



**Regional School District #4**  
**Chester – Deep River – Essex – Region 4**  
**JOINT BOARD OF EDUCATION COMMITTEE**

Via Google Meet  
**Dial +1 (617) 675-4444**  
**PIN: 218 460 497 6244#**  
April 01, 2021 @ 7:00 p.m.

To: Members of the Chester, Deep River, Essex, and Region 4 Boards of Education  
Subject: **April 01, 2021 Joint Board Committee Meeting**  
Time: Joint Board Committee Meetings begin promptly at **7:00 p.m.**  
Place: **Via Google Meet – To listen remotely please dial (US) +1 (617) 675-4444 PIN: 218 460 497 6244#**  
(We kindly ask that 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)

Please contact Jennifer Bryan at Central Office [jbryan@reg4.k12.ct.us](mailto:jbryan@reg4.k12.ct.us) if you are unable to attend.

**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.

**AGENDA**

- 1. Call to order. 7:00 p.m.**
  - 1.1 The Appointed Chair of the Supervision District Committee acts as the Chair of the Joint Board of Education Committee meeting and calls the meeting to order. (The Vice-Chair of the Supervision District is the alternate in the absence of the Supervision District Chair).  
**\* Chair of Supervision District rotates each Dec. – Chester BOE Chair is now the Supv. Dist. Chair**
  - 1.2 The Chester, Deep River, Essex, and Region 4 Board of Education Chairs call their respective Boards to order and report a quorum (# of BOE members needed for a quorum)  
Chester (5 members), Deep River (5 members), Essex (4 members), Region 4 (5 members)
  - 1.3 Regarding Action Items: the Chair of the Joint Board of Education meeting follows parliamentary procedure on items requiring a vote of the Joint Board of Education. All discussion shall be held with the Joint Board. The Chair of the Joint Board shall call for and record a vote by the respective Boards of Education in alphabetical order. Items are approved only with an affirmative majority vote of each respective Board of Education
- 2. 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.
  - 2.1 Minutes of Regular Joint Board Meeting of February 25, 2021 (*encl #1*)
- 3. Public comment** (*In the interest of creating the best remote meeting experience for all participating parties, we would ask that you please keep your phone on mute until such time when the Chair calls for Public Comment. Please continue to keep your phone on mute unless you are requesting to be recognized by the Chair to make a comment. Once you have been recognized by the Chair to make your comment, the following standard public comment guidelines will still apply*): **PLEASE NOTE: Upon dialing in, Google Meet may have shared a message that your phone has been automatically muted due to the number of callers on the line and instructed you to press \*6 if you would like to unmute your phone. When you are done speaking, please remember to press \*6 (or your phone's mute button) again to reduce background noise.**

The public is reminded to state name and town 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 Boards to hear citizen comment related to educational matters.

#### 4. Reports

- 4.1 Superintendent's report (*B. White*)
  - a. District Update
  - b. Information and Communication
    - b.1 Discussion and possible VOTE to adopt the CSDE approved *Flexibilities* amendment to the Educator Evaluation and Support Plan adopted by the Joint BOE on June 04, 2015 for the 2020-21 school year (*encl #2*)
- 4.2 Finance Director's Report (HOLD until individual Board meetings next month)
- 4.3 Discussion and possible VOTE to approve a revised Supervision District 2021-22 proposed budget in the amount of \$8,214,486 (*encl #3*)
- 4.4 Presentation on Healthy Food Certification - *T. Peterlik*
- 4.5 Possible VOTE to approve the Superintendent's recommendation to vote "yes" on implementing the healthy food option of C.G.S. Section 10-215f and approve the following motion language for the healthy food option: *Pursuant to C.G.S. Section 10-215f, the board(s) of education certifies that all food items offered for sale to students in the schools under its jurisdiction, and not exempted from the Connecticut Nutrition Standards published by the Connecticut State Department of Education will comply with the Connecticut Nutrition Standards during the period of July 1, 2021, through June 30, 2022. This certification shall include all food offered for sale to students separately from reimbursable meals at all times and from all sources, including but not limited to school stores, vending machines, school cafeterias, culinary programs, and any fundraising activities on school premises sponsored by the school or non-school organizations and groups.*
- 4.6 Possible VOTE to approve the Superintendent's recommendation to vote "yes" to allow food and beverage exemptions and approve the following motion language: *The board(s) of education or governing authority will allow the sale to students of food items that do not meet the Connecticut Nutrition Standards and beverages not listed in Section 10-221q of the Connecticut General Statutes provided that the following conditions are met: 1)the sale is in connection with an event occurring after the end of the regular school day or on the weekend; 2)the sale is at the location of the event; and 3)the food and beverage items are not sold from a vending machine or school store. An "event" is an occurrence that involves more than just a regularly scheduled practice, meeting, or extracurricular activity. For example, soccer games, school plays, and interscholastic debates are events but soccer practices, play rehearsals, and debate team meetings are not. The "regular school day" is the period from midnight before to 30 minutes after the end of the official school day. "Location" means where the event is being held.*
- 4.7 Committee reports.

