirement System - Proportionate Share of Net Pension Liability	55
State Teacher’s Retirement System - Proportionate Share of Net OPEB Liability	56
Schedule of Changes in the Total OPEB Liability	57

**REGIONAL SCHOOL DISTRICT NO. 14**

Table of Contents

For the Year Ended June 30, 2025

---

	<u>Page</u>
<b>SUPPLEMENTAL, COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES</b>	
<b>General Fund</b>	
Combining Balance Sheet	58
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	59
<b>Nonmajor Governmental Funds</b>	
Combining Balance Sheet	60
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	61
<b>Fiduciary Funds</b>	
<b>Private Purpose Trust Funds</b>	
Detailed Statement of Scholarship Net Position	62
Detailed Statement of Changes in Scholarship Net Position	63
<b>Other Supplemental Schedules</b>	
Schedule of Debt Limitation	64

# **Financial Section**



## 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, 2025, 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, 2025, 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 30, 2025 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 30, 2025

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

---

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, 2025.

**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 \$30,796,870 (*net position*). Governmental activities reflect a negative unrestricted net position in the amount of (\$10,575,786) indicating that currently none of the net position may be used to meet ongoing obligations to citizens and creditors. The beginning net position was adjusted by \$3,935,785 for the implementation of GASB 101, *Compensated Absences*, see Note 12.
- The District's total net position increased by \$1,276,094.
- As of the close of the current fiscal year, the Regional School District No. 14's governmental funds reported combined ending fund balances of \$5,269,380, a decrease of \$1,320,056 in comparison with the prior year.
- Of the General Fund's \$3,094,776 fund balance, \$140,418 is restricted to member Towns, \$2,773,982 is committed for OPEB benefits and \$100,000 committed for educational expenditures, \$80,376 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).

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

---

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 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

**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 19-48 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 \$30,796,870 at the close of the most recent fiscal year.

SUMMARY STATEMENT OF NET POSITION

	2025	2024	Variance
Current and Other Assets	\$ 7,166,249	\$ 8,206,480	\$ (1,040,231)
Capital Assets	<u>80,211,153</u>	<u>79,098,213</u>	<u>1,112,940</u>
Total Assets	<u>87,377,402</u>	<u>87,304,693</u>	<u>72,709</u>
Deferred Outflows of Resources	<u>1,606,794</u>	<u>2,089,025</u>	<u>(482,231)</u>
Other Liabilities	1,692,764	1,965,640	(272,876)
Long-Term Liabilities	<u>48,304,264</u>	<u>47,245,818</u>	<u>1,058,446</u>
Total Liabilities	<u>49,997,028</u>	<u>49,211,458</u>	<u>785,570</u>
Deferred Inflows of Resources	<u>8,190,298</u>	<u>6,725,699</u>	<u>1,464,599</u>
Net Position:			
Net Investment in Capital Assets	40,903,564	38,864,605	2,038,959
Restricted	469,092	416,237	52,855
Unrestricted	<u>(10,575,786)</u>	<u>(5,824,281)</u>	<u>(4,751,505)</u>
Total Net Position	<u>\$ 30,796,870</u>	<u>\$ 33,456,561</u>	<u>\$ (2,659,691)</u>

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 \$2,038,959 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 \$469,092 increased by \$52,855 compared to last years restricted net position of \$416,237.

The District's unrestricted net position of (\$10,575,786) decreased by \$4,751,505 compared to last year's unrestricted net position of (\$5,824,281), mainly due to the implementation of GASB 101, *Compensated Absences*.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

---

STATEMENT OF CHANGES IN NET POSITION

	2025	2024	Variance
<b>REVENUES</b>			
<i>Program:</i>			
Charges for Services	\$ 1,984,761	\$ 2,840,351	\$ (855,590)
Operating Grants and Contributions	10,724,433	9,146,934	1,577,499
Capital Grants and Contributions	151,980	1,226,285	(1,074,305)
<i>General:</i>			
Participating Towns	37,023,101	36,108,306	914,795
Unrestricted Investment Earnings	48,945	63,810	(14,865)
Other	176,757	132,613	44,144
Total Revenues	50,109,977	49,518,299	591,678
<b>EXPENSES</b>			
<i>Governmental Activities:</i>			
Instructional Services	18,301,091	17,832,684	468,407
<i>Supporting Services:</i>			
Instructional Staff	4,743,100	4,625,592	117,508
Administrative	5,905,432	5,473,575	431,857
Operation and Maintenance of Facilities	3,956,832	3,552,756	404,076
Transportation	2,156,118	2,119,404	36,714
School Lunch Services	960,374	989,691	(29,317)
Employee Benefits - Unallocated	11,473,146	10,774,300	698,846
Interest on long-term debt	1,337,790	1,349,402	(11,612)
Total Expenses	48,833,883	46,717,404	2,116,479
Change in Net Position	1,276,094	2,800,895	\$ (1,524,801)
Net Position- July 1, as previously reported	33,456,561	30,655,666	
Adjustment- Change in accounting principle for implementation of GASB No. 101	(3,935,785)	-	
Net Position- July 1, as restated	29,520,776	-	
Ending Net Position	\$ 30,796,870	\$ 33,456,561	

**Governmental activities.** Governmental activities increased the Regional School District No. 14's net position by \$1,276,094.

- There was an increase in the employee benefits expenses and operating grants and contributions due to an increase 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 District's annual assessments.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

---

Seventy-four percent (74%) of the revenues of the District were derived from District assessments, followed by twenty-two percent (22%) from grants and contributions, four percent (4%) 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 \$5,269,380, a decrease of \$1,320,056, 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 \$3,094,776. Of this amount, \$140,418 is restricted for the member Town's, \$2,773,982 is committed for OPEB benefits, \$100,000 is committed for Educational expenditures, \$80,376 is assigned for encumbrances.

**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 \$(38,393). 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 \$171,368 less than anticipated due primarily to receiving less than anticipated the Agri-Science/Tech grant revenue and tuition income.

Total budgetary expenditures were \$171,368 less than anticipated due mainly to purchased services, classified salaries, 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 \$26,008, a transfer to the Reserve for Education Expenditures fund of \$100,000, and a transfer to the OPEB Reserve Fund of \$114,839.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

---

**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, 2025, amounts to \$80,211,153 (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 \$1,112,940, which consisted of capital additions of \$1,023,352, offset by current year depreciation of \$805,462.

	2025	2024
Land	\$ 494,814	\$ 494,814
Building in Progress	-	66,741,184
Buildings and Improvements	78,562,526	11,319,677
Furniture and Equipment	395,501	457,703
Right of Use Equipment	758,312	84,835
	\$ 80,211,153	\$ 79,098,213

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.
- Paving parking lot
- Locker renovation
- Hot water reheat coil with ductwork 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 \$48,204,264.

	2025	2024
G.O. Bonds	\$ 37,075,000	\$ 38,855,000
Unamortized Premiums	2,399,013	2,512,008
Equipment Financing Notes	440,925	151,800
Leases Payable	728,994	89,422
Compensated Absences, Restated	4,973,825	4,717,383
OPEB Liability	2,586,507	4,855,990
Total	\$ 48,204,264	\$ 51,181,603

The Regional School District No. 14's total long-term debt and other long term liabilities decreased by \$2,977,339 (5.8 percent) during the current fiscal year primarily due to the annual paydown of general obligation bonds of \$1,780,000, the current year paydown of the equipment financing notes in the amount of \$241,183 and addition of \$530,308, the current year paydown of the lease payable in the amount of \$255,478 and addition of \$895,050, an increase in compensated absences of \$256,442, a decrease in the OPEB liability in the amount of \$2,269,483. 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Management's Discussion and Analysis  
June 30, 2025

