



**Regional School District #4**  
**Chester – Deep River – Essex – Region 4**

**REGIONAL SUPERVISION DISTRICT COMMITTEE**

**AGENDA**

**Public – please note:**

We anticipate being able to provide a hybrid option for this meeting.

If desired, please use dial-in information to join the anticipated hybrid meeting.

To: Members of the Regional Supervision District Committee

Subject: **Committee meeting Thursday December 07, 2023**

Time: **6:30 p.m**

Place: **Valley Regional High School Media Center** or Dial (443) 607-2613 PIN: 610 010 727#

(We kindly ask that if participating remotely, you **please mute your phone immediately** upon connecting to the meeting as this will improve the audio quality for all participants. Google Meet may do this automatically, depending on the number of people already connected to the call. If so, pressing **\*6** will unmute your phone when it's time to speak)

**Mission Statement**

We, the communities of Chester, Deep River, Essex and Region 4, engage all students in a rigorous and collaborative educational program. We prepare our learners to be respectful citizens who are empowered to contribute in a globalized society.

1. **Call to order. 6:30 p.m.** – Region 4 BOE Chair, Kate Sandmann = *Supv. Dist. Chair (yearly rotation at December mtg. – goes to Region 4 until Dec. 2024)*
2. **Verbal Roll Call for Committee Members**
3. **Election and/or Rotation of Officers – Vice Chair** (automatically rotates to Chester BOE Chair, David Fitzgibbons)  
& **Combined office of Treasurer/Secretary (to be elected)**

Chair shall open the floor for nominations for the combined office of Treasurer/Secretary

4. **Consent agenda.** The following items are to be handled as combined and by single vote. Any Board member may request that an item be pulled out for further discussion.

4.1 Minutes from Regular Meeting of October 05, 2023 (*encl #1*)

4.2 Accounts Payable report (*encl #2*)

5. **Public comment.**

The public is reminded to state name for the record. Comments should be kept to a maximum of three minutes. Public comment is not intended to be a question and answer period; rather it is an opportunity for the Committee to hear citizen comment related to educational matters

6. **Reports and Other Items.**

**6.1. Superintendent's Report (B. White)**

- a. District Update (HOLD until Joint BOE mtg.)
- b. Information and Communication

**6.2. Assistant Superintendent's Report – S. Brzozowy**

- a. General update as needed (HOLD until Joint BOE mtg.)

### 6.3. Finance Office Report – *B. Grissom*

- a. Financial Status Updates
  - o Current Year Financial Status Update (*encl #3*)

### 6.4. Other Items (as needed)

- a. Presentation of the 2022-23 Audit Report for Supervision District –*Mahoney-Sabol (Enclosures)*
- b. **Action Item** - Discussion and Possible **VOTE** to approve the Superintendent’s recommendation regarding surplus Supervision District funds from FY 2022-23

### 6.5. Reports and Communication (BOE chair from Chester, Deep River, Essex & Region 4)

- a. Joint PK-12 Committees – (*Comm. Chairs*) Policy – *L. Seidman*; Curriculum – *N. Johnston*; Finance – *R. Daniels*

Curriculum	Finance	Policy
Oct. 18 <sup>th</sup> , 2023 @ Noon	Oct. 18 <sup>th</sup> , 2023 @ Noon	Oct. 19 <sup>th</sup> , 2023 @ Noon
Dec. 13 <sup>th</sup> , 2023 @ Noon	Dec. 13 <sup>th</sup> , 2023 @ Noon	Dec. 14 <sup>th</sup> , 2023 @ Noon
Feb. 14 <sup>th</sup> , 2024 @ Noon	Feb. 14 <sup>th</sup> , 2024 @ Noon	Feb. 15 <sup>th</sup> , 2024 @ Noon
Apr. 17 <sup>th</sup> , 2024 @ Noon	Apr. 17 <sup>th</sup> , 2024 @ Noon	Apr. 18 <sup>th</sup> , 2024 @ Noon

## 7. Public comment

The public is reminded to state name for the record. Comments should be kept to a maximum of three minutes. Public comment is not intended to be a question and answer period; rather it is an opportunity for the Committee to hear citizen comment related to educational matters

## 8. Future agenda Items

- 8.1 Supervision District Committee Regular Meeting – February 22, 2024 @ 6:00 p.m. @ VRHS Media Center
- 8.2 Supervision District Budget Workshops Dec. 14, 2023; Jan. 10, Jan. 17, 2024 (as needed) @ 6:00 p.m. @ VRHS Media Center

## 9. Adjournment



**Regional School District 4**  
**Chester – Deep River – Essex – Region 4**  
**Boards of Education Committees – School Year 2023-24 (Updates in Progress)**

<b>Joint BOE Standing Committees</b> (standing committees have regularly scheduled meetings)			
<b>*Joint PK-12 Policy Sub-Committee</b>		R4(Clark/Strauss) CH(Taigen/Scherber) DR(Maikowski/Grunko) ES (Seidman/TBD)	
<b>*Joint PK-12 Curriculum Sub-Comm.</b>		R4(Cavanaugh/Silva) CH(Bernardoni/Johnson) DR(McIntyre/Whelan) ES (Johnston/Russell)	
<b>*Joint PK-12 Finance Sub-Committee</b>		R4 (Clark/Daniels/Fearon) CH (Rice/Connelly) DR (Rioux/TBD) ES (Seidman/Watson)	
<b>Supervision District Committee</b> (2 yr terms end in Nov. of the year listed after each name)		R4 (Sandmann 25 / Cavanaugh 25 / Stack 25) CH (Fitzgibbons 25 / Bernardoni 25 / Greenberg-Ellis 25) DR (TBD 25 / Ferretti 25 / Maikowski 25) ES (Seidman 25 /Russell 25 / Johnston 25)	
<b>Joint Ad Hoc Committees</b> (ad hoc committees meet for a designated period or as needed)			
Personnel & Negotiations		<u>Contract duration</u>	<u>Initiate negotiations</u>
- Joint BOE Teacher negotiations	R4 (Daniels/Sandmann/Strauss) CH (Taigen) DR (TBD) ES (Watson)	Expires 7/2025	6/2024
- Joint BOE Administrator negotiations	Same as ABOVE for Teacher negotiations	Expires	9/2025
- Joint BOE Paraeducator negotiations	Same as BELOW for Net Techs et al.	Expires	3/2026
- Joint BOE NetTechs et al negotiations (ElemSec/Elem Nurses/ElemNetTech/R4NetTEch/ElemCustodians) C - Cafeteria (all schools)	R4 (Daniels/Sandmann/Strauss) CH (Fitzgibbons) DR (Maikowski/Ferretti) ES (Watson)	Expires	3/2026
		Expires	4/2025
Technology	R4(Seidman), CH(TBD), ES (Seidman), DR (TBD)		
School Calendar	R4(Sandmann/Daniels), CH (TBD), ES (TBD), DR (TBD)		
LEARN Joint BOE representative(s)	R4(Cavanaugh), CH(Bernardoni), ES(TBD), DR(TBD)		
School Safety Committee	R4(Cavanaugh, Daniels), CH(Greenberg-Ellis), DR(TBD), ES(TBD)		
Tuition Committee	R4(Cavanaugh/Sandmann/Daniels), CH (Johnson), DR (TBD), ES (Seidman Alt.)		
RFP Review	R4(Cavanaugh/Daniels), CH (Scherber), DR (TBD), ES (Seidman/Johnston)		
<b>Individual BOE Ad Hoc Committees</b> (ad hoc committees meet for a designated period or as needed)			
<b><u>Chester BOE</u></b>			
CATV Advisory Council (Cable TV)		For Discussion	
<b><u>Deep River BOE</u></b>			
Facilities		Ferretti	
CATV Advisory Council (Cable TV)		TBD	
<b><u>Essex BOE</u></b>			
Building		Seidman	
Essex Foundation		TBD	
CATV Advisory Council (Cable TV)		TBD	
<b><u>Region 4 BOE</u></b>			
Personnel & Negotiations		<u>Contract duration</u>	<u>Initiate negotiations</u>
▪ R4 Secretaries/Nurses		Daniels/Sandmann/Strauss Expires 7/2025	4/2025
▪ R4 Custodians		Daniels/Sandmann/Strauss Expires 7/2024	3/2024
R4 Grounds and Buildings Maintenance & Oversight Committee		Stack/Seidman (alt. Sandmann)	
JWMS Security Project Building Committee		Daniels/ Cavanaugh/ Sandmann / Stack	
R4 Educational Foundation		TBD	
Region 4 Extra compensation points committee		Clark/Daniels/Sandmann (only 1 rep needed)	
R4 Fields Renovation Advisory Committee		Strauss / Fearon / Stack / Sandmann	

## REGIONAL SUPERVISION DISTRICT COMMITTEE

**Welcome to tonight's meeting of the Supervision District Committee. We appreciate your interest and attendance.**

### WHO WE ARE:

The Supervision district is chartered through an agreement established in 1964 among the Boards of Education of Chester, Deep River, Essex and Region 4, and modified in 2000, to fund those programs and services that are best shared across the five schools in our communities. The Supervision District provides our communities the economies of scale of a larger multi-school district yet allows each town the autonomy to manage its own elementary school.

<b>David Fitzgibbons</b> Vice-Chair	<b>(CH)</b>	2025	<b>Pat Maikowski</b>	<b>(DR)</b>	2025	<b>Lon Seidman</b>	<b>(ES)</b>	2025
<b>Dale Bernardoni</b>	<b>(CH)</b>	2025	TBD	<b>(DR)</b>	2025	<b>Marjorie Russell</b>	<b>(ES)</b>	2025
<b>Rebecca Greenberg-Ellis</b>	<b>(CH)</b>	2025	<b>Bob Ferretti</b>	<b>(DR)</b>	2025	<b>Nancy Johnston</b>	<b>(ES)</b>	2025
<b>John Stack, Trsr/Sec</b>	<b>(R4)</b>	2025	<b>Jane Cavanaugh</b>	<b>(R4)</b>	2025	<b>Kate Sandmann Chair</b>	<b>(R4)</b>	2025

Our contact information is listed on the District web site: [www.reg4.k12.ct.us](http://www.reg4.k12.ct.us) Our annual goals are also listed.

We are assisted in the meeting by our school administration:

**Brian J. White**, Superintendent of Schools  
**Sarah Brzozowy, Ed.D.**, Assistant Superintendent of Schools  
**Sarah Smalley**, Director of Pupil Services  
**Bob Grissom**, Finance Director

### HOW YOU CAN CONTRIBUTE AND PARTICIPATE:

We typically have two "Audiences of Citizens" during the meeting. During this part of the meeting, you can make comments, suggestions and ask questions. We ask you to limit comments to 3 minutes. If you share a common topic with others, we encourage the use of a single spokesperson for the group. As the intention of the audience of citizens is for the Committee to listen to you, the Committee may not respond immediately since we may not have discussed or taken a position on the topic...please don't take this as a sign of disinterest. Our standard of courtesy and respect for the opinions of others is the same as the one expected of our students.

We encourage written input to the Committee to include suggestions on future agenda items. Upon request, letters can be read at the meeting as long as they focus on issues or policies and not people.

While we value your input, please know the Committee meeting is a "Meeting in Public" and not a "Public Meeting." We appreciate your helping us accomplish our agenda in a time effective manner.

### REGULAR MEETINGS:

Regular Meeting Agendas and Special Meeting Agendas are posted in each of the Town Halls and on the school website ([www.reg4.k12.ct.us](http://www.reg4.k12.ct.us)).

### EXECUTIVE SESSION:

The Committee may occasionally meet in "Executive Session." This closed-door meeting is for discussing items of a sensitive nature, such as personnel issues or negotiation strategy.

### SPECIAL MEETINGS:

Special meetings may be called with a minimum of 24 hours advanced notice, to discuss specific items.