- a. Joint PK-12 Committees – (*Comm. Chair*) Policy – *TBD*; Curriculum – *J. Stack*; Finance – *R. Daniels*

Finance	Policy	Curriculum
TBD	TBD	TBD

- b. Policy committee report (8 members). (*Chair TBD*)
- c. Finance committee report (8 members) (*R. Daniels*)
- d. Curriculum committee (9 members) (*J. Stack*)
- e. Ad hoc committees (as needed).

5. **Public comment** *(In the interest of creating the best remote meeting experience for all participating parties, we would ask that you please keep your phone on mute until such time when the Chair calls for Public Comment. Please continue to keep your phone on mute unless you are requesting to be recognized by the Chair to make a comment. Once you have been recognized by the Chair to make your comment, the following standard public comment guidelines will still apply): PLEASE NOTE: Upon dialing in, Google Meet may have shared a message that your phone has been automatically muted due to the number of callers on the line and instructed you to press \*6 if you would like to unmute your phone. When you are done speaking, please remember to press \*6 (or your phone's mute button) again to reduce background noise.*

The public is reminded to state name and town 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 Boards to hear citizen comment related to educational matters.

6. **Future agenda items**

- 6.1 Next Regular Joint BOE Meeting, June 03, 2021 @ 7:00 p.m.
- 6.2 Vote on Joint BOE RFP Legal Bid Review Committee's recommendation to appoint counsel (*June*)

7. **Adjournment\* – (Chester, Deep River, and Essex Boards ONLY)**

8. **\*The Region 4 Board of Education will stay in session for the following R4 only business:**

- 8.1 Presentation of 2019-20 Audit Report for Regional School District No. 4 (*R4 Only encl #4 and #5*)  
– Mahoney Sabol
- 8.2 Discussion and possible VOTE to approve the Superintendent's recommendation for distribution of the surplus Region No. 4 funds from FY 2019-20.
- 8.3 Possible VOTE to approve the Superintendent's recommendation to accept the donation of \$2171.52 to JWMS from the Region 4 Foundation for the purchase of exercise equipment
- 8.4 Update regarding Property at Falls Landing
  - a.1 Discussions with Interested Parties
  - a.2 Proposed RFP for Real Estate Marketing and Brokerage Services (*R4 Only encl. #6*)
- 8.5 Possible VOTE to direct Superintendent on how to proceed with proposed RFP and any other steps regarding the marketing and sale of Region 4 property owned property at Falls Landing Road.
- 8.6 Adjournment



**Regional School District 4**  
**Chester – Deep River – Essex – Region 4**  
**Boards of Education Committees – School Year 2020-21 (Updates in Progress)**