---

**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 2026 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, 2025

---

	Governmental Activities
<b>Assets</b>	
Cash and Cash Equivalents	\$ 4,536,123
Receivables, Net	1,997,681
Inventory	5,049
Net Pension Asset	627,396
Capital Assets:	
Assets Not Being Depreciated	494,814
Assets Being Depreciated, Net	<u>79,716,339</u>
<b>Total Assets</b>	<u>87,377,402</u>
<b>Deferred Outflows of Resources</b>	
Deferred Outflows - Pension	69,522
Deferred Outflows - OPEB	<u>1,537,272</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,606,794</u>
<b>Liabilities</b>	
Accounts Payable and Accrued Items	1,097,322
Accrued Interest Payable	523,291
Unearned Revenues	172,151
Noncurrent Liabilities:	
Due Within One Year	3,161,500
Due In More Than One Year	<u>45,042,764</u>
<b>Total Liabilities</b>	<u>49,997,028</u>
<b>Deferred Inflows of Resources</b>	
Deferred Inflows - Pension	554,721
Deferred Inflows - OPEB	<u>7,635,577</u>
<b>Total Deferred Inflows of Resources</b>	<u>8,190,298</u>
<b>Net Position</b>	
Net Investment in Capital Assets	40,903,564
Restricted:	
Member Towns	140,418
Student Activities	328,674
Unrestricted	<u>(10,575,786)</u>
<b>Total Net Position</b>	<u>\$ 30,796,870</u>

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



**REGIONAL SCHOOL DISTRICT NO. 14**

Balance Sheet  
Governmental Funds  
June 30, 2025

	General Fund	State, Federal and Other Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 3,799,081	\$ 98,862	\$ 638,180	\$ 4,536,123
Receivables, Net of Allowance	34,064	1,920,350	43,267	1,997,681
Inventory	-	-	5,049	5,049
Due from Other Funds	<u>2,071,276</u>	-	<u>1,787,987</u>	<u>3,859,263</u>
<b>Total Assets</b>	<u>\$ 5,904,421</u>	<u>\$ 2,019,212</u>	<u>\$ 2,474,483</u>	<u>\$ 10,398,116</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Items	\$ 947,726	\$ 8,070	\$ 141,526	\$ 1,097,322
Unearned Revenues	73,932	48,282	49,937	172,151
Due to Other Funds	<u>1,787,987</u>	<u>2,001,253</u>	<u>70,023</u>	<u>3,859,263</u>
<b>Total Liabilities</b>	<u>2,809,645</u>	<u>2,057,605</u>	<u>261,486</u>	<u>5,128,736</u>
<b>Fund Balances</b>				
Restricted	140,418	-	328,674	469,092
Committed	2,873,982	-	1,884,323	4,758,305
Assigned	80,376	-	-	80,376
Unassigned	-	<u>(38,393)</u>	-	<u>(38,393)</u>
<b>Total Fund Balances</b>	<u>3,094,776</u>	<u>(38,393)</u>	<u>2,212,997</u>	<u>5,269,380</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,904,421</u>	<u>\$ 2,019,212</u>	<u>\$ 2,474,483</u>	<u>\$ 10,398,116</u>

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, 2025

---

<b>Fund balances reported in governmental funds Balance Sheet</b>	<b>\$ 5,269,380</b>
<b>Amounts reported for governmental activities in the Statement of Net Position are different because:</b>	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	99,466,239
<i>Depreciation</i>	(19,255,086)
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.	627,396
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.	(2,399,013)
Certain changes related to pensions and OPEB are deferred and amortized over time	
<i>Deferred Outflows - Pension</i>	69,522
<i>Deferred Inflows - Pension</i>	(554,721)
<i>Deferred Outflows - OPEB</i>	1,537,272
<i>Deferred Inflows - OPEB</i>	(7,635,577)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accrued Interest Payable</i>	(523,291)
<i>Bonds Payable</i>	(37,075,000)
<i>Equipment Financing Notes</i>	(440,925)
<i>Leases Payable</i>	(728,994)
<i>Compensated Absences</i>	(4,973,825)
<i>Total OPEB Liability</i>	<u>(2,586,507)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 30,796,870</u></b>

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, 2025

	General Fund	Reserve for Capital Improvements	State, Federal and Other Grants	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Participating Towns	\$ 37,023,101	\$ -	\$ -	\$ -	\$ 37,023,101
Intergovernmental Revenues	8,587,063	-	554,928	350,131	9,492,122
Tuition and Charges for Services	1,460,903	-	-	950,568	2,411,471
Investment Income	9,010	-	-	39,935	48,945
Other Revenue	<u>30,752</u>	-	-	<u>146,005</u>	<u>176,757</u>
Total Revenues	<u>47,110,829</u>	<u>-</u>	<u>554,928</u>	<u>1,486,639</u>	<u>49,152,396</u>
<b>Expenditures</b>					
Current:					
Salaries - Certified	18,390,829	-	533,221	-	18,924,050
Salaries - Classified	5,739,639	-	2,577	399,138	6,141,354
Employee Benefits	11,253,147	-	3,397	29,383	11,285,927
Purchased Services	6,863,656	-	118,503	47,114	7,029,273
Supplies and Materials	1,193,666	-	54,307	127,628	1,375,601
Liability and Property Insurance	244,805	-	-	-	244,805
Dues and Fees	81,818	-	-	41	81,859
Cost of Food Purchased	-	-	-	448,467	448,467
Student Activities	-	-	-	373,855	373,855
Debt Service	3,224,576	-	-	537,245	3,761,821
Capital Outlay	<u>1,347,350</u>	-	<u>237,589</u>	<u>645,859</u>	<u>2,230,798</u>
Total Expenditures	<u>48,339,486</u>	<u>-</u>	<u>949,594</u>	<u>2,608,730</u>	<u>51,897,810</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,228,657)	-	(394,666)	(1,122,091)	(2,745,414)
<b>Other Financing Sources/(Uses)</b>					
Leases Issued	895,050	-	-	-	895,050
Issuance of Equipment Financing	530,308	-	-	-	530,308
Transfers In	-	-	356,273	26,008	382,281
Transfers Out	<u>(26,008)</u>	-	-	<u>(356,273)</u>	<u>(382,281)</u>
Total Other Financing Sources/(Uses)	<u>1,399,350</u>	<u>-</u>	<u>356,273</u>	<u>(330,265)</u>	<u>1,425,358</u>
Net Change in Fund Balances	170,693	-	(38,393)	(1,452,356)	(1,320,056)
Fund Balances at Beginning of Year	2,924,083	1,788,014	-	1,877,339	6,589,436
Change in Fund Presentation from Major to Nonmajor	<u>-</u>	<u>(1,788,014)</u>	<u>-</u>	<u>1,788,014</u>	<u>-</u>
Fund Balances at Beginning of Year - As Adjusted	<u>2,924,083</u>	<u>-</u>	<u>-</u>	<u>3,665,353</u>	<u>6,589,436</u>
Fund Balances at End of Year	<u>\$ 3,094,776</u>	<u>\$ -</u>	<u>\$ (38,393)</u>	<u>\$ 2,212,997</u>	<u>\$ 5,269,380</u>

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, 2025

**Net Change in Fund Balances - Total Governmental Funds** \$ (1,320,056)

**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.

<i>Capital outlay</i>	1,023,352
<i>Depreciation expense</i>	(805,462)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of expense in the statement of activities. (1,946,830)

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term 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.

<i>Principal payments on long-term debt - general obligation bonds</i>	1,780,000
<i>Principal payments on long-term debt - equipment financing notes</i>	241,183
<i>Principal payments on long-term debt - leases payable</i>	255,478
<i>Proceeds from long-term debt - equipment financing notes</i>	(530,308)
<i>Amortization of premiums</i>	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.