We appreciate your attendance this evening and invite your continued interest on behalf of the students and residents of Region 4, Chester, Deep River and Essex.

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

## **REGIONAL SUPERVISION DISTRICT COMMITTEE**

**Date:** October 5, 2023

### **Regular Meeting – John Winthrop Middle School Library**

CHESTER BOARD OF EDUCATION:	David Fitzgibbons, Dale Bernardoni
DEEP RIVER BOARD OF EDUCATION:	Miriam Morrissey, Pat Maikowski, Bob Ferretti
ESSEX BOARD OF EDUCATION:	Lon Seidman, Nancy Johnston
REGION 4 BOARD OF EDUCATION:	John Stack, Kate Sandmann, Jane Cavanaugh

Also in attendance: Brian White, Superintendent; Robert Grissom, Finance Director; Sarah Brzozowy, Assistant Superintendent; and Kelley Frazier, Clerk

### **CALL TO ORDER and Verbal Roll Call**

Committee Chair Seidman called the meeting to order at 6:30p.m. and a verbal roll call was done.

### **CONSENT AGENDA**

On motion duly made and seconded the Supervision District Committee unanimously **VOTED** to accept the minutes from the Special Meeting of April 6, 2023, the minutes from the Regular Meeting of June 1, 2023, the Special Meeting of August 8, 2023 and the Accounts Payable report as written.

**PUBLIC COMMENT** – No comments were made.

### **REPORTS AND OTHER ITEMS**

#### **Superintendent's Report**

At the last Committee meeting on August 8<sup>th</sup> the Committee accepted a donation of 78 backpacks with school supplies, and water bottles. At that time, an approximate value was not known, but the Committee requested that information. Superintendent White reported that the donation has been valued at approximately \$6,500 per the donor.

#### **Assistant Superintendent's Report**

The report will be held until the Joint Board of Education meeting.

#### **Financial Update**

##### **End of Year Financial Status Update**

98% of the budget was expended. An encumbrance was contract stipulations. These funds will be carried forward but funds used will be from last year. A surplus of approximately \$136,511 is anticipated. The auditors are working on the audit.

##### **Current Year Financial Status Update**

The expended budget is 92.3%. This reporting is through August 2023. All financial obligations are expected to be met. The auditors will meet with the Board at the next scheduled meeting to review information.

#### **Other Items**

##### **Transportation Update**

This is the final year of the contract. The RFP is being developed for these services. Nine new buses are in our district this year. They needed to be equipped with cameras. This was done in September and now all buses have them. The First View App will be rolled out to families by the end of the month.

**Special Education Needs**

Mr. White wanted to make the Board aware of the need to increase staff in the preschool. There were a significant number of referrals in the Birth to Three program that required 1 certified staff member and two non-certified staff members to be hired. Since the spring, there were 12 referrals, 9 of which have high needs. This is an unanticipated expense. Eighty percent (80%) of the students in this program require some level of service.

**Individual BOE reports:**

No updates shared

**Committee Reports:**

There were no new committee updates to be shared. Meetings begin at the end of the month.

**PUBLIC COMMENT**

No comments made.

**EXECUTIVE SESSION- PERSONNEL – Presentation of Superintendent’s Goals**

Upon a motion duly made and seconded the Supervision District Committee unanimously **VOTED** to go into Executive Session at 6:55pm for Presentation of Superintendent’s Goals. All Board members were invited to attend.

Executive Session ended at 7:10pm.

**FUTURE AGENDA ITEMS**

8.1 Supervision District Committee Meeting – December 7, 2023 @6:30pm @ VRHS Media Center

8.2 Supervision District Committee Budget Workshop I – December 14, 2023 @ 6:00pm @ VRHS Media Center

**ADJOURNMENT:**

The meeting adjourned at 7:11p.m.

Respectfully Submitted,

---

Kelley Frazier, Clerk

## REGIONAL SCHOOL DIST # 4

## AP CHECK RECONCILIATION REGISTER

FOR CASH ACCOUNT: 5000 1040

FOR: Cleared and Uncleared

CHECK #	CHECK DATE	TYPE	VENDOR NAME	UNCLEARED	CLEARED	BATCH	CLEAR DATE
15057	09/07/2023	PRINTED	002625 APPLE COMPUTER INC.		145,532.50		10/06/2023
15058	09/07/2023	PRINTED	008942 CHROMEBOOKPARTS.COM		5,797.60		10/06/2023
15059	09/07/2023	PRINTED	005824 LINK INTERACTIVE LLC		4,775.00		10/06/2023
15060	09/07/2023	PRINTED	004098 RNB ENTERPRISES, INC.		40,045.28		10/06/2023
15061	09/07/2023	PRINTED	008420 TRAFERA, LLC		61,600.00		10/06/2023
15063	09/11/2023	PRINTED	006432 UBEO LLC		823.00		10/06/2023
15064	09/11/2023	PRINTED	008698 AMAZON CAPITAL SERVICES		97.62		10/06/2023
15065	09/11/2023	PRINTED	002419 FRONTIER COMMUNICATIONS		247.33		10/06/2023
15066	09/11/2023	PRINTED	004294 CNA SURETY DIRECT BILL		126.00		10/06/2023
15067	09/11/2023	PRINTED	008944 VALERIA CORREA		200.00		10/06/2023
15068	09/11/2023	PRINTED	006999 CT COMPUTER SERVICES, INC		2,002.25		10/06/2023
15069	09/11/2023	PRINTED	008121 ENCORE FIRE PROTECTION		2,788.40		10/06/2023
15070	09/11/2023	PRINTED	002323 ESSEX PRINTING		98.50		10/06/2023
15071	09/11/2023	PRINTED	006719 EVERSOURCE		863.11		10/06/2023
15072	09/11/2023	PRINTED	008137 INTRADO INTERACTIVE SERVI		5,678.40		10/06/2023
15073	09/11/2023	PRINTED	008581 IP GENIE		2,789.55		10/06/2023
15074	09/11/2023	PRINTED	007435 COURTNEY KELLY	41.92			
15075	09/11/2023	PRINTED	002765 LISA LUTZ		237.54		10/06/2023
15076	09/11/2023	PRINTED	008928 MARLON MONCADA		200.00		10/06/2023
15077	09/11/2023	PRINTED	002743 OLSEN'S SANITATION CO., L		300.00		10/06/2023
15078	09/11/2023	PRINTED	008933 PURCHASE POWER		108.10		10/06/2023
15079	09/11/2023	PRINTED	002411 PITNEY BOWES INC		151.44		10/06/2023
15080	09/11/2023	PRINTED	002944 PLAN ADMINISTRATION, LTD		2,870.81		10/06/2023
15081	09/11/2023	PRINTED	008092 QUENCH USA INC		47.00		10/06/2023
15082	09/11/2023	PRINTED	002381 TYLER TECHNOLOGIES INC		13,455.21		10/06/2023
15083	09/11/2023	PRINTED	006082 VERIZON WIRELESS		1,623.43		10/06/2023
15084	09/11/2023	PRINTED	005105 WB MASON		478.83		10/06/2023
15085	09/22/2023	PRINTED	003889 KIM JOHNS	186.12			
15086	09/27/2023	PRINTED	007858 BRIAN WHITE		8,112.00		10/06/2023
15087	09/28/2023	PRINTED	002419 FRONTIER COMMUNICATIONS		84.62		10/31/2023
15088	09/28/2023	PRINTED	002408 CABE		1,605.00		10/31/2023
15089	09/28/2023	PRINTED	005835 CITIZENS BANK - HEALTH B		110,658.92		10/31/2023
15090	09/28/2023	PRINTED	006999 CT COMPUTER SERVICES, INC		2,002.05		10/31/2023
15091	09/28/2023	PRINTED	006352 CURRICULUM ASSOC.		1,200.00		10/31/2023
15092	09/28/2023	PRINTED	002332 FIRST STUDENT INC		11,142.51		10/31/2023
15093	09/28/2023	PRINTED	008212 HP INC.		891.03		10/31/2023
15094	09/28/2023	PRINTED	002329 LEARN		100.00		10/31/2023
15095	09/28/2023	PRINTED	006353 MAHONEY SABOL & COMPANY,		5,800.00		10/31/2023
15096	09/28/2023	PRINTED	008092 QUENCH USA INC		47.00		10/31/2023
15097	09/28/2023	PRINTED	002267 SCHOOL SPECIALTY, LLC		502.84		10/31/2023
15098	09/28/2023	PRINTED	002436 TREASURER REGIONAL SCHOOL		172.00		10/31/2023
15099	09/28/2023	PRINTED	006082 VERIZON WIRELESS		1,564.26		10/31/2023
15100	10/13/2023	PRINTED	007860 FRANK ALOIA		204.42		10/31/2023
15101	10/13/2023	PRINTED	008698 AMAZON CAPITAL SERVICES		30.00		10/31/2023
15102	10/13/2023	PRINTED	008698 AMAZON CAPITAL SERVICES		305.28		10/31/2023
15103	10/13/2023	PRINTED	008915 LEAH ANDERSON		18.87		10/31/2023
15104	10/13/2023	PRINTED	002419 FRONTIER COMMUNICATIONS		163.83		10/31/2023
15105	10/13/2023	PRINTED	004298 COURTNEY KELLY		52.24		10/31/2023
15106	10/13/2023	PRINTED	007556 DIME OIL, LLC		9,648.28		10/31/2023
15107	10/13/2023	PRINTED	006719 EVERSOURCE		816.95		10/31/2023
15108	10/13/2023	PRINTED	008624 FOREFRONT EDUCATION, INC.		5,250.00		10/31/2023
15109	10/13/2023	PRINTED	006632 CHRISTOPHER HUTCHINS		31.73		10/31/2023

# REGIONAL SCHOOL DIST # 4

## AP CHECK RECONCILIATION REGISTER

FOR CASH ACCOUNT: 5000 1040

FOR: Cleared and Uncleared

CHECK #	CHECK DATE	TYPE	VENDOR NAME	UNCLEARED	CLEARED	BATCH	CLEAR DATE
15110	10/13/2023	PRINTED	008581 IP GENIE		2,789.55		10/31/2023
15111	10/13/2023	PRINTED	006223 JUDI IVIMEY		75.06		10/31/2023
15112	10/13/2023	PRINTED	006123 JJ KELLER & ASSOCIATES, I		1,095.00		10/31/2023
15113	10/13/2023	PRINTED	003889 KIM JOHNS	248.62			
15114	10/13/2023	PRINTED	002944 PLAN ADMINISTRATION, LTD		3,341.03		10/31/2023
15115	10/13/2023	PRINTED	003722 SAYBROOK POINT RESORT AND		936.46		10/31/2023
15116	10/13/2023	PRINTED	002436 TREASURER REGIONAL SCHOOL		1,371.05		10/31/2023
15117	10/13/2023	PRINTED	008887 THE WALKER GROUP		20,180.00		10/31/2023
15118	10/13/2023	PRINTED	005105 WB MASON		50.37		10/31/2023
15119	11/06/2023	PRINTED	008759 VIVI LLC	1,590.00			
15120	11/06/2023	PRINTED	008698 AMAZON CAPITAL SERVICES	411.42			
15121	11/06/2023	PRINTED	002419 FRONTIER COMMUNICATIONS	73.17			
15122	11/06/2023	PRINTED	002087 CAS	48.00			
15123	11/06/2023	PRINTED	005835 CITIZENS BANK - HEALTH B	110,658.92			
15124	11/06/2023	PRINTED	006999 CT COMPUTER SERVICES, INC	2,022.05			
15125	11/06/2023	PRINTED	007556 DIME OIL, LLC	8,232.11			
15126	11/06/2023	PRINTED	006719 EVERSOURCE	640.29			
15127	11/06/2023	PRINTED	002332 FIRST STUDENT INC	105,039.77			
15128	11/06/2023	PRINTED	008025 ID WHOLESALER	273.00			
15129	11/06/2023	PRINTED	008581 IP GENIE	2,789.55			
15130	11/06/2023	PRINTED	005450 JOHN WINTHROP CAFETERIA	575.29			
15131	11/06/2023	PRINTED	006353 MAHONEY SABOL & COMPANY,	5,800.00			
15132	11/06/2023	PRINTED	005623 MARSHALL MEMO LLC	180.00			
15133	11/06/2023	PRINTED	004980 QUALITY PROPANE, INC	395.82			
15134	11/06/2023	PRINTED	008966 SALLY RIGGIO	695.00			
15135	11/06/2023	PRINTED	008967 ALEXANDER ROSE	61.64			
15136	11/06/2023	PRINTED	005171 TCI	3,313.00			
15137	11/06/2023	PRINTED	002276 TOWN OF DEEP RIVER	1,507.00			
15138	11/06/2023	PRINTED	002436 TREASURER REGIONAL SCHOOL	4,600.00			
15139	11/06/2023	PRINTED	006082 VERIZON WIRELESS	1,594.45			
15140	11/06/2023	PRINTED	005105 WB MASON	466.16			
15141	11/06/2023	PRINTED	008537 ANDREW ZEMKO	30.20			
15142	11/08/2023	PRINTED	008980 CT STONEWALL FOUNDATION,	200.00			
15143	11/08/2023	PRINTED	008818 LANGUAGE LINE SERVICES	18.71			
15144	11/08/2023	PRINTED	002411 PITNEY BOWES INC	161.82			
87 CHECKS CASH ACCOUNT TOTAL				251,854.03	483,179.25		



