

F.O.I. Compliance – Subject to BOE approval at a future meeting

JOINT BOARD OF EDUCATION MEETING

Date: April 01, 2021

Regular Meeting – REMOTE MEETING held

(To view a recording of this meeting, please visit our website www.reg4.k12.ct.us and select “Remote Meeting Recordings” under the BOARD OF EDUCATION Heading)

CHESTER BOARD OF EDUCATION:	Charlene Fearon, Dale Bernardoni, Rebecca Greenberg-Ellis, Kris Pollock, Rob Bibbiani, Maria Scherber
DEEP RIVER BOARD OF EDUCATION:	Miriam Morrissey, Bob Ferretti, Lenore Gunko, Missy Campbell, Tracy Dickson, Betsy Scholfield, Pat Maikowski
ESSEX BOARD OF EDUCATION:	Lon Seidman, Mark Watson, Nancy Johnston, Loretta McCluskey
REGION 4 BOARD OF EDUCATION:	Kate Sandmann, Jane Cavanaugh, Rob Bibbiani, Lori Ann Clymas, John Stack, Jennifer Clark, Rick Daniels, Lon Seidman

Also in attendance: Mr. Brian White, Superintendent; Sarah Smalley, Director of Pupil Services; Robert Grissom, Finance Director

CALL TO ORDER and Verbal Roll Call

Supervision District Committee Vice-Chair Miriam Morrissey called the meeting to order at 7:00 p.m.

The Chairs (or their designee) of the Chester, Essex and Region 4 Boards called their respective Boards to order at 7:00 p.m. *(the Deep River Board did not have a quorum present at roll call, but gained a quorum shortly thereafter and was called to order)*

CONSENT AGENDA

On motion duly made and seconded the Chester, Deep River, Essex and Region 4 Boards unanimously **VOTED** to approve the consent agenda consisting of the Minutes from the regular meeting of February 25, 2021.

PUBLIC COMMENT – No comments were made

REPORTS AND OTHER ITEMS

Superintendent White shared updates related to dealing with Covid-19 at our schools. He shared today’s in-person attendance percentages from each school and reported that we have seen a steady increase in students coming back from remote learning to attend in-person, with a notable increase over the last two or three weeks presumed to be due to more widespread vaccinations and the reintroduction of after-school activities at JWMS, as well as the warmer weather in general, which allows for more outside activities. The high school continues to work with their student leadership to keep increasing the numbers for those attending in person, with a focus on increasing social opportunities, in a safe manner.

Superintendent White talked briefly regarding spring sports and spectators. Valley will be communicating out more specifically with regards to this topic next week. He also discussed on-going efforts at elementary schools, the middle school, and the high school to provide meaningful end-of-year activities including promotion ceremonies, prom, graduations, etc... Parents should expect to receive communications from their student’s principal once specific details for these types of events have been determined.

He reported that administration has recently initiated two K-12 committees; one for Social and Emotional Learning and one for Academic Intervention and that they are already reflecting on efforts to date and thinking about the start of the next school year. Administration is still awaiting guidance from the State of CT to know whether or not remote learning will be a component of the next school year, but for now, we are planning on having all students with us in person, unless state guidance says otherwise.

He provided a brief update on ESSER II grant funds that may be available for use in the 2021-22 school year. More details will be shared with the Boards as they become known.

He also shared that the districts are expecting a second wave of American Rescue Plan funding, but they are still awaiting guidance from the federal government to know how those funds might be used and any impact those funds may have on our budgets. He will continue to update the boards as information becomes known.

Superintendent White noted that because some administration has received some questions recently regarding how decisions pertaining to how schools are functioning during the pandemic are made, he wanted to review details that have been communicated throughout the school year. He reminded everyone that all decisions are collaborative decisions between building administration, central office administration, and our local health districts. Decisions are not made in isolation. We also work closely with other local schools and their health districts when appropriate. Localized differences in school size, student numbers, physical layout of buildings, staff numbers and availability, etc... are all localized factors that can determine how we are able to implement guidance from state and local health departments, which may differ between other districts.

Superintendent White discussed the enclosure regarding an amendment, for the 2020-21 school year only, to provide flexibilities to the Educator Evaluation Plan previously approved by the Joint BOE on June 04, 2015. The amendment has been approved by the CSDE. These flexibilities are related to disruptions to the school year last year and this, caused by the pandemic, as well as a heightened need to focus on more qualitative goals regarding the social and emotional welfare of students.