<i>Accrued Interest</i>	34,375
<i>Compensated Absences</i>	(256,442)
<i>Total OPEB Liability</i>	2,269,483
<i>Net Pension Asset/Liability</i>	<u>418,326</u>

**Change in net position of governmental activities** \$ 1,276,094

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, 2025

---

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ -	\$ 519,785
Investments, at Fair Value:		
Money Market Funds	155,002	-
Equity Mutual Funds	5,434,527	-
Fixed Income Mutual Funds	1,125,261	-
U.S. Treasuries	1,625,686	-
Receivables	367,947	-
<b>Total Assets</b>	<u>\$ 8,708,423</u>	<u>\$ 519,785</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>
<b>Liabilities</b>		
Payables	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Restricted for Pension Benefits	8,708,423	-
Restricted for Scholarships	<u>-</u>	<u>519,785</u>
<b>Total Net Position</b>	<u>\$ 8,708,423</u>	<u>\$ 519,785</u>

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, 2025

	<b>Pension Trust Fund</b>	<b>Private Purpose Trust Funds</b>
<b>Additions</b>		
Contributions:		
Employer	\$ 367,947	\$ -
Scholarships	-	67,727
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	668,030	-
Interest and Dividends	256,781	9,513
Total Investment Income	924,811	9,513
Less: Investment Management Fees	-	-
Net Investment Income	924,811	9,513
Total Additions	1,292,758	77,240
<b>Deductions</b>		
Benefit Payments	429,181	-
Administrative Costs	42,164	-
Scholarships	-	60,340
Total Deductions	471,345	60,340
Change in Net Position	821,413	16,900
Net Position at Beginning of Year	7,887,010	502,885
Net Position at End of Year	\$ 8,708,423	\$ 519,785

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

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

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.

## REGIONAL SCHOOL DISTRICT NO. 14

### Notes to the Financial Statements

---

- 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 2a7like 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

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:

<u>Assets</u>	<u>Years</u>
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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

*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* – Employees accumulate, by prescribed formula, vacation, sick and personal days for subsequent use or for payment upon termination or retirement. The liability for compensated absences reported in the government-wide financial statements consists of leave that has not been used that is attributable to services already rendered, accumulates, and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. A liability for these amounts is reported in the governmental funds only for amounts expected to be paid with available resources; for example, as a result of employee resignations and retirements.

*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.

## REGIONAL SCHOOL DISTRICT NO. 14

### Notes to the Financial Statements

---

*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.

## REGIONAL SCHOOL DISTRICT NO. 14

### Notes to the Financial Statements

---

*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, encumbrances 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.

**REGIONAL SCHOOL DISTRICT NO. 14**

Notes to the Financial Statements

**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, 2025.

	Governmental Funds	Fiduciary Funds	Total
Cash and Cash Equivalents	<u>\$ 4,536,123</u>	<u>\$ 519,785</u>	<u>\$ 5,055,908</u>

*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 \$5,055,908 and the bank balance was \$5,303,940. Of the bank balance, the Federal Depository Insurance Corporation insured \$696,869.

As of June 30, 2025, \$4,607,071 of the District’s bank balance of \$5,303,940 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,096,364
Uninsured and collateral held by pledging bank’s Trust department not in the District’s name	<u>510,707</u>
	<u>\$ 4,607,071</u>

**Investments**

The following is a summary of investments at June 30, 2025:

	Fiduciary Funds
U.S. Treasuries	\$ 1,625,686
Money Market Funds	155,002
Equity Mutual Funds	5,434,527
Fixed Income Mutual Funds	<u>1,125,261</u>
Total Investments	<u>\$ 8,340,476</u>

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

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

Description	June 30, 2025	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
U.S. Treasuries	\$ 1,625,686	\$ 1,625,686	\$ -	\$ -
Money Market Funds	155,002	155,002	-	-
Equity Mutual Funds	5,434,527	5,434,527	-	-
Fixed Income Mutual Funds	<u>1,125,261</u>	<u>1,125,261</u>	-	-
Total Investments	<u>\$ 8,340,476</u>	<u>\$ 8,340,476</u>	<u>\$ -</u>	<u>\$ -</u>

*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 Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1-5	6-10
U.S. Treasuries	N/A	\$ 1,625,686	\$ 1,425,218	\$ 200,468	\$ -
		1,625,686	<u>\$ 1,425,218</u>	<u>\$ 200,468</u>	<u>\$ -</u>
Other Investments:					
Money Market Funds	N/A	155,002			
Equity Mutual Funds	N/A	5,434,527			
Fixed Income Mutual Funds	N/A	<u>1,125,261</u>			
Total Investments		<u>\$ 8,340,476</u>			

N/A - Not applicable

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**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	\$ -	\$ 1,920,350	\$ 42,950	\$ 1,963,300
Accounts	34,064	-	317	34,381
Gross Receivables	34,064	1,920,350	43,267	1,997,681
Less Allowance for				
Uncollectibles:				
Total Allowance	-	-	-	-
Net Total Receivables	\$ 34,064	\$ 1,920,350	\$ 43,267	\$ 1,997,681

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	\$ 73,932
State, Federal and Other Grants:	
Advances on Grants	48,282
Nonmajor Funds:	
Advances on Grants	24,410
Fees Collected in Advance	25,527
Total Unearned Revenue	\$ 172,151

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**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, 2025, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Nonmajor Governmental Funds	1,787,987
Nonmajor Governmental Funds	General Fund	70,023
State, Federal, and Other Grants	General Fund	2,001,253
		\$ 3,859,263

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, 2025, were as follows:

Transfers In:	Transfers Out:	Total
Nonmajor Governmental Funds	General Fund	\$ 26,008
State, Federal, and Other Grants Fund	Nonmajor Governmental Funds	356,273
		\$ 382,281

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

**NOTE 5 – CAPITAL ASSETS**

The following is a summary of the change in capital assets as of June 30, 2025:

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 494,814	\$ -	\$ -	\$ 494,814
Building in Progress	66,741,184	-	(66,741,184)	-
Total capital assets, not being depreciated	67,235,998	-	(66,741,184)	494,814
Capital assets, being depreciated				
Buildings and Improvements	28,988,785	67,704,815	-	96,693,600
Furniture and Equipment	1,271,858	59,721	(124,324)	1,207,255
Right of Use Equipment	175,520	895,050	-	1,070,570
Total capital assets, being depreciated	30,436,163	68,659,586	(124,324)	98,971,425
Less accumulated depreciation for:				
Buildings and Improvements	17,669,108	461,966	-	18,131,074
Furniture and Equipment	814,155	121,923	(124,324)	811,754
Right of Use Equipment	90,685	221,573	-	312,258
Total accumulated depreciation	18,573,948	805,462	(124,324)	19,255,086
Total capital assets, being depreciated, net	11,862,215	67,854,124	-	79,716,339
<i>Governmental Activities capital assets, net</i>	<b>\$ 79,098,213</b>	<b>\$ 67,854,124</b>	<b>\$ (66,741,184)</b>	<b>\$ 80,211,153</b>

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

Instructional Services	\$ 507,349
Supporting Services:	
Instructional Staff	84,091
Administrative	104,057
Operation and Maintenance of Facilities	71,454
Transportation	38,511
Total	<b>\$ 805,462</b>

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

**NOTE 6 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2025, was as follows:

<b>Governmental Activities</b>	Beginning Balance *	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 38,855,000	\$ -	\$ 1,780,000	\$ 37,075,000	\$ 1,780,000
Unamortized Premium	<u>2,512,008</u>	<u>-</u>	<u>112,995</u>	<u>2,399,013</u>	<u>112,995</u>
Total Bonds Payable	41,367,008	-	1,892,995	39,474,013	1,892,995
Equipment Financing Notes	151,800	530,308	241,183	440,925	185,057
Leases Payable	89,422	895,050	255,478	728,994	256,966
Compensated Absences	4,717,383	256,442	-	4,973,825	826,482
Total OPEB Liability	<u>4,855,990</u>	<u>-</u>	<u>2,269,483</u>	<u>2,586,507</u>	<u>-</u>
Total	<u>\$ 51,181,603</u>	<u>\$ 1,681,800</u>	<u>\$ 4,659,139</u>	<u>\$ 48,204,264</u>	<u>\$ 3,161,500</u>

\*The beginning balance of the compensated absences has been restated for the implementation of GASB 101, *Compensated Absences*. See Note 12. The change in the liabilities for compensated absences is presented net of increases and decreases.