<b>Joint BOE Standing Committees</b> (standing committees have regularly scheduled meetings)			
<b>*Joint PK-12 Policy Sub-Committee</b>	R4(Sandmann/Clymas) CH(Bernardoni/Scherber) DR(Maikowski/Campbell) ES (Seidman/McCluskey)		
<b>*Joint PK-12 Curriculum Sub-Comm.</b>	R4(Cavanaugh/TBD) CH(Bibbiani/Fearon) DR(T.Dickson/Grunko) ES (Johnston/Sweet)		
<b>*Joint PK-12 Finance Sub-Committee</b>	R4 (Clark/Daniels) CH (Pollock/Englert) DR (Hallden/Lewis) ES (Seidman/Watson)		
<b>Supervision District Committee</b> (2 yr terms end in Nov. of the year listed after each name)	R4 (Sandmann 21 / Cavanaugh 21 / Clark 21) CH (Fearon 21 /Fitzgibbons 21 / Englert 21) DR (Campbell 21 / Ferretti 21 / Morrissey 21) ES (TBD 21 /McCluskey 21 / Seidman 21)		
<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/Clymas/TBD) CH (TBD/Englert Alt.) DR (Morrissey/TBD Alt.) ES (TBD/Watson)	Expires 7/2022	6/2021
- Joint BOE Administrator negotiations	Same as ABOVE for Teacher negotiations	Expires 7/2023	9/2022
- Joint BOE Paraeducator negotiations	Same as BELOW for Net Tech et al.	Expires 7/2021	3/2021
- Joint BOE NetTechs et al negotiations (ElemSec/Elem Nurses/ElemNetTech/R4NetTEch/ElemCustodians)	R4 (Daniels/Clymas/TBD) CH (Fitzgibbons, TBD) DR (Campbell/Ferretti Alt.) ES (TBD/Watson)	Expires 7/2021	3/2021
- Cafeteria (all schools)		Expires 7/2021	3/2021
Public Relations & Community Outreach	R4(TBD/TBD), CH (Bibbiani), ES (Seidman), DR (Wegalarz/TBD)		
Technology	R4(TBD), CH(Englert), ES (Seidman), DR (TBD)		
School Calendar	R4(TBD/Daniels), CH (Englert), ES (McCluskey), DR (TBD)		
LEARN Joint BOE representative(s)	R4(Cavanaugh), CH(Bernardoni), ES(TBD), DR(TBD)		
School Security Advisory Committee	R4(TBD), CH(Greenberg-Ellis, Bibbiani), DR(TBD), ES(TBD)		
Tuition Committee	R4(TBD), CH (TBD), DR (Morrissey), ES (McCluskey/Seidman Alt.)		
RFP Transportation Bid Review	R4(Cavanaugh), CH (Englert), DR (TBD), ES (Seidman/TBD)		
RFP Legal Bid Review	R4(Clymas, Daniels), CH (Scherber), DR (Dickson), ES (Johnston)		
Joint BOE Insurance Committee	R4(Clymas), CH (Bernardoni), DR (Lewis), ES (Seidman)		
<b>Individual BOE Ad Hoc Committees</b> (ad hoc committees meet for a designated period or as needed)			
<b><u>Chester BOE</u></b>			
Facilities	Englert		
PTO	Smith		
CATV Advisory Council (Cable TV)	For Discussion		
<b><u>Deep River BOE</u></b>			
Facilities	Morrissey/Ferretti		
PTO	rotating		
School Improvement Team	TBD		
CATV Advisory Council (Cable TV)	TBD		
<b><u>Essex BOE</u></b>			
Building	Seidman		
PTO	Rotating		
School Improvement Team	TBD		
Essex Foundation	McCluskey / TBD		
Communications	Rotating		
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	Clymas/Daniels/TBD	Expires 7/2021	3/2021
▪ R4 Custodians	Clymas/Daniels/TBD	Expires 7/2021	3/2021
R4 Audit & Finance	TBD/TBD		
School Improvement Team	TBD/TBD/TBD		
R4 Grounds and Buildings Maintenance and Oversight Committee	Sandmann/TBD/TBD		
JWMS Security Project Building Committee	Daniels		
R4 Educational Foundation	TBD		
Region 4 Extra compensation points committee	Clark (only 1 rep needed)		
R4 Long Range Athletic Facilities Planning Task Force	Clymas/Daniels		
R4 Safety	TBD		
R4 Advisory Council (PTO)	For Discussion		
R4 Facilities Study Committee	TBD		

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

## **JOINT BOARD OF EDUCATION MEETING**

**Date:** February 25, 2021

### **Regular Meeting – REMOTE MEETING held**

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

#### **CHESTER BOARD OF EDUCATION:**

David Fitzgibbons, Tom Englert, Charlene Fearon, Dale Bernardoni, Rebecca Greenberg-Ellis, Kris Pollock, Rob Bibbiani, Kristen Smith