## REGIONAL SCHOOL DIST # 4

### AP CHECK RECONCILIATION REGISTER

		UNCLEARED	CLEARED
87 CHECKS	FINAL TOTAL	251,854.03	483,179.25

\*\* END OF REPORT - Generated by Robert Grissom \*\*

Supervision District  
FY 2023-2024 Year-to-Date Report as of 11/30/2023

Object		Description	2023-2024 Original Budget	2023-2024 Transfers	2023-2024 Revised Budget	2023-2024 Actual Expense YTD	2023-2024 Encumbrances	2023-2024 Available
<b><u>OBJECT 100 - SALARIES:</u></b>								
TOTAL SALARIES			5,469,316	-	5,469,316	1,826,541	3,640,601	2,174
<b><u>OBJECT 200 - EMPLOYEE BENEFITS:</u></b>								
TOTAL EMPLOYEE BENEFITS			1,834,221	-	1,834,221	739,520	1,018,034	76,666
<b><u>OBJECT 300 - PURCHASED &amp; TECHNICAL SERVICES:</u></b>								
TOTAL PURCHASED & TECHNICAL SERVICES			367,926	34,748	402,674	183,396	87,132	132,145
<b><u>OBJECT 400 - PURCHASED PROPERTY SERVICES:</u></b>								
TOTAL PURCHASED PROPERTY SERVICES			29,200	-	29,200	286,609	(266,387)	8,978
<b><u>OBJECT 500 - OTHER PURCHASED SERVICES:</u></b>								
TOTAL OTHER PURCHASED SERVICES			1,120,201	-	1,120,201	149,913	966,342	3,946
<b><u>OBJECT 600 - SUPPLIES:</u></b>								
TOTAL SUPPLIES			126,173	-	126,173	47,068	74,456	4,649
<b><u>OBJECT 700 - PROPERTY:</u></b>								
TOTAL PROPERTY			-	-	-	-	-	-
<b><u>OBJECT 800 - OTHER OBJECTS:</u></b>								
TOTAL OTHER OBJECTS			10,500	-	10,500	9,099	-	1,401
<b>SUBTOTAL</b>			<b>8,957,537</b>	<b>34,748</b>	<b>8,992,285</b>	<b>3,242,147</b>	<b>5,520,178</b>	<b>229,959</b>

Supervision District  
FY 2023-2024 Year-to-Date Report as of 11/30/2023

Object		Description	2023-2024 Original Budget	2023-2024 Transfers	2023-2024 Revised Budget	2023-2024 Actual Expense YTD	2023-2024 Encumbrances	2023-2024 Available
<b>OBJECT 100 - SALARIES:</b>								
5111		Administration	1,018,574	-	1,018,574	389,773	672,995	(44,194)
5113		Teachers	3,350,995	-	3,350,995	951,295	2,427,931	(28,231)
5114		Bookkeepers/Secretaries	614,163	-	614,163	223,441	413,147	(22,425)
5116		Nurse Coordinator Stipend	3,000	-	3,000	650	-	2,350
5119		Special Education Para Educators	81,233	-	81,233	26,981	89,202	(34,950)
5120		Management System Admin. & Net Tech	283,416	-	283,416	98,078	37,326	148,012
5123		Substitute Teachers	2,000	-	2,000	14,043	-	(12,043)
5124		Substitute Secretary	500	-	500	1,125	-	(625)
5133		Other Salary - ESY	111,935	-	111,935	111,058	-	877
5134		Secretary OT	2,500	-	2,500	9,898	-	(7,398)
5135		Board Clerk	1,000	-	1,000	200	-	800
<b>TOTAL SALARIES</b>			<b>5,469,316</b>	<b>-</b>	<b>5,469,316</b>	<b>1,826,541</b>	<b>3,640,601</b>	<b>2,174</b>
<b>OBJECT 200 - EMPLOYEE BENEFITS:</b>								
5210		Health Insurance	1,327,907	-	1,327,907	553,295	774,612	(0)
5214		Life Insurance	8,437	-	8,437	6,710	-	1,727
5222		MERF	226,918	-	226,918	68,705	96,187	62,027
5223		FICA/Medicare	169,948	-	169,948	62,672	146,235	(38,960)
5250		Unemployment Compensation	5,000	-	5,000	-	1,000	4,000
5260		Worker's Compensation	41,511	-	41,511	-	-	41,511
5291		Annuities	54,500	-	54,500	48,139	-	6,361
<b>TOTAL EMPLOYEE BENEFITS</b>			<b>1,834,221</b>	<b>-</b>	<b>1,834,221</b>	<b>739,520</b>	<b>1,018,034</b>	<b>76,666</b>
<b>OBJECT 300 - PURCHASED &amp; TECHNICAL SERVICES:</b>								
5322		<b>Instructonal Program Improvemnet</b>						
	1190	Professional Development Programs	30,000	-	30,000	9,180	16,250	4,571
	2213	Curriculum Writing	20,000	-	20,000	7,767	-	12,233
	2310	Teacher Course Reimbursment	50,790	-	50,790	8,112	-	42,678
		<b>TOTAL INSTR. PROGRAM IMPROVEMENTS</b>	<b>100,790</b>	<b>-</b>	<b>100,790</b>	<b>25,059</b>	<b>16,250</b>	<b>59,481</b>
5330		<b>Other Professional Services</b>						
	1116	ESY Summer School	17,000	-	17,000	-	-	17,000
	1207	Management Information Systems/Internet	187,600	-	187,600	113,080	38,885	35,636
	1215	Other Professional Services - Sp Ed	-	850	850	-	-	850
	2310	Other Professional Services - BOE/Legal/Audit	50,150	-	50,150	25,077	17,363	7,710
	2321	Purchased Services	-	-	-	-	-	-
	2510	Other Professional Services - Consulting Services	12,386	33,898	46,284	20,180	14,635	11,469
		<b>TOTAL OTHER PROF SERVICES</b>	<b>267,136</b>	<b>34,748</b>	<b>301,884</b>	<b>158,337</b>	<b>70,883</b>	<b>72,664</b>
<b>TOTAL PURCHASED &amp; TECHNICAL SERVICES</b>			<b>367,926</b>	<b>34,748</b>	<b>402,674</b>	<b>183,396</b>	<b>87,132</b>	<b>132,145</b>

Supervision District  
FY 2023-2024 Year-to-Date Report as of 11/30/2023

Object		Description	2023-2024 Original Budget	2023-2024 Transfers	2023-2024 Revised Budget	2023-2024 Actual Expense YTD	2023-2024 Encumbrances	2023-2024 Available
<b>OBJECT 400 - PURCHASED PROPERTY SERVICES:</b>								
5412		Electricity	8,000	-	8,000	3,631	4,369	-
5430		<b><u>Repairs &amp; Maintenance</u></b>						
	1207	General Tech Repairs	2,500	-	2,500	990	-	1,510
	2150	Instructional Repairs	500	-	500	-	-	500
	2321	Central Office Repairs	10,000	-	10,000	4,923	-	5,077
		TOTAL REPAIRS & MAINTENANCE	13,000	-	13,000	5,913	-	7,087
5440		<b><u>Leases</u></b>						
	1207	Technology Lease	301,186	-	301,186	276,090	-	25,096
	1207	Technology Lease Revenue	(296,986)	-	(296,986)	-	(271,890)	(25,096)
	2321	Central Office Rentals	4,000	-	4,000	974	1,134	1,892
		TOTAL LEASES	8,200	-	8,200	277,065	(270,756)	1,892
<b>TOTAL PURCHASED PROPERTY SERVICES</b>			29,200	-	29,200	286,609	(266,387)	8,978
<b>OBJECT 500 - OTHER PURCHASED SERVICES:</b>								
5510		Daily Transportation	853,686	-	853,686	93,871	759,815	-
5513		Sp Ed. In-District Transportation	152,464	-	152,464	21,282	131,182	-
5515		Sp Ed. Extended School Year	30,644	-	30,644	252	20,644	9,748
5520		Comprehensive Insurance	5,683	-	5,683	126	-	5,557
5530		Communications	44,167	-	44,167	18,724	34,185	(8,742)
5540		Advertising	3,000	-	3,000	668	-	2,332
5580		<b><u>Travel &amp; Conference</u></b>						
	2213	Professional Development - Certified Staff	1,500	-	1,500	133	-	1,367
	2321	Central Office Travel & Conference	16,250	-	16,250	10,747	10,925	(5,422)
	2510	Fiscal Services Travel & Conference	750	-	750	-	-	750
	2600	Courier Service	12,057	-	12,057	4,111	9,591	(1,645)
		TOTAL TRAVEL & CONFERENCES	30,557	-	30,557	14,990	20,516	(4,949)
<b>TOTAL OTHER PURCHASED SERVICES</b>			1,120,201	-	1,120,201	149,913	966,342	3,946
<b>OBJECT 600 - SUPPLIES:</b>								
5610		<b><u>General Supplies</u></b>						
	2310	Printing & Administrative Supplies	515	-	515	411	-	104
	2321	General Office Supplies	13,150	-	13,150	4,535	9,115	(500)
	2510	Fiscal Services Supplies	2,000	-	2,000	1,179	-	821
		TOTAL GENERAL SUPPLIES	15,665	-	15,665	6,125	9,115	425