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, 2025, consisted of the following:

Bond Issue	Year of Issue	Original Amount	Interest Rates	Final Maturity	Principal Outstanding June 30, 2025
G.O. Bonds	2018	\$ 12,000,000	2.25 - 5%	2043	\$ 9,120,000
G.O. Bonds	2019	24,655,000	2.75 - 5%	2045	19,905,000
G.O. Bonds	2022	8,400,000	3.50 - 5%	2047	<u>8,050,000</u>
					<u>\$ 37,075,000</u>

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

Year(s)	Principal	Interest	Total
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	1,780,000	1,002,025	2,782,025
2031-2035	8,900,000	3,973,362	12,873,362
2036-2040	8,885,000	2,457,375	11,342,375
2041-2045	8,395,000	1,014,325	9,409,325
2046-2050	<u>1,995,000</u>	<u>77,175</u>	<u>2,072,175</u>
Total	<u>\$ 37,075,000</u>	<u>\$ 13,343,062</u>	<u>\$ 50,418,062</u>

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**Bonds Authorized and Unissued**

At June 30, 2025, 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, 2025
Technology Equipment	2023	\$ 135,900	4.99%	July 2026	\$ 67,870
Technology Equipment	2024	350,000	5.49%	July 2029	287,275
Technology Equipment	2024	180,308	5.24%	Sept 2025	85,780
					<u>\$ 440,925</u>

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

Year(s)	Principal	Interest	Total
2026	\$ 185,057	\$ 27,906	\$ 212,963
2027	104,561	13,873	118,434
2028	73,632	8,307	81,939
2029	77,675	4,264	81,939
Total	<u>\$ 440,925</u>	<u>\$ 54,350</u>	<u>\$ 495,275</u>

**Leases Payable**

The District leases computer equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028. The future principal and interest lease payments as of June 30, 2025, are as follows:

Year(s)	Principal	Interest	Total
2026	\$ 256,966	\$ 14,436	\$ 271,402
2027	241,204	7,377	248,581
2028	230,824	1,457	232,281
Total	<u>\$ 728,994</u>	<u>\$ 23,270</u>	<u>\$ 752,264</u>

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

**Compensated Absences**

Employees may accumulate unused vacation, sick, and personal leave in accordance with policies, union contracts, and employment agreements. A liability has been recorded in the Governmental Activities financial statements for amounts more likely than not to be used as time off or paid. The liability is based on estimates of the amount of vacation, sick, and personal leave that employees will use in future years. Actual leave usage could differ from those estimates, and those differences could be material to the financial statements.

**NOTE 7 - FUND BALANCE COMPONENTS**

The components of fund balance for the governmental funds at June 30, 2025 are as follows:

	General Fund	State, Federal, and Other Grants Fund	Nonmajor Governmental Funds	Total
Fund Balances:				
Restricted for:				
Member Towns	\$ 140,418	\$ -	\$ -	\$ 140,418
Student Activities	-	-	328,674	328,674
Total Restricted	<u>\$ 140,418</u>	<u>\$ -</u>	<u>\$ 328,674</u>	<u>\$ 469,092</u>
Committed to:				
OPEB	\$ 2,773,982	\$ -	\$ -	\$ 2,773,982
Education Reserve	100,000	-	-	100,000
Food Service	-	-	179,262	179,262
Special Activities	-	-	109,692	109,692
Debt Service	-	-	38,143	38,143
Capital	-	-	1,557,226	1,557,226
Total Committed	<u>\$ 2,873,982</u>	<u>\$ -</u>	<u>\$ 1,884,323</u>	<u>\$ 4,758,305</u>
Assigned:				
Encumbrances	\$ 80,376	\$ -	\$ -	\$ 80,376
Total Assigned	<u>\$ 80,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 80,376</u>
Unassigned	<u>\$ -</u>	<u>\$ (38,393)</u>	<u>\$ -</u>	<u>\$ (38,393)</u>

There are significant encumbrances of \$200,857 contained in the committed fund balance of the Nonmajor Governmental Funds.

**Deficit Fund Balances**

The following funds have deficit fund balances as of June 30, 2025:

Fund	Amount
State, Federal, and Other Grants Fund	\$ (38,393)

The deficit fund balances in the State, Federal, and Other Grants Fund, will be funded by future revenue sources.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**NOTE 8 – RETIREMENT BENEFITS**

**Defined Contribution Retirement Plan**

The District provides retirement benefits through a single-employer defined contribution pension plan for all eligible employees. All non-certified employees hired after July 1, 2024 shall be eligible for participation in a District sponsored 403(b) deferred compensation plan. Participating employees shall contribute any voluntary contribution amount through withholding of their salary. The District shall contribute 2.00% of the employees' entire annual salary. Any employee contributions shall vest immediately. District contributions shall vest after five (5) continuous years of service. For the year ended June 30, 2025, the District's contributions totaled \$36,729 with 45 participants.

**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. The defined benefit plan is closed to new employees as of June 30, 2025.

*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	35
Inactive plan members entitled but not yet receiving payments	6
Active Members	33
Total Members	<u>74</u>

***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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

*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, 2025:

Target Allocation and Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
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%
	<u>100.00%</u>		<u>4.16%</u>
Long-Term Inflation Expectation			<u>2.40%</u>
Long-Term Expected Nominal Return			<u><u>6.56%</u></u>

*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/ (asset) of the District at June 30, 2025, were as follows:

Total pension liability	<u>District</u>
	\$ 8,081,027
Plan fiduciary net position	<u>8,708,423</u>
Net pension liability (asset)	(627,396)
Plan fiduciary net position as a percentage of total pension liability	107.76%
Covered payroll	2,538,635
Net pension liability (asset) as a % of covered payroll	-24.71%

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

*Actuarial Methods and Significant Assumptions*

The following actuarial methods and assumptions were used in the July 1, 2024 valuation and projected forward to a measurement date of June 30, 2025:

<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Percent of Salary
<b>Inflation</b>	2.40%
<b>Payroll growth</b>	3.15%
<b>Investment rate of return</b>	7.00% net of investment and admin fees
<b>Retirement age</b>	10 years of service and age 55 for early retirement 10 years of service and age 65 for normal retirement
<b>Post-retirement mortality</b>	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 2025.

*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)	\$ 144,370	\$ (627,396)	\$ (1,293,471)

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension	Plan Fiduciary	Net Pension
	Liability	Net Position	Liability (Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2024	\$ 7,677,940	\$ 7,887,010	\$ (209,070)
Changes for the year:			
Service Cost	284,346	-	284,346
Interest	542,593	-	542,593
Differences Between Expected and Actual Experience	5,329	-	5,329
Changes of Assumptions	-	-	-
Employer Contributions	-	367,947	(367,947)
Member Contributions	-	-	-
Net Investment Income	-	924,811	(924,811)
Benefit Payments	(429,181)	(429,181)	-
Administrative Expenses	-	(42,164)	42,164
Net Changes	<u>403,087</u>	<u>821,413</u>	<u>(418,326)</u>
Balance at June 30, 2025	<u>\$ 8,081,027</u>	<u>\$ 8,708,423</u>	<u>\$ (627,396)</u>
Plan fiduciary net position as a percentage of the total pension liability			107.76%
Covered Payroll			\$ 2,538,635
Net pension liability (asset) as a percentage of covered payroll			-24.71%

For the year ended June 30, 2025, the total pension expense recognized was \$84,150. As of June 30, 2025, the District reported deferred inflows and outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual earnings	\$ 9,087	\$ (11,665)
Differences between expected and actual experience	60,435	-
Changes of assumptions	-	(543,056)
	<u>\$ 69,522</u>	<u>\$ (554,721)</u>

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:	
2026	\$ 51,172
2027	(261,087)
2028	(200,030)
2029	(75,254)
	<u>\$ (485,199)</u>

## REGIONAL SCHOOL DISTRICT NO. 14

### Notes to the Financial Statements

---

#### **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](http://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 have 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

*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.