On motion duly made and seconded, the Chester, Essex and Region 4 Boards unanimously VOTED and the Deep River Board (6 Yes / 0 No / 1 abstained - B. Ferretti = passed) to adopt the CSDE approved *flexibilities* amendment to the Educator Evaluation and Support Plan adopted by the Joint BOE on June 04, 2015, for the 2020-21 school year.

Superintendent White reviewed the enclosure showing a proposed reduction in the Supervision District budget for 2021-22. This reduction is due to a change in personnel at Chester Elementary and as such, is found in the direct billing salary and benefits line(s) for Chester Elementary. The Chester Board approved this change within their proposed budget last week, therefore the Supervision District budget may now be revised accordingly.

On motion duly made and seconded, the Chester (4 Yes / 1 No – K. Pollock / 1 abstained – M. Scherber = passed), Deep River (6 Yes / 1 No – P. Maikowski = passed), Essex (unanimous), and Region 4 (unanimous) Boards VOTED to approve the reduced Supervision District budget in the new amount of \$8,214,486.

Thomas Peterlik, Director of Food Services discussed the annual request for approval of the Healthy Food Certification. There are two motions that must be voted on in order to be in compliance with the program.

On motion duly made and seconded the Chester, Deep River, Essex and Region 4 Boards unanimously VOTED to approve the Superintendent's recommendation to vote "yes" on implementing the healthy food option of C.G.S. Section 10-215f and approve the following motion language for the healthy food option: *Pursuant to C.G.S. Section 10-215f, the board(s) of education certifies that all food items offered for sale to students in the schools under its jurisdiction, and not exempted from the Connecticut Nutrition Standards published by the Connecticut State Department of Education will comply with the Connecticut Nutrition Standards during the period of July 1, 2021, through June 30, 2022. This certification shall include all food offered for sale to students separately from reimbursable meals at all times and from all sources, including but not limited to school stores, vending machines, school cafeterias, culinary programs, and any fundraising activities on school premises sponsored by the school or non-school organizations and groups.*

On motion duly made and seconded the Chester, Deep River, Essex and Region 4 Boards unanimously VOTED to approve the Superintendent's recommendation to vote "yes" to allow food and beverage exemptions and approve the following motion language: *The board(s) of education or governing authority will allow the sale to students of food items that do not meet the Connecticut Nutrition Standards and beverages not listed in Section 10-221q of the Connecticut General Statutes provided that the following conditions are met: 1)the sale is in connection with an event occurring after the end of the regular school day or on the weekend; 2)the sale is at the location of the event; and 3)the food and beverage items are not sold from a vending machine or school store. An "event" is an occurrence that involves more than just a regularly scheduled practice, meeting, or extracurricular activity. For example, soccer games, school plays, and interscholastic debates are events but soccer practices, play rehearsals, and debate team meetings are not. The "regular school day" is the period from midnight before to 30 minutes after the end of the official school day. "Location" means where the event is being held.*

COMMITTEE REPORTS – No reports were made

PUBLIC COMMENT – No comments were made

FUTURE AGENDA ITEMS

- Next regular Joint BOE meeting – June 03, 2021 @ 7:00 p.m.
- Vote on Joint BOE RFP Legal Bid Review Committee’s recommendation to appoint counsel (*June*)

ADJOURNMENT*:

On motion duly made and seconded, the Chester, Deep River, and Essex Boards of Education unanimously **VOTED** to adjourn at approx. 7:43 p.m.

***The Region 4 Board of Education stayed in session for the following R4 only business:**

Based on the March 4th Region 4 Board action directing him to proceed with discussions with any interested parties, and to develop a draft RFP for Realtors for Board approval, Superintendent White provided the Board with an update regarding the possible sale of the Region No. 4 owned property located at Falls Landing Road, in Deep River.

Superintendent White shared that he had conversations with a local realtor and a local brokerage firm who had reached out to him to express their interest in working with Region 4 in connection with selling this property. He anticipated that both parties will respond to the RFP once it has been put out.

Superintendent White reviewed the proposed RFP which has been vetted through legal counsel.

There was time for discussion regarding the Region 4 Board enclosure of the proposed RFP for Real Estate marketing and Brokerage Services.

On motion duly made and seconded, the Region 4 Board unanimously **VOTED** to direct the Superintendent to release the RFP as written and presented.

Superintendent White shared information regarding a donation of \$2171.52 from the Region 4 Foundation to John Winthrop Middle School to be used for the purchase of exercise equipment.