Supervision District  
FY 2023-2024 Year-to-Date Report as of 11/30/2023

Object		Description	2023-2024 Original Budget	2023-2024 Transfers	2023-2024 Revised Budget	2023-2024 Actual Expense YTD	2023-2024 Encumbrances	2023-2024 Available
5611		<b>Instructional Supplies</b>						
	1215	Occupational Therapy Supplies	600	-	600	56	-	544
	1290	Preschool Special Education Supplies	5,100	-	5,100	4,983	37	80
	2113	Social Work Services Supplies	250	-	250	-	-	250
	2150	Speech & Language Supplies	400	-	400	-	-	400
	2310	ESY Summer School	2,000	-	2,000	818	-	1,182
		<b>TOTAL INSTRUCTIONAL SUPPLIES</b>	<b>8,350</b>	<b>-</b>	<b>8,350</b>	<b>5,857</b>	<b>37</b>	<b>2,456</b>
5613		Maintenance Supplies	1,000	-	1,000	-	-	1,000
5624		Heating Fuel	5,500	-	5,500	396	5,104	-
5626		Diesel Fuel	94,008	-	94,008	34,690	57,550	1,768
5641		<b>Textbooks &amp; Workbooks</b>						
	1290	Preschool Special Education	500	-	500	-	-	500
	2113	Social Work Services	250	-	250	-	-	250
	2140	Psychologist Testing	400	-	400	-	2,650	(2,250)
		<b>TOTAL TEXTBOOK &amp; WORKBOOKS</b>	<b>1,150</b>	<b>-</b>	<b>1,150</b>	<b>-</b>	<b>2,650</b>	<b>(1,500)</b>
5642		Professional Books	500	-	500	-	-	500
<b>TOTAL SUPPLIES</b>			<b>126,173</b>	<b>-</b>	<b>126,173</b>	<b>47,068</b>	<b>74,456</b>	<b>4,649</b>
<b>OBJECT 700 - PROPERTY:</b>								
5730		Equipment	-	-	-	-	-	-
<b>TOTAL PROPERTY</b>			<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OBJECT 800 - OTHER OBJECTS:</b>								
5810		<b>Dues &amp; Fees</b>						
	2222	Library Dues & Fees	350	-	350	-	-	350
	2321	Superintendent's Office Dues & Fees	9,050	-	9,050	9,099	-	(49)
	2510	Fiscal Services Dues & Fees	1,100	-	1,100	-	-	1,100
		<b>TOTAL DUES &amp; FEES</b>	<b>10,500</b>	<b>-</b>	<b>10,500</b>	<b>9,099</b>	<b>-</b>	<b>1,401</b>
<b>TOTAL OTHER OBJECTS</b>			<b>10,500</b>	<b>-</b>	<b>10,500</b>	<b>9,099</b>	<b>-</b>	<b>1,401</b>
<b>SUBTOTAL</b>			<b>8,957,537</b>	<b>34,748</b>	<b>8,992,285</b>	<b>3,242,147</b>	<b>5,520,178</b>	<b>229,959</b>

**REGIONAL SUPERVISION DISTRICT  
BOARD OF EDUCATION**

**COMMUNICATION WITH THOSE CHARGED  
WITH GOVERNANCE  
AT THE CONCLUSION OF THE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2023**

To the Regional Supervision District Committee of the  
Regional Supervision District Board of Education  
Deep River, Connecticut

We have audited the financial statements of the governmental activities and the major fund of the Regional Supervision District Board of Education (the District) for the year ended June 30, 2023. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Matters

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted that had a significant impact on the District's financial statements and the application of existing policies was not changed during the year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

- Pension and other post-employment benefits - The determination of amounts reported for pension and other post-employment benefits are based on actuarial valuations performed as of a measurement date. The valuations require a number of actuarial assumptions.

We have evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are considered to be neutral, consistent, and clear.

##### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 27, 2023.

### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

### Other Matters

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the General Fund budgetary schedules of revenues, expenditures and other financing uses, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.



Restriction on Use

This information is intended solely for the information and use of the Regional Supervision District Committee and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Mahoney Sabol + Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
November 27, 2023

**REGIONAL SUPERVISION DISTRICT  
BOARD OF EDUCATION**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTAL REPORT**

**AS OF AND FOR THE  
YEAR ENDED JUNE 30, 2023**

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**

TABLE OF CONTENTS

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

	<b>Page</b>
<b>Independent Auditor's Report</b>	<b>1</b>
<b>Management's Discussion and Analysis (Unaudited)</b>	<b>4</b>
<b>Basic Financial Statements:</b>	
Government-wide and Governmental Funds Financial Statements:	
Governmental Fund Balance Sheet/Statement of Net Position	11
Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities	12
Notes to the Financial Statements	13
<b>Required Supplementary Information (Unaudited):</b>	
Schedule of Revenues, Expenditures, Other Financing Sources (Uses), and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund	36
Schedule of the District's Proportionate Share of the Collective Net Pension Liability - Connecticut Municipal Employees' Retirement System	37
Schedule of Contributions - Connecticut Municipal Employees' Retirement System	38
Schedule of the District's Proportionate Share of the Collective Net Pension Liability - Connecticut Teachers' Retirement System	39
Schedule of Changes in the District's Total OPEB Liability - Other Post-Employment Benefits Plan	40
Schedule of the District's Proportionate Share of the Collective Net OPEB Liability - Connecticut Teachers' Retirement System	41
Notes to Required Supplementary Information	42
<b>Other Supplementary Information</b>	
General Fund:	
Schedule of Revenues and Other Financing Sources - Budget and Actual - Budgetary Basis	46
Schedule of Expenditures and Other Financing Uses - Budget and Actual - Budgetary Basis	47
<b>Supplemental Report</b>	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	49

---

## INDEPENDENT AUDITOR'S REPORT

---

## INDEPENDENT AUDITOR'S REPORT

To the Regional Supervision District Committee of the  
Regional Supervision District Board of Education  
Deep River, Connecticut

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities and the major fund of the Regional Supervision District Board of Education (the District), as of and for the year ended June 30, 2023, 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 and the major fund of the Regional Supervision District Board of Education, as of June 30, 2023, 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 on pages 4 through 10 and the information on pages 36 through 45 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 budgetary comparison schedule for the General Fund on pages 46 through 48 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The accompanying budgetary comparison schedule is presented for purposes of additional analysis is 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 budgetary fund comparison schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants  
Glastonbury, Connecticut  
November 27, 2023

---

## MANAGEMENT'S DISCUSSION AND ANALYSIS

---



**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

---

As management of Regional Supervision District Board of Education (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2023.

**FINANCIAL HIGHLIGHTS**

- As of June 30, 2023, the District has an unrestricted deficit in its net position of \$1,757,782. This deficit is driven by the District's long-term liabilities, which will be funded by the District through its annual budgeting process as the liabilities become due.
- The District's total net position for the year ended June 30, 2023 decreased by \$288,849.
- The District's budgetary surplus for the year ended June 30, 2023 totaled \$157,660.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise of 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.

**Basis of Presentation**

The District is considered a single-program governmental organization for financial reporting purposes. Accounting guidance issued by the Governmental Accounting Standards Board (GASB) requires the presentation of government-wide financial statements and fund financial statements. The government-wide financial statements consist of the statement of net position and the statement of activities, while the governmental fund financial statements consist of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The District has no business-type activities. Rather than presenting government-wide financial statements along with separate governmental fund financial statements, the District has chosen to combine the two types of financial statements.

Accordingly, the accompanying financial statements of the District consist of the governmental fund balance sheet/statement of net position and the governmental fund statement of revenues, expenditures and changes in fund balances/statement of activities.

**Government-wide Financial Statements**

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

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

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

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

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

Both of the government-wide financial statements display information about the District's governmental activities, which consists of education services. The District does not have any business-type activities.

The government-wide financial statements include only the District because there are no legally separate organizations for which the District is legally accountable.

The government-wide financial statements can be found on pages 11 and 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 District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The only fund of the District is a governmental fund.

### ***Governmental Funds***

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

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

***Governmental Funds (Continued)***

The District maintains one governmental fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund.

The basic governmental fund financial statements can also be found on pages 11 and 12 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 13 through 35 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and other supplementary information, which can be found on pages 36 through 48 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

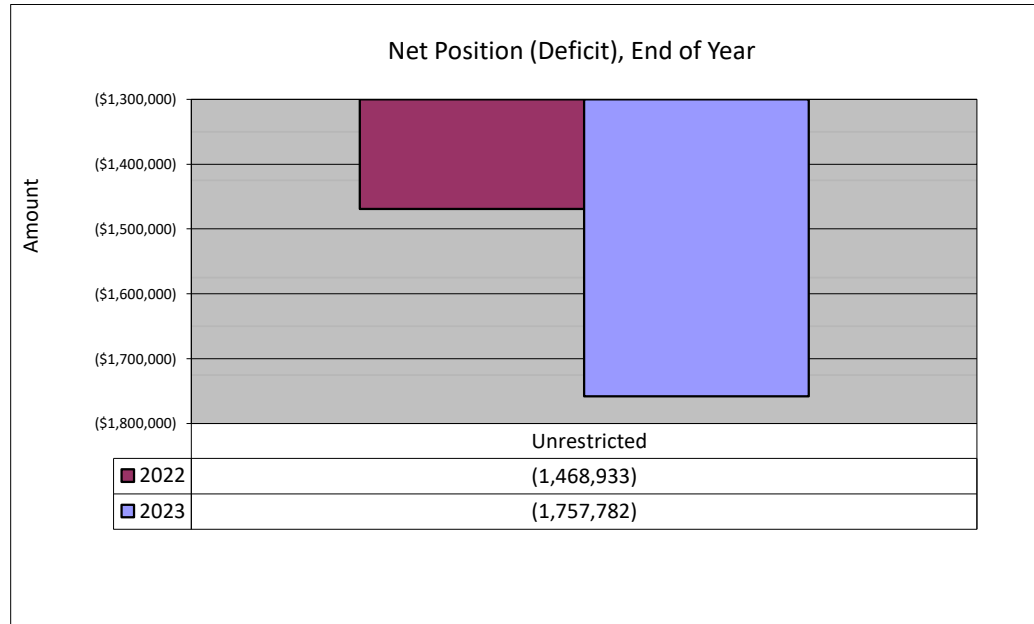
Over time, net position may serve as one measure of a government's financial position. The net position of the District as of June 30, 2023 and 2022 are summarized as follows.

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>	<u>% Change</u>
Current and other assets	<u>\$ 706,898</u>	<u>\$ 860,032</u>	<u>\$ (153,134)</u>	-17.8%
Deferred outflows of resources	<u>1,060,660</u>	<u>1,114,601</u>	<u>(53,941)</u>	-4.8%
Long-term liabilities	1,884,131	1,165,421	718,710	61.7%
Other liabilities	<u>514,490</u>	<u>538,318</u>	<u>(23,828)</u>	-4.4%
Total liabilities	<u>2,398,621</u>	<u>1,703,739</u>	<u>694,882</u>	40.8%
Deferred inflows of resources	<u>1,126,719</u>	<u>1,739,827</u>	<u>(613,108)</u>	-35.2%
Net position:				
Unrestricted	<u>(1,757,782)</u>	<u>(1,468,933)</u>	<u>(288,849)</u>	19.7%
	<u><u>\$ (1,757,782)</u></u>	<u><u>\$ (1,468,933)</u></u>	<u><u>\$ (288,849)</u></u>	19.7%

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

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

**Net Position (Continued)**



**Changes in Net Position**

Changes in the District's net position for the years ended June 30, 2023 and 2022 are as follows.