*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, 2025, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$1,201,439. The covered payroll for the District for the year ended June 30, 2025, was approximately \$17,163,414.

*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, 2025 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		<u>54,420,621</u>
Total	\$	<u>54,420,621</u>

The net pension liability was measured as of June 30, 2024, 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, 2025, the District had no proportionate share of the net pension liability.

For the year ended June 30, 2025, the District recognized benefits expense and contribution revenue of \$5,364,156 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the District recognized \$6,242,162 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, 2024, 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**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, 2024, the date of the latest actuarial valuation:

Retirees and beneficiaries receiving benefits	7
Active plan members	237
	244
	244

*Total OPEB Liability:* The District’s total OPEB liability of \$2,586,507 was measured as of June 30, 2025 and was determined by an actuarial valuation as of July 1, 2024.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability was determined by an actuarial valuation as of July 1, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation Date	July 1, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Normal
Salary Increases	Graded by Service for Teachers
Medical Trend Rate	Varies by year
Discount Rate	5.20 (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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**Changes in the Total OPEB Liability:**

	Total OPEB Liability
Balance at 6/30/24	\$ 4,855,990
Changes for the year:	
Service Cost	204,654
Interest	197,540
Effect of Economic/Demographic Gains/(Losses)	(1,247,490)
Changes in Assumptions	(1,355,189)
Benefit Payments	(68,998)
Net Changes	(2,269,483)
Balance at 6/30/25	\$ 2,586,507

Changes of assumptions reflects a change in the discount rate from 3.93% to 5.20%. 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 (4.20%) or 1-percentage-point higher (6.20%) than the current discount rate:

	1% Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Total OPEB Liability	\$ 2,814,773	\$ 2,586,507	\$ 2,376,337

*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	\$ 2,284,736	\$ 2,586,507	\$ 2,940,376

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2025, the District recognized OPEB expense of \$(388,184). As of June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,038,831	\$ (4,492,505)
Change in assumptions	498,441	(3,143,072)
	\$ 1,537,272	\$ (7,635,577)

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:	
2026	\$ (781,504)
2027	(760,795)
2028	(760,795)
2029	(934,964)
2030	(1,062,892)
Thereafter	(1,797,355)
	\$ (6,098,305)

**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](http://www.ct.gov).

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

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

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 Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

*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 \$75,103.

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, 2024, using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

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
<u>Municipal bond index rate:</u>	
Measurement Date	3.93%
Prior Measurement Date	3.65%

The projected fiduciary net position is projected to be depleted in 2027.

Single equivalent interest rate

Measurement Date	3.93%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.64%, 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%	1.26%	1.10%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.75%	

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.93%. 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, 2024.

In addition to the actuarial methods and assumptions of the June 30, 2024, 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 2027 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	\$9,163,086	\$ 11,163,540	\$ 13,883,340

*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 (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Net OPEB liability	\$ 13,596,376	\$11,163,540	\$ 9,263,219

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2025 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:

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

District's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the District	<u>11,163,540</u>
Total	<u>\$ 11,163,540</u>

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2025, the District had no proportionate share of the net OPEB liability.

For the year ended June 30, 2025, the District recognized OPEB expense and revenue of \$75,103 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the District recognized \$154,678 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, 2025, 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. 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to the Financial Statements

---

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**

**Change in Accounting Principle**

Effective July 1, 2024, the District implemented GASB Statement No. 101, *Compensated Absences*. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. As a result of the implementation of this standard, there was an adjustment to increase the beginning Governmental Activities compensated absences liability by \$3,935,785 and to reduce the beginning Net Position by the same amount.

**Changes to or within the Financial Reporting Entity**

The Reserve for Capital Improvements Fund previously met the criteria to be reported as a major governmental fund. However, effective July 1, 2024, 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, 2025. The effect of that change to or within the financial reporting entity is to remove the beginning fund balance of \$1,788,014 from the Reserve for Capital Improvements Fund and report it with the beginning fund balance of the nonmajor governmental funds.

**Adjustments and Restatements of Beginning Balances**

The effect of the change in accounting principle and changes to or within the financial reporting entity on the beginning net position and fund balances is described in the table below:

	<u>Governmental Activities</u>	<u>Reserve for Capital Improvements Fund</u>	<u>Nonmajor Governmental Funds</u>
Net Position/Fund Balance as Reported June 30, 2024	\$ 33,456,561	\$ 1,788,014	\$ -
Change in Accounting Principle - Compensated Absences	(3,935,785)	-	-
Changes to or Within the Financial Reporting Entity	<u>-</u>	<u>(1,788,014)</u>	<u>1,788,014</u>
Net Position/Fund Balance as Adjusted July 1, 2024	<u>\$ 29,520,776</u>	<u>\$ -</u>	<u>\$ 1,788,014</u>

**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, 2025

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
<b>REVENUES</b>				
Participating Towns				
Town of Bethlehem	\$ 9,679,812	\$ 9,679,812	\$ 9,679,829	\$ 17
Town of Woodbury	27,342,688	27,342,688	27,342,672	(16)
State of Connecticut				
Adult Education Grant	6,517	6,517	4,861	(1,656)
Agri-Science/Tech Grant	2,631,062	2,631,062	2,509,329	(121,733)
Miscellaneous Grants	-	-	76,739	76,739
Other				
Tuition Income	1,552,562	1,552,562	1,460,903	(91,659)
Other Income	2,000	2,000	30,752	28,752
Investment Income	7,000	7,000	9,010	2,010
Prior Year Surplus	63,822	63,822	-	(63,822)
Encumbrance Credits	-	-	-	-
<b>Total Revenues</b>	<u>41,285,463</u>	<u>41,285,463</u>	<u>41,114,095</u>	<u>(171,368)</u>
<b>EXPENDITURES</b>				
Current:				
Salaries - Certified	18,538,958	18,538,958	18,390,829	148,129
Salaries - Classified	5,163,233	5,163,233	5,739,639	(576,406)
Employee Benefits	5,965,940	5,965,940	5,816,100	149,840
Purchased Services	7,075,505	7,022,725	6,321,451	701,274
Supplies and Materials	1,254,458	1,305,165	1,215,035	90,130
Liability and Property Insurance	239,223	239,223	244,805	(5,582)
Dues and Fees	78,904	78,019	83,181	(5,162)
Debt Service	2,686,125	2,686,125	2,686,125	-
Capital Outlay	283,017	285,975	376,083	(90,108)
<b>Total Expenditures</b>	<u>41,285,363</u>	<u>41,285,363</u>	<u>40,873,248</u>	<u>412,115</u>
<b>Other Financing Uses</b>				
Transfers Out:				
Reserve for Specific Capital Improvements	100	100	-	100
Reserve for OPEB	-	-	114,839	(114,839)
Reserve for Educational Expenditures	-	-	100,000	(100,000)
Food Service	-	-	26,008	(26,008)
<b>Total Other Financing Uses</b>	<u>100</u>	<u>100</u>	<u>240,847</u>	<u>(240,747)</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>41,285,463</u>	<u>41,285,463</u>	<u>41,114,095</u>	<u>171,368</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing (Uses) - Budgetary Basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>Fund Balance, Beginning of Year</b>			<u>140,418</u>	
<b>Fund Balance, End of Year</b>			<u>\$ 140,418</u>	

See accountant's report.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Notes to Required Supplementary Information

---

**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 31<sup>st</sup>, 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, \$100,000 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.