On motion duly made and seconded, the Region 4 Board unanimously **VOTED** to approve the Superintendent’s recommendation to accept the donation of \$2171.52 to JWMS from the Region 4 Foundation for the purchase of exercise equipment.

Representatives from Mahoney Sabol, Mike VanDeventer and Lauren Messina presented the 2019-20 Financial Audit Reports for Region No. 4. (see attached)

There was a time for Board members to ask questions. The Board discussed whether or not they wanted to use \$5,389 of the surplus amount, the maximum remaining amount allowed under the statutory 1% total, to go towards reducing the Capital Reserve Deficit. It was decided that the full surplus amount would be returned to the member towns instead.

On motion duly made and seconded, the Board unanimously **VOTED** to approve the Superintendent’s recommendation for distribution of surplus Region No. 4 funds from FY 2019-20 to the member towns based on 2019-20 contributions as follows:

Chester:	\$73,239
Deep River:	\$107,530
<u>Essex:</u>	<u>\$125,671</u>
Total Surplus:	\$306,440 fully returned to member towns.

On motion duly made and seconded, the Region 4 Board unanimously **VOTED** to adjourn at approx. 8:57 p.m.

Respectfully Submitted,

Jennifer Bryan, Clerk



Presentation to the Board of Education

Fiscal Year 2020 Audit Results

Regional School District No. 4

Presented by:
Michael J. VanDeventer, CPA, Partner
Lauren A. Messina, CPA, Manager

April 1, 2021

Agenda

- Scope of Work
- Auditor's Reports
- Financial Highlights
- Required Communications
- Questions

Scope of Work

Audit of Financial Statements performed in accordance with the following:

- Auditing standards issued by the American Institute of Certified Public Accountants
- *Government Auditing Standards* issued by the Government Accountability Office

State Single Audit performed in accordance with the following:

- State of Connecticut, OPM Compliance Supplement to the State Single Audit Act

District did not meet the threshold for having a federal single audit:

- The threshold is \$750,000 and the District spent approximately \$497,000 in federal awards

Agreed-Upon Procedures on End of Year School Reports (EFS):

- Procedures required by the State of Connecticut Department of Education

Scope of Work *(Continued)*

Nonaudit Services:

- Assisted in the preparation of the financial statements, the schedules of expenditures of state financial assistance and related notes
- Assisted in the conversion of the governmental funds financial statements to the government-wide financial statements

Auditor's Reports

Report on Financial Statements:

- Unmodified "clean" opinions on the District's financial statements:
 - An unmodified opinion is expressed when the auditor concludes that the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board (GASB)
 - Our opinion provides reasonable assurance that the financial statements are free from a material misstatement, whether due to error or fraud

State Single Audit

- Report on Compliance and on Internal Control at the State Financial Assistance Level
 - Fiscal Year 2020: \$316,892 expended; \$38,713 nonexempt
 - No major programs in the current year as defined by State Single Audit Act guidelines

Auditor's Reports *(Continued)*

Report on Compliance and on Internal Control over Financial Reporting:

- We did not report any material noncompliance of laws and regulations
- We did not report any material weaknesses in internal control over financial reporting
- We did report a significant deficiency in internal control over financial reporting

Summary Schedule of the Status of Prior Audit Findings:

- Prior Year Finding 2019-001, *Material Weakness in Internal Control over Financial Reporting*, is no longer considered to be a material weakness.
 - Significant improvements were noted to the District's closing procedures for fiscal year 2020
 - We did not identify any issues relating to the completeness of bank reconciliations and nonstandard journal entries
- However, there were certain matters that were previously incorporated into the prior year finding 2019-001 that we do not considered resolved. These matters have been incorporated into the current year finding 2020-001

Auditor's Reports *(Continued)*

Significant Deficiency in Internal Control over Financial Reporting:

- **Current Year Finding 2020-001:** We noted the following deficiencies in the District's internal control over financial reporting that collectively were deemed to be indicative of a significant deficiency in internal control over financial reporting. Adjusting entries were required:
 - to properly account for certain interfund transactions and balances;
 - to properly recognize grant revenues based on allowable expenditures incurred within the Education Grants Fund;
 - to reclassify mispostings to the proper general ledger accounts within the Education Grants Fund and the Health Insurance Fund;
 - to recognize budget-to-GAAP entries for the General Fund and conversion entries for the government-wide financial statements