	2023	2022	\$ Change	% Change
<b>Revenues:</b>				
Member Board assessments	\$ 8,332,648	\$ 8,214,479	\$ 118,169	1.4%
Intergovernmental	1,576,060	803,623	772,437	96.1%
Other revenue	21,150	30,469	(9,319)	-30.6%
Total revenues	<u>9,929,858</u>	<u>9,048,571</u>	<u>881,287</u>	9.7%
<b>Expenses:</b>				
General instruction	4,737,027	4,117,055	619,972	15.1%
Support services - students	1,433,569	1,210,066	223,503	18.5%
Improvement of instruction	9,626	21,449	(11,823)	-55.1%
Library and media services	339,389	300,601	38,788	12.9%
Support services - general administration	1,852,605	1,573,170	279,435	17.8%
Central services	679,464	593,542	85,922	14.5%
Operation and maintenance of plant	27,389	22,735	4,654	20.5%
Transportation	1,139,638	1,011,701	127,937	12.6%
Total expenses	<u>10,218,707</u>	<u>8,850,319</u>	<u>1,368,388</u>	15.5%
Change in net position	(288,849)	198,252	<u>\$ (487,101)</u>	-245.7%
Net position - beginning	<u>(1,468,933)</u>	<u>(1,667,185)</u>		
Net position - ending	<u>\$ (1,757,782)</u>	<u>\$ (1,468,933)</u>		

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

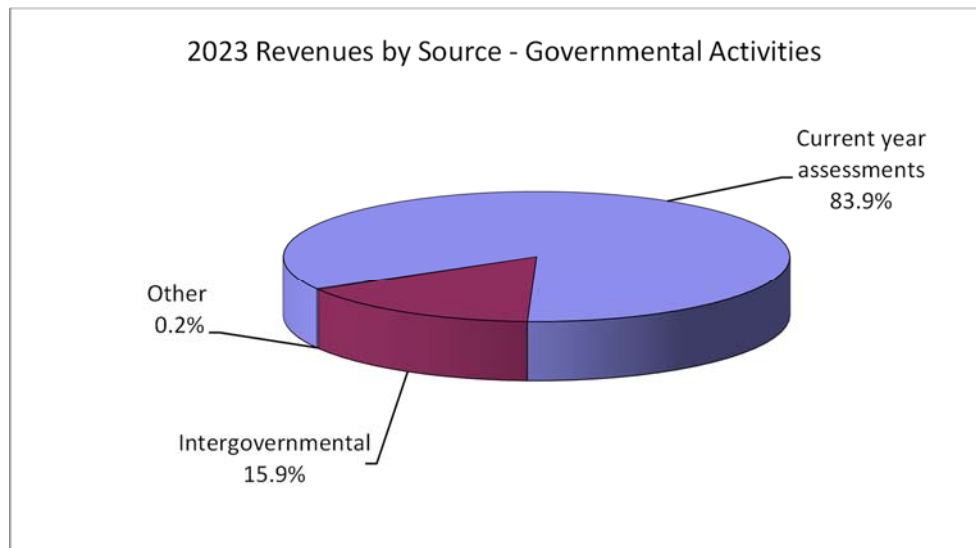
**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Changes in Net Position *(Continued)***

Governmental activities decreased the District's overall net position by \$288,849. This decrease is primarily related to a planned use of a portion of the District's prior year net position to reduce assessments to its Member Boards in the current year. In addition, changes in the District's long-term liabilities resulted in a decrease in the District's net position in the amount of \$159,543.

Overall revenues increased by \$881,287 or 9.7% over the prior year. Overall expenses increased by \$1,368,388 or 15.5% over the prior year.

Variances in revenues and expenses may be significantly impacted annually by changes in the amount of on-behalf pension and OPEB expenses that are recognized by the District in connection with its participation in the Connecticut Teachers' Retirement System. Although the District recognizes its proportionate share of the pension and OPEB expense that are attributed to the District's employees that participate in the system, the District does not recognize any liabilities for the benefits provided as the State is legally obligated to fund the benefits. The change in the amount of on-behalf pension and OPEB expenses recognized by the District resulted in an increase to revenues and expenses over the prior year in the amount of \$772,437. The increase in expenses over the prior year also included a \$356,569 increase in contractual wages.

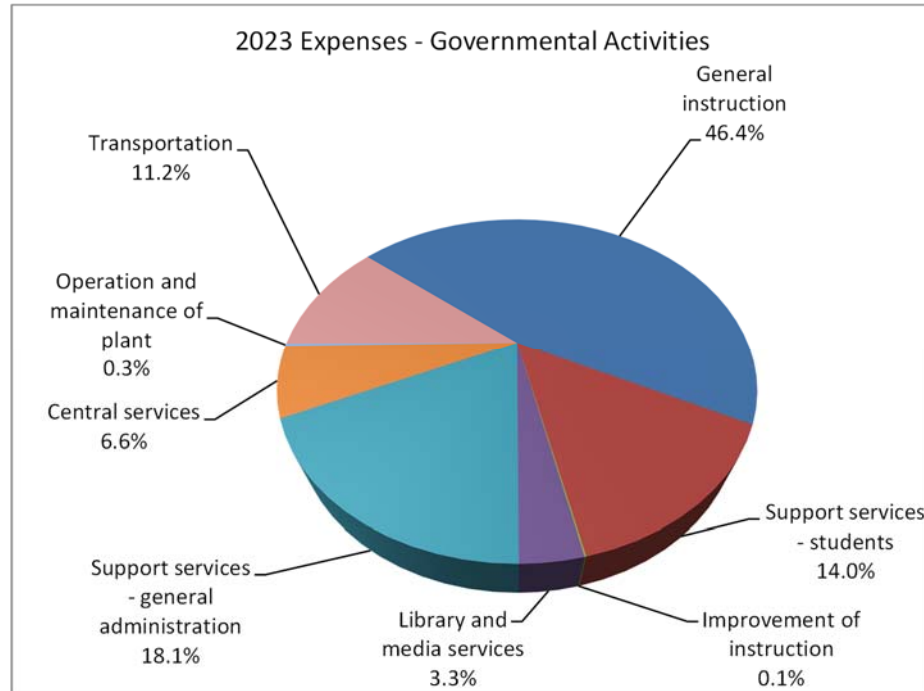


**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

**Changes in Net Position *(Continued)***



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

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

**Governmental Fund - General Fund**

Governmental funds provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The General Fund is the only fund of the District. At the end of the current fiscal year, the General Fund reported an ending fund balance of \$192,408, which consisted of the current year budgetary surplus of \$157,660 and a reserve for encumbrances of \$34,748.

**BUDGETARY HIGHLIGHTS**

The District derives nearly all of its revenue from Regional School District No. 4 and the three Towns that comprise Regional School District No. 4 (Chester, Deep River and Essex). The sole purpose of the District is to facilitate interdistrict activity between the four entities since they all have separate legally adopted budgets. Budgets are adopted by the Board of Education on a modified accrual basis. The adopted annual budget covers the General Fund.

There were no additional appropriations to the annual budget for the year ended June 30, 2023.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

The District receives revenues from the Towns of Chester, Deep River and Essex and the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy. Any loss or significant reduction of these revenues could have a significant impact on the District's financial position. The District operates under various negotiated union contracts that span multiple budgetary years. A significant portion of the District's budget consists of contractual wages and related employee benefits. In addition, special education costs can vary significantly from year to year based on student needs.

These factors were considered in preparing the District's budget for fiscal year 2024. In February 2023, the District's fiscal year 2024 budget was approved by the Regional Supervision District Committee, Joint Member Board of Education and public vote. The approved budgetary expenditure appropriations totaled \$8,957,537, a \$305,250 or 3.53% increase over the District's fiscal year 2023 approved budgetary expenditure appropriations.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Board of Education or the Office of the Finance Director, P.O. Box 187, Deep River, CT 06417.

---

## **BASIC FINANCIAL STATEMENTS**

---



**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**GOVERNMENTAL FUND BALANCE SHEET/STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2023**

	<b>General Fund</b>	<b>Adjustments (See Note 4)</b>	<b>Government- Wide Statement of Net Position</b>
<b>ASSETS</b>			
Cash	\$ 136,292	\$ -	\$ 136,292
Due from Regional School District No. 4	217,030	-	217,030
Assessments receivable	333,832	-	333,832
Other receivables	19,744	-	19,744
Total assets	<u>706,898</u>	<u>-</u>	<u>706,898</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related	-	605,256	605,256
OPEB related	-	455,404	455,404
Total deferred outflows of resources	<u>-</u>	<u>1,060,660</u>	<u>1,060,660</u>
Total assets and deferred outflows of resources	<u><u>\$ 706,898</u></u>		
<b>LIABILITIES</b>			
Accounts payable	\$ 143,092	-	143,092
Accrued liabilities	369,798	-	369,798
Unearned revenue	1,600	-	1,600
Noncurrent liabilities:			
Due in more than one year	-	1,884,131	1,884,131
Total liabilities	<u>514,490</u>	<u>1,884,131</u>	<u>2,398,621</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related	-	150,101	150,101
OPEB related	-	976,618	976,618
Total deferred inflows of resources	<u>-</u>	<u>1,126,719</u>	<u>1,126,719</u>
<b>FUND BALANCE/NET POSITION</b>			
Fund balance:			
Committed	157,660	(157,660)	-
Assigned (encumbrances)	34,748	(34,748)	-
Total fund balance	<u>192,408</u>	<u>(192,408)</u>	<u>-</u>
Total liabilities and fund balance	<u><u>\$ 706,898</u></u>		
Net position:			
Unrestricted		(1,757,782)	(1,757,782)
Total net position		<u><u>\$ (1,757,782)</u></u>	<u><u>\$ (1,757,782)</u></u>

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE/STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>General Fund</b>	<b>Adjustments (See Note 4)</b>	<b>Government- Wide Statement of Activities</b>
<b>REVENUES</b>			
Member Boards:			
Current year assessments	\$ 8,422,428	\$ -	\$ 8,422,428
Refund to Regional School District No. 4	(89,780)	-	(89,780)
Intergovernmental	1,236,326	339,734	1,576,060
Other	21,150	-	21,150
Total revenues	<u>9,590,124</u>	<u>339,734</u>	<u>9,929,858</u>
<b>EXPENDITURES/EXPENSES</b>			
Current:			
General instruction	4,486,443	250,584	4,737,027
Support services - students	1,355,666	77,903	1,433,569
Improvement of instruction	9,626	-	9,626
Library and media services	320,761	18,628	339,389
Support services - general administration	1,763,017	89,588	1,852,605
Central services	616,890	62,574	679,464
Operation and maintenance of plant	27,389	-	27,389
Transportation	1,139,638	-	1,139,638
Total expenditures/expenses	<u>9,719,430</u>	<u>499,277</u>	<u>10,218,707</u>
Net changes in fund balance/net position	(129,306)	<u>\$ (159,543)</u>	<u>(288,849)</u>
Fund balance/net position - beginning	<u>321,714</u>		<u>(1,468,933)</u>
Fund balance/net position - end of year	<u>\$ 192,408</u>		<u>\$ (1,757,782)</u>

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

---

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

The financial statements of Regional Supervision District Board of Education (the District) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District's significant accounting policies are described below.

**Financial Reporting Entity**

The District was formed in 1964 for the purpose of administering educational funds and services to the school boards of the towns of Chester, Deep River, and Essex, Connecticut, and to Regional School District No. 4 (the Boards). The District operates under a Board of Education/Superintendent form of government and provides a full range of educational services to its member boards through the Regional Supervision District Committee (the Committee).

The basic financial statements of the reporting entity include only the District as no component units exist based on operational or financial relationships with the District.

**Basis of Presentation**

The District is considered a single program governmental organization for financial reporting purposes. Accounting guidance issued by the Governmental Accounting Standards Board (GASB) requires the presentation of government-wide financial statements and fund financial statements. The government-wide financial statements consist of the statement of net position and the statement of activities, while the governmental fund financial statements consist of the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances. The District has no business-type activities. Rather than presenting government-wide financial statements along with separate governmental fund financial statements, the District has chosen to combine the two types of financial statements. Accordingly, the accompanying financial statements of the District consist of the governmental fund balance sheet/statement of net position and the governmental fund statement of revenues, expenditures and changes in fund balances/statement of activities.

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

Information presented in the government-wide statement of net position column and in the government-wide statement of activities column of the accompanying financial statements includes all financial activities of the District. The District's activities are financed through member board assessments, intergovernmental revenues and other nonexchange transactions.

Information presented in the government-wide statement of activities column demonstrates the degree to which the District's expenses are offset by revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. For the District's purposes, all revenues and expenses are related to a single program, education.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

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

**Fund Financial Statements**

Information presented in the fund financial statement column provides information about the District's General Fund, which accounts for all financial resources of the District. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The District has no remaining funds aggregated and reported as non-major funds.