**REGIONAL SCHOOL DISTRICT NO. 14**  
**Notes to Required Supplementary Information**

---

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, 2025:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>
Budgetary Basis	\$ 41,114,095	\$ 40,873,248	\$ (240,847)
"On-behalf" payments - State Teachers Retirement Fund	5,439,259	5,439,259	-
Excess Cost Grant	555,494	555,494	-
TEAM Grant	1,381	1,381	-
Equipment Financing Note Activity	-	530,308	530,308
Lease Activity	-	895,050	895,050
Reserve for Educational Expenditures	-	55,000	100,000
OPEB Activity	-	-	114,839
Adjustment for Encumbrances	600	(10,254)	-
GAAP Basis	<u>\$ 47,110,829</u>	<u>\$ 48,339,486</u>	<u>\$ 1,399,350</u>

**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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Total Pension Liability</b>										
Service Cost	\$ 284,346	\$ 291,762	\$ 280,798	\$ 243,505	\$ 222,922	\$ 213,838	\$ 214,921	\$ 217,067	\$ 208,741	\$ 235,893
Interest	542,593	512,252	482,900	427,673	453,407	438,260	411,151	406,261	375,388	363,266
Differences Between Expected and Actual Experience	5,329	10,839	(30,086)	(8,063)	(438,170)	(203,801)	93,311	(241,887)	13,928	(90,824)
Changes of Assumptions	-	-	-	405,779	(87,707)	130,945	1,728	61,883	56,455	-
Benefit Payments, Including Refunds of Member Contributions	(429,181)	(320,656)	(329,707)	(305,172)	(324,910)	(432,013)	(263,167)	(257,135)	(234,551)	(397,294)
<b>Net Change in Total Pension Liability</b>	<b>403,087</b>	<b>494,197</b>	<b>403,905</b>	<b>763,722</b>	<b>(174,458)</b>	<b>147,229</b>	<b>457,944</b>	<b>186,189</b>	<b>419,961</b>	<b>111,041</b>
<b>Total Pension Liability - Beginning</b>	<b>7,677,940</b>	<b>7,183,743</b>	<b>6,779,838</b>	<b>6,016,116</b>	<b>6,190,574</b>	<b>6,043,345</b>	<b>5,585,401</b>	<b>5,399,212</b>	<b>4,979,251</b>	<b>4,868,210</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 8,081,027</b>	<b>\$ 7,677,940</b>	<b>\$ 7,183,743</b>	<b>\$ 6,779,838</b>	<b>\$ 6,016,116</b>	<b>\$ 6,190,574</b>	<b>\$ 6,043,345</b>	<b>\$ 5,585,401</b>	<b>\$ 5,399,212</b>	<b>\$ 4,979,251</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 367,947	\$ 378,800	\$ 350,000	\$ 360,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 315,000	\$ 570,000	\$ 342,600
Net Investment Income	924,811	1,101,911	725,269	(797,778)	1,431,093	361,078	334,042	454,736	466,694	68,222
Benefit Payments, Including Refunds of Member Contributions	(429,181)	(320,656)	(329,707)	(305,172)	(324,910)	(432,013)	(263,167)	(257,135)	(234,551)	(397,294)
Administrative Expenses	(42,164)	(38,146)	(34,444)	(37,752)	(34,199)	(30,677)	(29,053)	(27,414)	(24,804)	(22,030)
<b>Net Change in Pension Fiduciary Net Position</b>	<b>821,413</b>	<b>1,121,909</b>	<b>711,118</b>	<b>(780,702)</b>	<b>1,421,984</b>	<b>248,388</b>	<b>391,822</b>	<b>485,187</b>	<b>777,339</b>	<b>(8,502)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>7,887,010</b>	<b>6,765,101</b>	<b>6,053,983</b>	<b>6,834,685</b>	<b>5,412,701</b>	<b>5,164,313</b>	<b>4,772,491</b>	<b>4,287,304</b>	<b>3,509,965</b>	<b>3,518,467</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 8,708,423</b>	<b>\$ 7,887,010</b>	<b>\$ 6,765,101</b>	<b>\$ 6,053,983</b>	<b>\$ 6,834,685</b>	<b>\$ 5,412,701</b>	<b>\$ 5,164,313</b>	<b>\$ 4,772,491</b>	<b>\$ 4,287,304</b>	<b>\$ 3,509,965</b>
<b>Net Pension Liability (Asset) - Ending: (a) - (b)</b>	<b>\$ (627,396)</b>	<b>\$ (209,070)</b>	<b>\$ 418,642</b>	<b>\$ 725,855</b>	<b>\$ (818,569)</b>	<b>\$ 777,873</b>	<b>\$ 879,032</b>	<b>\$ 812,910</b>	<b>\$ 1,111,908</b>	<b>\$ 1,469,286</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	107.76%	102.72%	94.17%	89.29%	113.61%	87.43%	85.45%	85.45%	79.41%	70.49%
<b>Covered Payroll</b>	\$ 2,538,635	\$ 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
<b>Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	-24.71%	-7.86%	15.73%	28.62%	-31.29%	29.37%	33.46%	32.07%	41.76%	58.82%

See accountant's report.

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Employer Contribution (ADEC)	\$ 367,947	\$ 378,800	\$ 359,468	\$ 306,533	\$ 344,229	\$ 347,949	\$ 336,953	\$ 369,039	\$ 332,247	\$ 315,120
Contributions in Relation to the ADEC	<u>367,947</u>	<u>378,800</u>	<u>350,000</u>	<u>360,000</u>	<u>350,000</u>	<u>350,000</u>	<u>350,000</u>	<u>315,000</u>	<u>570,000</u>	<u>342,600</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,468</u>	<u>\$ (53,467)</u>	<u>\$ (5,771)</u>	<u>\$ (2,051)</u>	<u>\$ (13,047)</u>	<u>\$ 54,039</u>	<u>\$(237,753)</u>	<u>\$ (27,480)</u>
Covered Payroll	2,579,190	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
Contributions as a Percentage of Covered Payroll	14.27%	14.68%	14.23%	14.19%	13.66%	13.77%	14.27%	12.43%	21.41%	13.71%

**Notes to Schedule**

Valuation Date: 7/1/2023

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.

See accountant's report.

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

---

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual Money-Weighted Rate of Return, Net of Investment Expense	12.03%	16.69%	12.09%	-11.94%	26.80%	7.06%	7.03%	10.61%	12.02%	1.95%

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**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
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	<u>54,420,621</u>	<u>60,234,056</u>	<u>63,308,575</u>	<u>51,377,690</u>	<u>64,870,126</u>	<u>61,076,960</u>	<u>47,093,885</u>	<u>47,747,856</u>	<u>50,374,354</u>	<u>39,553,506</u>
<b>Total</b>	<b><u>\$ 54,420,621</u></b>	<b><u>\$ 60,234,056</u></b>	<b><u>\$ 63,308,575</u></b>	<b><u>\$ 51,377,690</u></b>	<b><u>\$ 64,870,126</u></b>	<b><u>\$ 61,076,960</u></b>	<b><u>\$ 47,093,885</u></b>	<b><u>\$ 47,747,856</u></b>	<b><u>\$ 50,374,354</u></b>	<b><u>\$ 39,553,506</u></b>
District's covered payroll	\$ 17,163,414	\$ 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
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	62.68%	58.39%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%

**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	25.9 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 Eight Fiscal Years\*

**Schedule of Proportionate Share of Net OPEB Liability**

	2025	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%	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	<u>11,163,540</u>	<u>5,643,104</u>	<u>5,544,379</u>	<u>5,597,505</u>	<u>9,675,382</u>	<u>9,525,296</u>	<u>9,414,387</u>	<u>12,289,755</u>
<b>Total</b>	<u>\$ 11,163,540</u>	<u>\$ 5,643,104</u>	<u>\$ 5,544,379</u>	<u>\$ 5,597,505</u>	<u>\$ 9,675,382</u>	<u>\$ 9,525,296</u>	<u>\$ 9,414,387</u>	<u>\$ 12,289,755</u>
District's covered-employee payroll	<u>\$ 17,163,414</u>	<u>\$ 16,497,900</u>	<u>\$ 16,396,186</u>	<u>\$ 15,596,615</u>	<u>\$ 15,023,443</u>	<u>\$ 14,705,200</u>	<u>\$ 14,915,106</u>	<u>\$ 14,682,350</u>
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%	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	7.40%	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 Eight Fiscal Years\*