- **Recommendation:** We recommend that the District continue developing its formal closing procedures to ensure that all accounts are properly reconciled at year-end and that all budget-to-GAAP entries for the General Fund and all conversion entries for the government-wide financial statements are identified and supported by internal schedules

Financial Highlights

General Fund – Budgetary Highlights:

- During the year, the Board authorized the use of a portion of the fiscal year 2019 budgetary surplus in the amount of \$158,215 to reduce the cumulative deficit in the Capital Nonrecurring Fund
- The remaining portion of the fiscal year 2019 budgetary surplus in the amount of \$43,065 was distributed to the Member Towns
- The budgetary surplus for fiscal year 2020 totaled \$306,440 and is available for distribution to the Member Towns
- Revenues were \$44,965 more than budgeted and expenditures and transfers out were \$261,475 less than budgeted

Financial Highlights *(Continued)*

Governmental Funds – Highlights:

- Total fund balances consisted of the following:
 - General Fund: \$328,099, an increase of \$126,819 from the prior year
 - Fund balance consists of:
 - \$21,659 assigned to encumbrances
 - \$306,440 unassigned, which is available for distribution back to the Member Towns
 - Education Grants Fund: No fund balance reported due to nature of fund accounting for cost reimbursement grants
 - Capital Nonrecurring Fund: Deficit fund balance of \$165,034, a decrease in the deficit from the prior year of \$264,695
 - Reflects the transfer in of \$158,215 of the fiscal year 2019 budgetary surplus and current year budgetary transfers of \$205,726, which represents the 1% statutory limitation
 - C.G.S. Sec. 10-51(d): The aggregate amount of annual and supplemental appropriations by a District to such fund shall not exceed one per cent of the annual district budget for such fiscal year

Financial Highlights *(Continued)*

Governmental Funds – Highlights *(Continued)*:

- Total fund balances consisted of the following:
 - School Cafeteria Fund: \$98,940, an increase of \$72,720 from the prior year
 - Reflects current year budgetary transfers in of \$320,000 to subsidize cafeteria operations

Health Insurance Fund – Highlights:

- Ending net position of \$889,555, a current year increase of \$1,464,660
- Includes claims incurred but not reported of \$403,756
- Current year activity reflects the effects of increases in contribution rates combined with an overall positive claims year

Required Communications

Auditor's Responsibility under U.S. Generally Accepted Auditing Standards:

- Management is responsible for the preparation of the financial statements
- Our responsibility is to express opinions on the financial statements

Planned Scope and Timing of the Audit:

- No changes were made to the planned scope the audit
- A total of three extensions were requested from OPM. Delays in conducting and issuing the audit were attributed to the following:
 - Employee transitions within the Business Office
 - Performing the audit work remotely
 - Actuarial valuation and disclosure report for other post-employment benefits was not completed until early March 2021

Required Communications *(Continued)*

Significant Audit Findings:

- Qualitative Aspects of Accounting Practices
 - Implementation of GASB Statement No.95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, resulted in the postponement of the effective dates of most GASB standards by at least one year in response to the pandemic
 - Significant estimates and judgments:
 - Estimated useful lives assigned to capital assets
 - Discount rates utilized to determine net pension and OPEB liabilities
- There were no significant difficulties encountered in performing the audit
- There were no uncorrected misstatements
- There were no disagreements with management
- We obtained a management representation letter and there were no unusual representations requested by us from management
- We are not aware of any consultations by management with other independent accountants

Questions?

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**Allocation of School Year 2019-2020 Regional School District 4 Surplus
 Surplus Distribution Approved by Regional School District 4 Board of Education at April 1, 2021 Meeting
 Allocation Determined in Accordance with Policy 3160**

Fund Balances (applies to Regional School District 4 and Supervision District only)

The Board of Education shall use any budget appropriation which has not been expended by the end of the fiscal year, once confirmed by the Annual Audit, to reduce the net expenses of the district for the following fiscal year, by check issued to each town on the basis of ADM allocation from the year in which the surplus was incurred. The Board of Education must maintain expenses within limits of the approved budget. However, it is possible that the district may operate in a deficit in a given year due to unforeseen circumstances.

2019-2020 Surplus per Final Audit: 306,440

Proposed amount to reduce Capital Deficit: -

2019-2020 Surplus Proposed as Refund: 306,440

	Region 4 2019-2020 ADM (Approved May 7, 2019)	Refund Approved by Board of Education
Chester	23.90%	73,239
Deep River	35.09%	107,530
Essex	41.01%	125,671
Total	100.00%	306,440