#### **DEEP RIVER BOARD OF EDUCATION:**

Paula Weglarz, Bob Ferretti, Lenore Gunko, Mary Elizabeth Campbell, Miriam Morrissey, Tracy Dickson

#### **ESSEX BOARD OF EDUCATION:**

Lon Seidman, Mark Watson, Nancy Johnston, Loretta McCluskey, Cassandra Sweet

#### **REGION 4 BOARD OF EDUCATION:**

Kate Sandmann, Jane Cavanaugh (left 7:18 p.m.), Paula Weglarz, Rob Bibbiani, Lori Ann Clymas (joined 7:12 p.m.)  
*(Region 4 BOE did not have a quorum present for any of the votes)*

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

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

Supervision District Committee Chair David Fitzgibbons called the meeting to order at 7:00 p.m.

The Chairs of the Chester, Deep River, and Essex Boards called their respective Boards to order at 7:00 p.m. *(the Region 4 Board did not have a quorum present. The Region 4 BOE will take any missed votes at a future meeting)*

### **CONSENT AGENDA**

On motion duly made and seconded the Chester, Deep River, and Essex Boards unanimously **VOTED** to approve the consent agenda consisting of the Minutes from the special meeting of December 01, 2020 and the regular meeting of December 03, 2020. *(Due to no quorum, the Region 4 BOE will vote on this at a future meeting)*

**PUBLIC COMMENT** – No comments were made

### **REPORTS AND OTHER ITEMS**

Superintendent White shared that he is very pleased to report that he anticipates that within the first two weeks of March we will have the opportunity to provide the first round of vaccines to all staff in our districts. We have been working very closely with our local health departments, who have been working very hard to provide these vaccinations in the near future.

Superintendent White presented the proposed Supervision District Budget for 2021-22 (see attached).

There was a time for discussion and questions.

On motion duly made and seconded the Chester (6 Yes / 2 No – *T. Englert, K. Smith* = passed); Deep River (unanimous) and Essex (unanimous) Boards VOTED to approve the 2021-22 supervision District budget as presented in the amount of \$8,257,430. *(Due to no quorum, the Region 4 BOE will vote on this at a future meeting)*

Pam Murphy, Director of Technology shared a status update on technology in our districts with regards to the specific demands caused by the pandemic, as well as a comprehensive overview in general of where we have been and where we are now with regards to technology. (see attached)

Based on feedback from a few board members, tonight there will be a chance for all board members to discuss the possibility of directing the Superintendent to initiate the RFP process for legal services. Per process, administration would need develop and share with a committee of BOE members an updated RFP to solicit bids. The Joint BOE RFP Legal Bid Review Committee would meet for the purpose of reviewing all bids received, and then they would come back with their recommendation to the Joint BOE for a vote.

On motion duly made and seconded the Chester, Deep River, and Essex Boards unanimously VOTED to direct the Superintendent to initiate the RFP process for legal services. *(Due to no quorum, the Region 4 BOE will vote on this at a future meeting)*

Board Chairs will confirm their board's appointments to the Joint BOE RFP Legal Bid Review Committee.

**COMMITTEE REPORTS** – No reports were made

**PUBLIC COMMENT** – No comments were made

### **FUTURE AGENDA ITEMS**

- Next regular Joint BOE meeting – April 01, 2021 @ 7:00 p.m.

### **ADJOURNMENT:**

On motion duly made and seconded, the Chester, Deep River, and Essex Boards of Education unanimously **VOTED** to adjourn at approx. 8:07 p.m.

Respectfully Submitted,

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Jennifer Bryan, Clerk

**Flexibilities for Implementing the CT Guidelines for Educator Evaluation 2017  
(Guidelines) for the 2020-2021 School Year  
August 11, 2020**

Given the conditions of the COVID-19 pandemic, the impact on the re-opening of schools, and the critical importance of the social and emotional learning and well-being of students and educators during the upcoming academic year, the CT State Department of Education (CSDE) is providing flexibilities to the fundamental requirements of the *CT Guidelines for Educator Evaluation (Guidelines)* and Connecticut General Statute Section 10-151b to support individual and collective educator practices in order to improve student growth.

These flexibilities were developed to facilitate support, feedback, and growth for CT educators in order to best meet the needs of students.