	2025	2024	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>								
Service Cost	\$ 204,654	\$ 250,350	\$ 242,875	\$ 316,405	\$ 414,677	\$ 360,205	\$ 320,914	\$ 267,655
Interest	197,540	180,354	325,729	236,022	245,291	346,952	276,761	253,613
Economic/Demographic Gains/(Losses)	(1,247,490)	-	(4,810,031)	-	816,777	-	1,928,412	-
Changes of Assumptions	(1,355,189)	(184,122)	134,114	(2,008,191)	(1,320,908)	673,575	475,997	(257,373)
Benefit Payments	<u>(68,998)</u>	<u>(161,485)</u>	<u>(159,196)</u>	<u>(233,531)</u>	<u>(226,007)</u>	<u>(270,828)</u>	<u>(288,576)</u>	<u>(212,020)</u>
<b>Net Change in Total OPEB Liability</b>	(2,269,483)	85,097	(4,266,509)	(1,689,295)	(70,170)	1,109,904	2,713,508	51,875
<b>Total OPEB Liability - Beginning</b>	<u>4,855,990</u>	<u>4,770,893</u>	<u>9,037,402</u>	<u>10,726,697</u>	<u>10,796,867</u>	<u>9,686,963</u>	<u>6,973,455</u>	<u>6,921,580</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 2,586,507</u>	<u>\$ 4,855,990</u>	<u>\$ 4,770,893</u>	<u>\$ 9,037,402</u>	<u>\$ 10,726,697</u>	<u>\$ 10,796,867</u>	<u>\$ 9,686,963</u>	<u>\$ 6,973,455</u>

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, 2025
Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal
Discount Rate	5.20% (Prior 3.93%)
Inflation Rate	2.50%
Salary Increases	Graded by Service
Healthcare Cost Trend Rates	7.30% 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, 2025

	General Fund	Reserve for Educational Expenditures Fund	OPEB Reserve Fund	Eliminations	Total
<b>Assets</b>					
Cash and Cash Equivalents	\$ 3,799,081	\$ -	\$ -	\$ -	\$ 3,799,081
Receivables, net of Allowance	34,064	-	-	-	34,064
Due from Other Funds	<u>2,071,276</u>	<u>100,000</u>	<u>2,773,982</u>	<u>(2,873,982)</u>	<u>2,071,276</u>
<b>Total Assets</b>	<u>\$ 5,904,421</u>	<u>\$ 100,000</u>	<u>\$ 2,773,982</u>	<u>\$ (2,873,982)</u>	<u>\$ 5,904,421</u>
<b>Liabilities</b>					
Accounts Payable & Accrued Items	\$ 947,726	\$ -	\$ -	\$ -	\$ 947,726
Unearned Revenue	73,932	-	-	-	73,932
Due to Other Funds	<u>4,661,969</u>	<u>-</u>	<u>-</u>	<u>(2,873,982)</u>	<u>1,787,987</u>
<b>Total Liabilities</b>	<u>5,683,627</u>	<u>-</u>	<u>-</u>	<u>(2,873,982)</u>	<u>2,809,645</u>
<b>Fund Balances</b>					
Restricted	140,418	-	-	-	140,418
Committed	-	100,000	2,773,982	-	2,873,982
Assigned	80,376	-	-	-	80,376
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Fund Balances</b>	<u>220,794</u>	<u>100,000</u>	<u>2,773,982</u>	<u>-</u>	<u>3,094,776</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 5,904,421</u>	<u>\$ 100,000</u>	<u>\$ 2,773,982</u>	<u>\$ (2,873,982)</u>	<u>\$ 5,904,421</u>

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, 2025

	General Fund	Reserve for Educational Expenditures Fund	OPEB Reserve Fund	Eliminations	Total
<b>Revenues</b>					
Participating Towns	\$ 37,023,101	\$ -	\$ -	\$ -	\$ 37,023,101
Intergovernmental	8,587,063	-	-	-	8,587,063
Tuition and Charges for Services	1,460,903	-	-	-	1,460,903
Investment Income	9,010	-	-	-	9,010
Other Income	30,752	-	-	-	30,752
Total Revenues	<u>47,110,829</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,110,829</u>
<b>Expenditures</b>					
Current:					
Salaries - Certified	18,390,829	-	-	-	18,390,829
Salaries - Classified	5,739,639	-	-	-	5,739,639
Employee Benefits	11,253,147	-	-	-	11,253,147
Purchased Services	6,863,656	-	-	-	6,863,656
Supplies and Materials	1,193,666	-	-	-	1,193,666
Liabilities and Property Insurance	244,805	-	-	-	244,805
Dues and Fees	81,818	-	-	-	81,818
Debt Service	3,224,576	-	-	-	3,224,576
Capital Outlay	1,292,350	55,000	-	-	1,347,350
Total Expenditures	<u>48,284,486</u>	<u>55,000</u>	<u>-</u>	<u>-</u>	<u>48,339,486</u>
Excess/(Deficiency) of Revenues over Expenditures	(1,173,657)	(55,000)	-	-	(1,228,657)
<b>Other Financing Sources/(Uses)</b>					
Leases Issued	895,050	-	-	-	895,050
Issuance of Equipment Financing	530,308	-	-	-	530,308
Transfers in	-	100,000	114,839	(214,839)	-
Transfers out	(240,847)	-	-	214,839	(26,008)
Total other financing sources (uses)	<u>1,184,511</u>	<u>100,000</u>	<u>114,839</u>	<u>-</u>	<u>1,399,350</u>
Net Change in Fund Balances	10,854	45,000	114,839	-	170,693
Fund Balances at Beginning of Year	<u>209,940</u>	<u>55,000</u>	<u>2,659,143</u>	<u>-</u>	<u>2,924,083</u>
Fund Balances at End of Year	<u>\$ 220,794</u>	<u>\$ 100,000</u>	<u>\$ 2,773,982</u>	<u>\$ -</u>	<u>\$ 3,094,776</u>

**REGIONAL SCHOOL DISTRICT NO. 14**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

	<b>SPECIAL REVENUE FUNDS</b>				<b>CAPITAL PROJECTS FUNDS</b>			<b>Total</b>
	<b>Food Service</b>	<b>Special Accounts</b>	<b>E-Rate Program</b>	<b>Student Activities Fund</b>	<b>Reserve for Capital Improvements</b>	<b>High School Renovation Fund</b>	<b>Debt Service Fund</b>	
<b>Assets</b>								
Cash and Cash Equivalents	\$ 209,804	\$ 22,106	\$ -	\$ 368,127	\$ -	\$ -	\$ 38,143	\$ 638,180
Receivables, Net	42,950	-	-	317	-	-	-	43,267
Inventory	5,049	-	-	-	-	-	-	5,049
Due from Other Funds	-	91,109	25,962	-	775,498	895,418	-	1,787,987
<b>Total Assets</b>	<b>\$ 257,803</b>	<b>\$ 113,215</b>	<b>\$ 25,962</b>	<b>\$ 368,444</b>	<b>\$ 775,498</b>	<b>\$ 895,418</b>	<b>\$ 38,143</b>	<b>\$ 2,474,483</b>
<b>Liabilities and Fund Balances</b>								
Liabilities:								
Accounts Payable and Accrued Items	\$ 4,229	\$ 560	\$ 1,552	\$ 21,495	\$ 113,690	\$ -	\$ -	\$ 141,526
Unearned Revenue	25,527	-	24,410	-	-	-	-	49,937
Due to Other Funds	48,785	2,963	-	18,275	-	-	-	70,023
<b>Total Liabilities</b>	<b>78,541</b>	<b>3,523</b>	<b>25,962</b>	<b>39,770</b>	<b>113,690</b>	<b>-</b>	<b>-</b>	<b>261,486</b>
Fund Balances:								
Restricted	-	-	-	328,674	-	-	-	328,674
Committed	179,262	109,692	-	-	661,808	895,418	38,143	1,884,323
Unassigned	-	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>179,262</b>	<b>109,692</b>	<b>-</b>	<b>328,674</b>	<b>661,808</b>	<b>895,418</b>	<b>38,143</b>	<b>2,212,997</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 257,803</b>	<b>\$ 113,215</b>	<b>\$ 25,962</b>	<b>\$ 368,444</b>	<b>\$ 775,498</b>	<b>\$ 895,418</b>	<b>\$ 38,143</b>	<b>\$ 2,474,483</b>