**Measurement Focus and Basis of Accounting**

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

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

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

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

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

**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.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

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

**Deferred Outflows and Inflows of Resources**

Deferred outflows and inflows of resources represent an acquisition or consumption of net assets that applies to a future period(s) and so will not be recognized as an inflow or outflow of resources until that time.

Deferred outflows and inflows of resources include deferred charges on the District's pension and OPEB expenses reported in the government-wide financial statements. Deferred pension and OPEB expenses result from certain changes in the components of the District's net pension and total OPEB liabilities and are being amortized as a component of the related expenses on a systematic and rational basis.

**Compensated Absences**

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

**Net Position and Fund Balance**

Information presented in the government-wide statement of net position column includes the District's non-fiduciary assets, liabilities, and deferred outflows and inflows of resources with the difference reported as net position. Net position may be reported in three categories:

*Net investment in capital assets* - This category consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of those assets.

*Restricted net position* - This category consists of net position whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net position* - This category consists of net position, which do not meet the definition of the two preceding categories.

The District's governmental fund reports the following fund balance categories:

*Nonspendable* - This category consists of amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

*Restricted* - This category consists of amounts for which constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

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

**Net Position and Fund Balance *(Continued)***

*Committed* - This category consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District Committee (the highest level of decision making authority of the District) and cannot be used for any other purpose unless the District removes or changes the specified use by taking the same formal action.

*Assigned* - This category consists of amounts that are constrained by the District's intent to be used for specific purposes, but are not restricted or committed. The District's Committee is the body authorized to assign fund balance via majority vote of the District Committee. In addition, the Superintendent is authorized to assign fund balance through the approval of an encumbrance.

*Unassigned* - This category consists of the residual classification for the General Fund.

**Net Position Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The District does not have a formal policy over the use of restricted resources. The District considers restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumption**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

The District does not have a formal policy over the use of fund balance. The District uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

**Annual District Assessment**

Each Board in the District pays a share of the cost of capital outlays and current expenditures necessary for the operation of the District. The Committee determines the amount to be paid by each member Board. Such amount is based upon an accepted methodology established by the Committee.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

**Use of Estimates**

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

**NOTE 2 - CASH DEPOSITS**

**Cash Deposits - Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The District does not have a deposit policy for custodial risk.

As of June 30, 2023, the District's bank balance of \$226,132 was fully insured and not exposed to custodial credit risk.

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

**NOTE 3 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Compensated absences	\$ 60,624	\$ 6,335	\$ (26,102)	\$ 40,857	\$ -
Net pension liability (see Note 5)	789,732	720,176	-	1,509,908	-
Total OPEB liability (see Note 6)	315,065	18,301	-	333,366	-
Total long-term liabilities	<u>\$ 1,165,421</u>	<u>\$ 744,812</u>	<u>\$ (26,102)</u>	<u>\$ 1,884,131</u>	<u>\$ -</u>

The above obligations are liquidated by the General Fund.

REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION

NOTES TO THE FINANCIAL STATEMENTS (Continued)

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 4 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND FINANCIAL STATEMENTS AND THE GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**Governmental Fund Balance Sheet/Statement of Net Position**

Adjustments to convert from the governmental fund balance sheet to the government-wide statement of net position consisted of the following as of June 30, 2023:

Compensated absences	\$ (40,857)
Net pension liability	(1,509,908)
Total OPEB liability	(333,366)
Deferred charges on pension	455,155
Deferred charges on OPEB	(521,214)
	<u>\$ (1,950,190)</u>

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

Deferred charges on pension and OPEB represent an acquisition or consumption of net assets that applies to a future period and so will not be recognized as an outflow or inflow of resources until then. Accordingly, deferred charges on pension and OPEB are only reported in the statement of net position.

**Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance/Statement of Activities**

Adjustments to convert from the governmental fund statement of revenues, expenditures and changes in fund balance to the government-wide statement of activities consisted of the following for the year ended June 30, 2023:

Net changes in:	
Compensated absences	\$ 19,767
Net pension liability and related deferrals	(128,629)
Total OPEB liability and related deferrals	(50,681)
	<u>\$ (159,543)</u>

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the statement of activities, which is presented under the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

Deferred charges on pension and OPEB represent an acquisition or consumption of net assets that applies to a future period and so will not be recognized as an outflow or inflow of resources until then. Deferred charges on pension and OPEB are amortized as a component of pension and OPEB expenses in the statement of activities.



**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 - PENSION PLANS**

The District accounts for activity relating to two defined benefit pension plans, (1) the Connecticut's Municipal Employees' Retirement System, and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the plans had the following balances reported in the District's government-wide financial statements:

	<b>Net Pension Liability</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>On Behalf Revenues</b>	<b>Pension Expense</b>
Connecticut Municipal Employees' Retirement System (proportionate share)	\$ 1,509,908	\$ 605,256	\$ 150,101	\$ -	\$ 311,726
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	1,494,436	1,494,436
	<u>\$ 1,509,908</u>	<u>\$ 605,256</u>	<u>\$ 150,101</u>	<u>\$ 1,494,436</u>	<u>\$ 1,806,162</u>

Detailed disclosures for each plan follow.

**Connecticut Municipal Employees' Retirement System**

The District participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is a public pension plan offered by the State of Connecticut for municipal employees in participating municipalities. The plan was established in 1947 and is governed by Connecticut Statute Title 7, Chapter 113. Chapter 113, Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions.

Municipalities may designate which departments are to be covered under the CMERS. Only employees covered under the State Teachers' Retirement System may not be included. There are no minimum age or service requirements. Membership is mandatory for all regular full time employees of participating departments except Police and Fire hired after age 60.

The plan has 4 sub plans as follows:

- General employees with social security
- General employees without social security
- Policemen and firemen with social security
- Policemen and firemen without social security

Certain employees of the District are eligible to participate in CMERS and are classified within the general employees with social security sub plan. The following disclosures have been provided for this sub plan.

**Plan Description**

*Plan administration* - CMERS is a cost-sharing pension plan administered by the Connecticut State Retirement Commission. The State Retirement Commission is responsible for the administration of the CMERS. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

*Plan membership* - All full-time employees of the District, except for certified Board of Education personnel who are eligible for the State Teachers' Retirement System, who are age 55 or younger at the date of hire, participate in the CMERS plan for general employees with social security.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 5 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Plan Description *(Continued)***

*Benefits provided* - The Plan provides retirement, disability and death benefits as defined in the Statutes. General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active non-continuous service. Employees under the age of 55 are eligible to retire with 25 years of service.

For members covered by social security, the benefit is 1.5% of the average final compensation not in excess of the year's breakpoint plus 2.0% of average final compensation in excess of the year's breakpoint, times years of service.

The maximum benefit is 100% of average final compensation and the minimum benefit is \$1,000 annually. Both the minimum and the maximum include workers' compensation and social security benefits. If any member covered by social security retires before age 62, the benefit until age 62 is reached or a social security disability award is received, is computed as if the member is not under social security.

Employees are eligible for early retirement after 5 years of active continuous or 15 years of active non-continuous service. The benefit is calculated on the basis of average final compensation and service to date of termination. Deferred to normal retirement age, or an actuarially reduced allowance may begin at the time of separation.

Employees are eligible for service-related disability benefits from being permanently or totally disabled from engaging in the service of the municipality provided such disability has arisen out of and in the course of employment with the municipality. Disability benefits are calculated based on compensation and service to the date of the disability with a minimum benefit (including workers' compensation benefits) of 50% of compensation at the time of disability.

Employees are eligible for non-service-related disability benefits with 10 years of service and being permanently or totally disabled from engaging in gainful employment in the service of the municipality. Disability benefits are calculated based on compensation and service to the date of the disability. The plan also offers a pre-retirement death benefit in the form of a lump sum return of contributions with interest or surviving spouse benefit depending on length of service.

*Contributions* - The contribution requirements of plan members are established and may be amended by the State Retirement Commission. The District is required to contribute annual contributions consisting of a normal cost contribution, a contribution for the amortization of the net unfunded accrued liability and a prior service amortization payment which covers the liabilities of the system not met by member contributions. There is also an administrative fee per active and retired member.

For the fiscal year beginning July 1, 2022, employees covered by social security are required to contribute 3.75% of compensation up to the social security taxable wage base plus 6.5% of compensation, if any, in excess of such base. The contribution rate will increase each year through fiscal year 2025 per Public Act 19-124.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 5 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

**Summary of Significant Accounting Policies**

*Pensions* - For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions and pension expense, information about the fiduciary net position of CMERS and additions and deletions from CMERS' net position are prepared on the accrual basis of accounting. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

*Investment policy* - The CMERS' policy in regard to the allocation of invested assets is established and may be amended by the State Retirement Commission. It is the policy of the State to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The State Treasurer is responsible for investing CMERS funds for the exclusive benefit of CMERS members.

**Collective Net Pension Liability**

The total estimated collective net pension liability of the CMERS as of June 30, 2022 was \$1.375 billion, the most recent available reporting provided by the Board. The collective net pension liability of the CMERS sub plan for general employees with social security was \$449.6 million as of June 30, 2022. The portion that was associated with the District totaled \$1,509,908 or approximately 0.336% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022.

*Actuarial assumptions* - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50% - 10.00%, including inflation
Long-term investment rate of return	7.00%, net of pension plan investment expense, including inflation

For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

The long-term expected rate of return on pension plan investments was determined using a statistical analysis 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.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Target Expected Real Rate of Return</b>
Global Equity	37.0%	6.9%
Public Credit	2.0%	2.9%
Core Fixed Income	13.0%	0.4%
Liquidity Fund	1.0%	-0.4%
Risk Mitigation	5.0%	0.1%
Private Equity	15.0%	11.2%
Private Credit	10.0%	6.2%
Real Estate	10.0%	6.3%
Infra. & Natural Resources	7.0%	7.7%
	<u>100.0%</u>	

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

*Sensitivity of the net pension liability to changes in the discount rate* - The following presents the District's proportionate share of the collective net pension liability for the general employees with social security sub plan calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b><u>1% Decrease</u></b>	<b><u>Current Discount</u></b>	<b><u>1% Increase</u></b>
Proportionate share of the collective net pension liability	\$ 2,067,608	\$ 1,509,908	\$ 1,037,811

*Pension plan fiduciary net position* - Detailed information about the CMERS plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 - PENSION PLANS *(Continued)***

**Connecticut Municipal Employees' Retirement System *(Continued)***

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

For the year ended June 30, 2023, the District recognized pension expense related to the CMERS of \$311,726. At June 30, 2023, the District reported its proportionate share of deferred outflows and inflows of resources related to the CMERS from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net Deferrals</u>
Differences between expected and actual experience	\$ 113,457	\$ 63,735	\$ 49,722
Net difference between projected and actual earnings on pension plan investments	222,239	-	222,239
Change of assumptions	-	-	-
Contributions paid to the CMERS subsequent to the measurement date	182,459	-	182,459
Other	87,101	86,366	735
Total	<u>\$ 605,256</u>	<u>\$ 150,101</u>	<u>\$ 455,155</u>

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

Year ended June 30,	
2024	\$ 206,634
2025	54,266
2026	47,377
2027	146,878
	<u>\$ 455,155</u>

**Connecticut Teachers' Retirement System**

**Plan Description**

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

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 5 - PENSION PLANS *(Continued)***

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

**Benefit Provisions**

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

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

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

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

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

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

**Contributions**

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

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

*Employees* - Effective January 1, 2018, each teacher is required to contribute 7.0% of pensionable salary for the pension benefit.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 5 - PENSION PLANS *(Continued)***

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

**Administrative Expenses**

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

**Basis of Presentation**

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net pension liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

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

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the District totaled 0.084% as of the most recent measurement date.