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, 2025

	<b>SPECIAL REVENUE FUNDS</b>			<b>CAPITAL PROJECTS FUNDS</b>			Debt Service Fund	Total
	Food Service	Special Accounts	E-Rate Program	Student Activities Fund	Reserve for Capital Improvements	High School Renovation Fund		
<b>Revenues</b>								
Intergovernmental Revenues	\$ 350,131	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 350,131
Charges for Services	523,858	-	-	426,710	-	-	-	950,568
Investment Income	3,872	97	-	-	35,966	-	-	39,935
Other Revenue	-	28,843	117,162	-	-	-	-	146,005
Total Revenues	<u>877,861</u>	<u>28,940</u>	<u>117,162</u>	<u>426,710</u>	<u>35,966</u>	<u>-</u>	<u>-</u>	<u>1,486,639</u>
<b>Expenditures</b>								
Current:								
Salaries - Classified	399,138	-	-	-	-	-	-	399,138
Employee Benefits	29,383	-	-	-	-	-	-	29,383
Purchased Services	41,864	-	5,250	-	-	-	-	47,114
Supplies and Materials	28,175	24,036	75,417	-	-	-	-	127,628
Dues and Fees	41	-	-	-	-	-	-	41
Cost of Food Purchased	448,467	-	-	-	-	-	-	448,467
Student Activities	-	-	-	373,855	-	-	-	373,855
Debt Service	-	-	36,495	-	250,000	250,750	-	537,245
Capital Outlay	13,306	-	-	-	555,899	76,654	-	645,859
Total Expenditures	<u>960,374</u>	<u>24,036</u>	<u>117,162</u>	<u>373,855</u>	<u>805,899</u>	<u>327,404</u>	<u>-</u>	<u>2,608,730</u>
Excess/(Deficiency) of Revenues Over Expenditures	(82,513)	4,904	-	52,855	(769,933)	(327,404)	-	(1,122,091)
<b>Other Financing Sources/(Uses)</b>								
Transfers In	26,008	-	-	-	-	-	-	26,008
Transfers Out	-	-	-	-	(356,273)	-	-	(356,273)
Total Other Financing Sources/(Uses)	<u>26,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(356,273)</u>	<u>-</u>	<u>-</u>	<u>(330,265)</u>
Net Change in Fund Balances	(56,505)	4,904	-	52,855	(1,126,206)	(327,404)	-	(1,452,356)
Fund Balances at Beginning of Year	235,767	104,788	-	275,819	-	1,222,822	38,143	1,877,339
Change in Fund Presentation from Major to Nonmajor	-	-	-	-	1,788,014	-	-	1,788,014
Fund Balances at Beginning of Year - As Adjusted	<u>235,767</u>	<u>104,788</u>	<u>-</u>	<u>275,819</u>	<u>1,788,014</u>	<u>1,222,822</u>	<u>38,143</u>	<u>3,665,353</u>
Fund Balances at End of Year	<u>\$ 179,262</u>	<u>\$ 109,692</u>	<u>\$ -</u>	<u>\$ 328,674</u>	<u>\$ 661,808</u>	<u>\$ 895,418</u>	<u>\$ 38,143</u>	<u>\$ 2,212,997</u>

See accountant's report.

**REGIONAL SCHOOL DISTRICT NO. 14**  
Detailed Statement of Scholarship Net Position  
Private Purpose Trust Funds  
June 30, 2025

Name	Assets		Liabilities	Net Position
	Cash and Cash Equivalents	Accounts Receivable	Accounts Payable	Restricted for Scholarships
<b>Nonexpendable Funds</b>				
Blechner	\$ 56,747	\$ -	\$ -	\$ 56,747
Sanford	46,842	-	-	46,842
<b>Expendable Funds</b>				
Albert	3,091	-	-	3,091
Bailey	681	-	-	681
Besanson	5,658	-	-	5,658
Blinstrubas	227	-	-	227
Bloss	342,876	-	-	342,876
Brown	2,499	-	-	2,499
Burger	105	-	-	105
Class of 1965	(1)	-	-	(1)
Cummings	19,806	-	-	19,806
Gagne	1,790	-	-	1,790
Lovett	5,000	-	-	5,000
Meeker	(66)	-	-	(66)
Mirfield	10,850	-	-	10,850
Oxbury 4-H	4,056	-	-	4,056
Pierpoint	3,541	-	-	3,541
Pomperaug Grange	1,432	-	-	1,432
Red Cross	508	-	-	508
Ruggiero	3,714	-	-	3,714
Sprano	1,737	-	-	1,737
Tateo	1,781	-	-	1,781
Vaszauskas	1,041	-	-	1,041
Weltsek	859	-	-	859
Zane	5,011	-	-	5,011
	<u>\$ 519,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 519,785</u>

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, 2025

Name	Additions			Deductions		Net Increase (Decrease)	Net Position June 30, 2024	Net Position June 30, 2025
	Contributions	Interest	Total	Scholarship Payments				
<b>Nonexpendable Funds</b>								
Blechner	\$ -	\$ 1,085	\$ 1,085	\$ -	\$ 1,085	\$ 55,662	\$ 56,747	
Sanford	-	922	922	800	122	46,720	46,842	
<b>Expendable Funds</b>								
Albert	-	60	60	-	60	3,031	3,091	
Bailey	-	22	22	500	(478)	1,159	681	
Besanson	-	119	119	500	(381)	6,039	5,658	
Blinstrubas	-	23	23	500	(477)	704	227	
Bloss	64,977	5,910	70,887	49,740	21,147	321,729	342,876	
Brown	-	53	53	-	53	2,446	2,499	
Burger	-	2	2	-	2	103	105	
Class of 1965	1,821	28	1,849	1,850	(1)	-	(1)	
Cummings	-	382	382	500	(118)	19,924	19,806	
Gagne	-	34	34	-	34	1,756	1,790	
Lovett	-	107	107	500	(393)	5,393	5,000	
Meeker	23	23	46	1,350	(1,304)	1,238	(66)	
Mirfield	-	218	218	500	(282)	11,132	10,850	
Oxbury 4-H	-	108	108	1,600	(1,492)	5,548	4,056	
Pierpoint	-	68	68	-	68	3,473	3,541	
Pomperaug Grange	-	28	28	-	28	1,404	1,432	
Red Cross	500	8	508	-	508	-	508	
Ruggiero	-	72	72	-	72	3,642	3,714	
Sprano	-	33	33	-	33	1,704	1,737	
Tateo	-	44	44	500	(456)	2,237	1,781	
Vaszauskas	-	34	34	500	(466)	1,507	1,041	
Weltsek	406	24	430	500	(70)	929	859	
Zane	-	106	106	500	(394)	5,405	5,011	
	<u>\$ 67,727</u>	<u>\$ 9,513</u>	<u>\$ 77,240</u>	<u>\$ 60,340</u>	<u>\$ 16,900</u>	<u>\$ 502,885</u>	<u>\$ 519,785</u>	

See accountant's report.

**REGIONAL SCHOOL DISTRICT NO. 14**

Schedule of Debt Limitation

June 30, 2025

---

**Total Tax Collections of Member Towns - Prior Year**

Town of Woodbury	\$ 33,173,746
Town of Bethlehem	<u>10,817,699</u>
Base	<u>\$ 43,991,445</u>

District

**Debt Limitation:**

Limit for School Building Purposes (4.5 times base) \$ 197,961,503

**Indebtedness:**

General Obligation Bonds	37,075,000
Equipment Financing Notes	<u>440,925</u>
Net Indebtedness	<u>37,515,925</u>

Debt Limitation in Excess of Net Indebtedness \$ 160,445,578

See accountant's report.