**Collective Net Pension Liability**

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2022, the measurement date, in addition to the District's and State's proportionate shares of the collective net pension liability that is attributed to the District:

Collective Net Pension Liability of the State for the TRS		<u>\$ 18,310,559,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
District's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the District	0.084%	<u>\$ 15,462,000</u>

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 5 - PENSION PLANS *(Continued)***

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

**Collective Pension Expense**

The District's expected contribution effort for allocation purposes totaled \$1,219,083 or 0.084% of the total expected contribution effort. The District has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the District totaled \$1,494,436 or 0.084% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2023.

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

**Long-Term Rate of Return**

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



**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

**NOTE 5 - PENSION PLANS *(Continued)***

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

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.4%
Developed Market Intl. Stock Fund	11.0%	6.4%
Emerging Market Intl. Stock Fund	9.0%	8.6%
Core Fixed Income Fund	13.0%	0.8%
Emerging Market Debt Fund	5.0%	3.8%
High Yield Bond Fund	3.0%	3.4%
Real Estate Fund	19.0%	5.2%
Private Equity	10.0%	9.4%
Private Credit	5.0%	6.5%
Alternative Investments	3.0%	3.1%
Liquidity Fund	2.0%	-0.4%
	100.0%	

**Discount Rate**

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

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

The District accounts for activity relating to two other post-employment benefits plans, (1) the Supervision District Other Post-Employment Benefit Plan and (2) the Connecticut Teachers' Retirement System. As of and for the year ended June 30, 2023, the two plans had the following balances reported in the District's government-wide financial statements:

	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	On Behalf Revenues	OPEB Expense
Supervision District Other Post-employment Benefits Plan	\$ 333,366	\$ 455,404	\$ 976,618	\$ -	\$ 50,681
Connecticut Teachers' Retirement System (proportionate share)	-	-	-	81,624	81,624
	\$ 333,366	\$ 455,404	\$ 976,618	\$ 81,624	\$ 132,305

Detailed disclosures for each plan follow.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Supervision District Plan**

**Plan Description**

The District provides healthcare insurance benefits for eligible retirees and their families through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established through negotiations between the District and the unions representing District employees and are renegotiated each three-year bargaining period.

**Benefits Provided**

Contribution requirements of the participants and the District are established by and may be amended through negotiations between the District and the unions. Currently, participants contribute 100% toward medical and dental premiums.

**Employee Covered by Benefit Terms**

As of July 1, 2021, the valuation date, the following employees were covered by the benefit terms:

Inactive plan members receiving benefits	0
Active plan members	65
	<u>65</u>

**Total OPEB Liability**

The District's total OPEB liability reported as of June 30, 2023 totaled \$333,366. The total OPEB liability was measured as of June 30, 2023 utilizing an actuarial valuation performed as of July 1, 2021. The total OPEB liability was measured using the Entry Age Normal Method.

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

Inflation	2.50%
Discount rate	4.09%
Healthcare cost trend rates:	
Medicare Supplement Plans	9.00%
Active Plans	9.00%

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Index as of the valuation date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality rates for general pre-retirement mortality were based on the PubG-2010 Mortality Table for Employees projected generationally with scale MP-2020 for males and females. Mortality rates for post-retirement were based on the PubG-2010 Mortality Table for Healthy Annuitants projected generationally with scale MP-2020 for males and females. Mortality rates for disabled mortality were based on the PubG-2010 Mortality Table for Disabled Annuitants projected generationally with scale MP-2020 for males and females.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Supervision District Plan *(Continued)***

**Changes in the Total OPEB Liability**

The following represents the change in the District's total OPEB liability for the year ended June 30, 2023.

<b>Total OPEB Liability</b>	
Balance at June 30, 2022	\$ 315,065
Service cost	20,684
Interest	13,412
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	(15,795)
Net change in total OPEB liability	<u>18,301</u>
Balance at June 30, 2023	<u><u>\$ 333,366</u></u>

*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 or higher than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Total OPEB liability	\$ 353,013	\$ 333,366	\$ 312,553

*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 the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or higher than the current healthcare cost trend rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Total OPEB liability	\$ 300,591	\$ 333,366	\$ 369,028

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

For the year ended June 30, 2023, the District recognized OPEB expense of \$50,681.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Supervision District Plan *(Continued)***

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

At June 30, 2023 the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferrals</b>
Differences between expected and actual experience	\$ 94,534	\$ 973,105	\$ (878,571)
Changes in assumptions	360,870	3,513	357,357
	<u>\$ 455,404</u>	<u>\$ 976,618</u>	<u>\$ (521,214)</u>

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

Year ended June 30,	
2024	\$ 32,380
2025	32,378
2026	(195,323)
2027	(195,323)
2028	(195,326)
	<u>\$ (521,214)</u>

**Connecticut Teachers' Retirement System**

**Plan Description**

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

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

**Benefit Provisions**

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Benefit Provisions *(Continued)***

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

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

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

**Contributions**

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

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

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

**Administrative Expenses**

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Basis of Presentation**

The components associated with the other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022. The net OPEB liability has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Annual Comprehensive Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

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

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution for each participating employer. The employer allocations were then applied to the net OPEB liability and OPEB expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to the District totaled 0.084% as of the most recent measurement date.

**Collective Net OPEB Liability**

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2022, the measurement date, in addition to the District's and State's proportionate shares of the collective net OPEB liability that is attributed to the District:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 1,603,585,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
District's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the District	0.084%	<u>\$ 1,354,000</u>

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Collective OPEB Expense**

The District's expected contribution effort for allocation purposes totaled \$17,243 or 0.084% of the total expected contribution effort. The District has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2023.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the District totaled \$81,624 or 0.084% of the total collective OPEB expense and has been recognized as an operating contribution and related education expense in the statement of activities for the year ended June 30, 2023.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurements:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Discount rate	3.53%, net of OPEB plan investment expense, including 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 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.

**Long-Term Rate of Return**

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

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2023**

---

**NOTE 6 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

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

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	-0.98%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.53%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2022. In addition to the actuarial methods and assumptions of the June 30, 2022 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2027 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**NOTE 7 - OTHER RETIREMENT PLANS**

The District offers those who are eligible for benefits, a retirement savings plan created in accordance with Internal Revenue Code Section 403(b). Employees eligible include members of the Municipal Employee Union, SEIU Local 506 (paraprofessionals) and administrators. The District is required to match employees' contributions up to a maximum of 5.0% of their base pay only, on a before-tax basis. The District's contribution totaled \$53,945 for the year ended June 30, 2023.



**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**

NOTES TO THE FINANCIAL STATEMENTS *(Continued)*

AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 8 - FUND BALANCE/NET POSITION**

**Budgetary Surplus**

The District's policy is to return a budgetary surplus to its member boards. The District's final budget for the year ended June 30, 2023 contemplated the use of fund balance to return the prior year surplus in the amount of \$319,639. The actual change in fund balance on a budgetary basis for the year ended June 30, 2023 was \$161,979, resulting in an overall budgetary surplus in the amount of \$157,660. The District has presented this amount as committed fund balance in the General Fund as of June 30, 2023 for the purpose of returning the surplus to its member boards.

**Encumbrances**

As of June 30, 2023, the District has recorded \$34,748 in encumbrances for commitments made for the purchase of goods and services. Encumbrances are included as part of the assigned fund balance in the General Fund.

**NOTE 9 - RISK MANAGEMENT**

**Insurance**

The District is exposed to various risks of loss related to public officials, Board of Education liability, torts, thefts of, damage to, or destruction of assets, errors or omissions, injuries to employees or acts of God. The District purchases commercial insurance for all risks of loss, except for medical insurance. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage as compared to the prior year.

The District is a participating member of Regional School District No. 4's medical health insurance fund administered by Anthem Blue Cross & Blue Shield. The fund was established for the purpose of providing medical benefits for each participant in the fund. The District pays an annual contribution for its coverage. The fund is to be self-sustaining through members' premiums, but reinsures in excess of \$150,000 for each insured occurrence. In addition to the District, the participating members include the Town of Chester Board of Education, the Town of Deep River Board of Education, the Town of Essex Board of Education and Regional School District No. 4. Members may be subject to additional assessments in the event of deficiencies. The District paid premiums totaling \$1,217,645 for the year ended June 30, 2023.

---

## REQUIRED SUPPLEMENTARY INFORMATION

---

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Member Boards:				
Current Year Assessments	\$ 8,652,287	\$ 8,422,428	\$ 8,422,428	\$ -
Other Revenues	-	-	21,150	21,150
Total Revenues	8,652,287	8,422,428	8,443,578	21,150
EXPENDITURES				
Current:				
Salaries	5,406,483	5,318,183	5,205,304	(112,879)
Employee Benefits	1,677,879	1,677,879	1,661,757	(16,122)
Other Purchased Services	1,057,708	1,120,708	1,119,257	(1,451)
Purchased and Technical Services	372,047	372,047	371,708	(339)
Supplies	101,920	127,220	122,268	(4,952)
Purchased Property Services	26,300	26,300	26,029	(271)
Other Objects	9,950	9,950	9,454	(496)
Total Expenditures	8,652,287	8,652,287	8,515,777	(136,510)
Deficiency of revenues over expenditures	-	(229,859)	(72,199)	157,660
OTHER FINANCING SOURCES (USES)				
Use of Prior Year Surplus	-	319,639	-	(319,639)
Prior Year Surplus Refunded to Regional School District No. 4	-	(89,780)	(89,780)	-
Total other financing sources (uses)	-	229,859	(89,780)	(319,639)
Net change in fund balance	\$ -	\$ -	\$ (161,979)	\$ (161,979)

*See accompanying notes to required supplementary information.*

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST NINE FISCAL YEARS\***  
**(Rounded to nearest thousand)**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the net pension liability by sub plan (general employees with social security)	0.34%	0.33%	0.32%	0.33%	0.35%	0.21%	0.21%	0.29%	0.15%
District's proportionate share of the net pension liability	<u>\$ 1,510,000</u>	<u>\$ 790,000</u>	<u>\$ 1,254,000</u>	<u>\$ 1,235,000</u>	<u>\$ 1,338,000</u>	<u>\$ 600,000</u>	<u>\$ 705,000</u>	<u>\$ 554,000</u>	<u>\$ 357,000</u>
District's covered payroll	\$ 1,040,000	\$ 904,000	\$ 818,000	\$ 870,000	\$ 764,000	\$ 814,000	\$ 803,000	\$ 888,000	\$ 820,000
District's proportionate share of the net pension liability as a percentage of its covered payroll	145.19%	87.39%	153.30%	141.95%	175.13%	73.71%	87.80%	62.39%	43.54%
Plan fiduciary net position as a percentage of the total pension liability	68.71%	82.59%	71.18%	72.69%	73.60%	91.68%	88.29%	92.72%	90.48%

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

*See accompanying notes to required supplementary information.*

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**SCHEDULE OF CONTRIBUTIONS -**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST NINE FISCAL YEARS\***

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 182,459	\$ 159,581	\$ 135,809	\$ 119,420	\$ 89,639	\$ 95,578	\$ 91,325	\$ 101,077	\$ 98,235
Contributions in relation to the contractually required contribution	<u>182,459</u>	<u>159,581</u>	<u>135,809</u>	<u>119,420</u>	<u>89,639</u>	<u>95,578</u>	<u>91,325</u>	<u>101,077</u>	<u>98,235</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,040,000	\$ 971,000	\$ 908,000	\$ 870,000	\$ 764,000	\$ 814,000	\$ 803,000	\$ 888,000	\$ 820,000
Contributions as a percentage of covered payroll	17.55%	16.44%	14.95%	13.73%	11.74%	11.74%	11.38%	11.38%	11.98%

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

*See accompanying notes to required supplementary information.*

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -**  
**CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST NINE FISCAL YEARS\***  
**(Rounded to nearest thousand)**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
District's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the District	15,462,000	13,277,000	16,763,000	14,181,000	10,934,000	11,035,000	11,642,000	9,219,000	8,521,000
Total	<u>\$ 15,462,000</u>	<u>\$ 13,277,000</u>	<u>\$ 16,763,000</u>	<u>\$ 14,181,000</u>	<u>\$ 10,934,000</u>	<u>\$ 11,035,000</u>	<u>\$ 11,642,000</u>	<u>\$ 9,219,000</u>	<u>\$ 8,521,000</u>
District's covered payroll	\$ 3,860,000	\$ 4,003,000	\$ 3,872,000	\$ 3,646,000	\$ 3,590,000	\$ 3,498,000	\$ 3,371,000	\$ 3,427,000	\$ 3,303,000
District's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

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

*See accompanying notes to required supplementary information.*

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**SCHEDULES OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY -**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST SIX FISCAL YEARS\***

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB Liability</b>						
Service Cost	\$ 20,684	\$ 41,506	\$ 36,866	\$ 30,370	\$ 5,946	\$ 10,157
Interest	13,412	45,732	44,681	8,231	7,657	5,444
Changes in benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	(1,362,347)	-	283,606	-	62,810
Changes of assumptions	-	(4,917)	-	1,082,610	-	(492)
Benefit payments, including refunds	(15,795)	(52,390)	(43,660)	(35,930)	(5,074)	(6,174)
	<u>18,301</u>	<u>(1,332,416)</u>	<u>37,887</u>	<u>1,368,887</u>	<u>8,529</u>	<u>71,745</u>
Total OPEB liability - beginning	315,065	1,647,481	1,609,594	240,707	232,178	160,433
Total OPEB liability - ending	<u>\$ 333,366</u>	<u>\$ 315,065</u>	<u>\$ 1,647,481</u>	<u>\$ 1,609,594</u>	<u>\$ 240,707</u>	<u>\$ 232,178</u>

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

*See accompanying notes to required supplementary information.*

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -**  
**CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST SIX FISCAL YEARS\***  
**(Rounded to Nearest Thousand)**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the District	1,354,000	1,446,000	2,500,000	2,212,000	2,186,000	2,840,000
Total	<u>\$ 1,354,000</u>	<u>\$ 1,446,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,212,000</u>	<u>\$ 2,186,000</u>	<u>\$ 2,840,000</u>
District's covered payroll	\$ 3,965,000	\$ 3,947,000	\$ 3,947,000	\$ 3,647,000	\$ 3,590,000	\$ 3,498,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

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

*See accompanying notes to required supplementary information.*



**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

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

**BUDGETARY INFORMATION**

The District adheres to the following procedures in establishing the budgetary data included in the basic financial statements for the General Fund:

- The District adopts an annual budget for the General Fund. Formal budgetary integration is employed by the District as a management control device during the year for the General Fund. A budgetary comparison on a legal basis has been included in the appropriate financial statement and schedule, and a budgetary basis to GAAP basis reporting reconciliation has been provided below.
- Prior to December, each department head or other agency as designated by the Superintendent submits budget requests accompanied by detailed estimates of expenditures to be made and, where appropriate, revenues to be collected during the ensuing fiscal year.
- During December and January, the Superintendent presents to the Committee the revenue and expenditure detail for their consideration.
- The Committee holds a public hearing to present a proposed budget for the next fiscal year. Any person may recommend the addition or deletion of expenditures at such time.
- Within two weeks following the public hearing, the Boards shall hold a joint meeting to discuss, modify if necessary, and vote upon the budget. In order to be adopted, the budget must be approved by each Board of Education individually.
- Upon adoption, the District budget shall be integrated into the proposed budgets of the Boards.
- The annual contributions required for each of the Boards shall be established by the Committee based on each expense in the approved budget being allocated among the members according to an accepted methodology. This methodology may include, but shall not be limited to a 3-way allocation based on Elementary student populations, a 4-way allocation based on total pre K-12 student population, a 1-way allocation for expenses benefiting only one Board, and a use-allocation for expenses which can be segregated by frequency or volume of use. The total of expenses allocated to each Board shall determine the amount of the Board's annual contribution toward the total expense budget.
- If the Committee needs to submit a supplementary budget, the general procedures as outlined above are used.
- The level of control for the legally adopted budget (the level at which expenditures may not legally exceed appropriations without Committee approval) is at the fund level. Transfers from one budget line to another within the same object code may be made by the Finance Director with the approval of the Superintendent. Transfers between object codes require approval of the Committee.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

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

**BUDGETARY INFORMATION *(Continued)***

- The Committee does not have the authority to expend beyond the total budget appropriation without the four contributing Board's approval. No additional appropriations were made during the year.
- The budget is prepared on the modified accrual basis of accounting. Generally, all unencumbered appropriations lapse at year end. Encumbered appropriations are carried forward to the ensuing fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2023:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Uses</u>	<u>Change in Fund Balance</u>
Budgetary basis	\$ 8,443,578	\$ 8,515,777	\$ (89,780)	\$ (161,979)
"On-behalf" payments -				
State Teachers' Retirement Fund	1,236,326	1,236,326	-	-
Refund to Regional School District				
No. 4	(89,780)	-	89,780	-
Change in encumbrances	<u>-</u>	<u>(32,673)</u>	<u>-</u>	<u>32,673</u>
GAAP basis	<u>\$ 9,590,124</u>	<u>\$ 9,719,430</u>	<u>\$ -</u>	<u>\$ (129,306)</u>

**NOTE 2 - SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

The District began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of June 30, 2022. This information is utilized by the District for reporting as of June 30, 2023.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 3 - SCHEDULE OF CONTRIBUTIONS - CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM**

The District began to report the schedule of contributions and investment returns when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in fiscal year 2015.

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

**Methods and Assumptions Utilized:**

- Actuarial cost method: Entry Age Actuarial Cost Method;
- Amortization method: Level dollar, closed;
- Remaining amortization period: 20 years;
- Asset valuation method: 5-year smoothed market
- Inflation: 2.50%;
- Salary increases: 3.50% to 10.00%, including inflation
- Investment rate of return: 7.00%, net of investment related expenses; and
- Mortality rates - For the period after retirement and for dependent beneficiaries, mortality rates were based on the RP-2014 Combined Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for General Employees and the RP-2014 Blue Collar Mortality Table adjusted to 2006 and projected to 2015 with Scale MP-2017 and projected to 2022 with Scale BB for Police and Fire. For disabled retirees, the RP-2014 Disabled Mortality Table projected with Scale BB to 2020 was used.

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

The District began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

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

*Benefit Changes* - There were no benefit term changes that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

*Assumption Changes* - There were no changes in assumptions that had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2023.

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2023

---

**NOTE 5 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The District began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

The District measures the total OPEB liability as of July 1 prior to the end of each fiscal year using the Entry Age Normal Method.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2023.

*Assumption Changes* - There were no changes in assumptions that had a significant effect on the measurement of the total OPEB liability reported as of June 30, 2023.

**NOTE 6 - SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM**

The District began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

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

*Benefit Changes* - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2023.

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.
- The expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

---

## OTHER SUPPLEMENTARY INFORMATION

---

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**GENERAL FUND - SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES:				
Member Boards:				
Chester	\$ 1,791,964	\$ 1,727,961	\$ 1,727,961	\$ -
Deep River	2,046,656	1,968,234	1,968,234	-
Essex	2,383,815	2,296,381	2,296,381	-
Regional School District No. 4	2,429,852	2,429,852	2,429,852	-
Total District Boards	8,652,287	8,422,428	8,422,428	-
Other	-	-	21,150	21,150
Total revenues	8,652,287	8,422,428	8,443,578	21,150
OTHER FINANCING SOURCES:				
Use of Prior Year Surplus	-	319,639	-	-
Total revenues and other financing sources	\$ 8,652,287	\$ 8,742,067	\$ 8,443,578	\$ 21,150

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>EXPENDITURES:</b>				
Salaries:				
Administration	\$ 1,012,273	\$ 985,273	\$ 983,695	\$ (1,578)
Teachers	3,368,810	3,332,810	3,172,957	(159,853)
Finance Office Staff/Secretaries	560,375	535,075	533,335	(1,740)
Nurse Coordinator Stipend	3,078	3,078	3,000	(78)
Para Educators	50,647	50,647	87,001	36,354
Management Systems/Network Technicians	265,125	265,125	270,579	5,454
Substitute Teachers	35,000	35,000	40,317	5,317
Substitute Secretary	500	500	294	(206)
Secretary OT	2,000	2,000	12,636	10,636
Board of Education Clerk	-	-	1,000	1,000
Other Salaries	108,675	108,675	100,490	(8,185)
Total Salaries	5,406,483	5,318,183	5,205,304	(112,879)
Employee Benefits:				
Insurance	1,217,645	1,217,645	1,217,645	-
Life Insurance	7,080	7,080	7,789	709
Municipal Employee Retirement Fund	190,320	190,320	182,459	(7,861)
FICA/Medicare	163,033	163,033	165,883	2,850
Unemployment Compensation	5,000	5,000	202	(4,798)
Worker's Compensation	40,301	40,301	33,834	(6,467)
Annuities	54,500	54,500	53,945	(555)
Total Employee Benefits	1,677,879	1,677,879	1,661,757	(16,122)
Other Purchased Services:				
Daily Transportation	834,242	834,242	815,061	(19,181)
Special Education In-District Transportation	131,794	194,794	195,572	778
Special Education Extended School Year	29,607	29,607	33,708	4,101
Comprehensive Insurance	4,899	4,899	5,179	280
Communications	25,000	25,000	38,314	13,314
Advertising	4,000	4,000	633	(3,367)
Travel and Conference	28,166	28,166	30,790	2,624
Total Other Purchased Services	1,057,708	1,120,708	1,119,257	(1,451)
Purchased and Technical Services:				
Instructional Program Improvement	88,997	88,997	66,419	(22,578)
Other Professional Services	283,050	283,050	305,289	22,239
Total Purchased and Technical Services	372,047	372,047	371,708	(339)
Supplies:				
General Supplies	14,420	14,420	14,084	(336)
Instructional Supplies	9,350	9,350	5,523	(3,827)
Maintenance Supplies	1,000	1,000	-	(1,000)
Heating Fuel	5,500	5,500	5,298	(202)
Diesel Fuel	70,000	95,300	95,297	(3)
Textbooks and Workbooks	1,150	1,150	2,066	916
Professional Books	500	500	-	(500)
Total Supplies	101,920	127,220	122,268	(4,952)

(Continued)

**REGIONAL SUPERVISION DISTRICT BOARD OF EDUCATION**  
**GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
<b>EXPENDITURES (Continued):</b>				
Purchased Property Services:				
Electricity	\$ 8,000	\$ 8,000	\$ 9,766	\$ 1,766
Repairs and Maintenance	10,500	10,500	9,051	(1,449)
Leases	7,800	7,800	7,212	(588)
Total Purchased Property Services	<u>26,300</u>	<u>26,300</u>	<u>26,029</u>	<u>(271)</u>
Other:				
Dues and Fees	<u>9,950</u>	<u>9,950</u>	<u>9,454</u>	<u>(496)</u>
Total Expenditures	8,652,287	8,652,287	8,515,777	(136,510)
<b>OTHER FINANCING USES:</b>				
Prior Year Surplus Refunded to				
Regional School District No. 4	<u>-</u>	<u>89,780</u>	<u>89,780</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 8,652,287</u>	<u>\$ 8,742,067</u>	<u>\$ 8,605,557</u>	<u>\$ (136,510)</u>
				<i>(Concluded)</i>



---

## SUPPLEMENTAL REPORT

---

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Regional Supervision District Committee of the  
Regional Supervision District Board of Education  
Deep River, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities and the major fund of Regional Supervision District Board of Education (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 27, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mahoney Sabol & Company, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants  
Glastonbury, Connecticut  
November 27, 2023