**Student Learning Indicators (45%)**

**Justification:** In order for students to achieve academically, their primary needs of safety and well-being must first be addressed. Educators share these needs as well, as they strive to meet the needs of their students. Due to the COVID 19 pandemic, leading to the closure of school buildings, the cancellation of state-wide assessments, the rapid transition to remote learning models, and the impacts on social and emotional well-being caused by health and safety precautions, the CSDE is providing flexibility for the Student Learning components of Educator Evaluation and Support in order to prioritize a focus on social and emotional learning and overall well-being of staff and students.

**Teachers will** develop a minimum of one student learning goal with a minimum of two indicators or measures of accomplishment focused on:

- social and emotional learning for students,
- student engagement, and/or
- family engagement.
- An academic goal may be considered, with mutual agreement.

Indicators or measures of accomplishment could be demonstrated by implementation of school-wide or individual strategies mutually agreed upon between the teacher and evaluator during the goal-setting process.

**Administrators will** develop a minimum of two student learning indicators or measures of accomplishment focused on:

- the re-opening of schools,
- supporting the health and safety, and social and emotional well-being, of staff and students,
- supporting remote and distance teaching and learning,
- mastery-based learning, and/or
- ensuring equity for the most vulnerable students and their families.

Indicators or measures of accomplishment could include implementation of district-wide or individual strategies that are mutually agreed upon between the administrator and evaluator during the goal-setting process.

**Observation of Performance and Practice (40%)**

**Justification:** Given the overall goal of fully re-opening schools, while recognizing the reality that the context of leading, teaching and learning via pandemic health and safety precautions and/or



distance learning procedures may look different during this school year, the CSDE is providing flexibility for the Observation of Performance and Practice components of Educator Evaluation and Support.

As the social and emotional well-being of students and staff will be a priority during 2020-2021, it is recommended that observations of performance and practice be formative in nature, and take place more frequently and for shorter amounts of time throughout the school year for the purpose of providing feedback and support. Evaluators are encouraged to focus on educator practice that supports social and emotional learning, and health and well-being of staff and students in in-person, blended, and remote learning environments.

Written feedback from observations should be based on current, CSDE-approved rubrics, be formative in nature, and include recommendations for professional learning.

#### **Observation Process for Teachers:**

Districts may adjust the requirement for formal in-class observations, as appropriate, if shorter, more frequent observations will take place.

- A minimum of two observations and a minimum of one review of practice for teachers with more than two years of experience and who maintained Proficient or Exemplary practice during 2019-2020.
- A minimum of three informal observations and a minimum of one review of practice for first and second year teachers, and teachers who demonstrated Developing or Below Standard practice during 2019-2020.

#### **Observation Process for Administrators:**

Districts may consider that given the changes that are taking place for the re-opening of schools for 2020-2021, artifact reviews may replace one of the required site visits required in the *Guidelines*.

- A minimum of two site visits for administrators with two or more years of experience and who maintained Proficient or Exemplary practice during 2019-2020.
- A minimum of three site visits, with additional site visits, as needed, for administrators who are new to the profession or the district, or who demonstrated Developing or Below Standard practice during 2019-2020.

#### **Stakeholder Feedback (10%)**

**Justification:** Engaging with families continues to be essential in supporting the overall success of students in school. As families have had to adjust to remote learning for students from home, caring for family members while working from home and/or ensuring child care while working outside of the home, and addressing the impacts on health, safety, financial and food security, the CSDE is committed to supporting educators in their support of and engagement with the families of our students.

It is recommended that educators prioritize the focus on implementing strategies for ongoing communication and engagement with families.

#### **Whole-School Student Learning Indicators/Teacher Effectiveness Outcomes (5%)**

Districts should follow their most recently approved CSDE-EESP.



#### **4-Level Matrix Rating System**

**Justification:** Given that ratings have been waived for the 2020-2021 academic year, it is important for educators and their evaluators to communicate about educators' progress, potential concerns, and relevant professional learning. In order to promote support and growth for educators, feedback from observations of performance and practice should be conveyed in writing, as should feedback about the accomplishment of student learning goals/indicators.

This waiver of summative ratings does not change the expectation that evaluators will provide substantive feedback to educators.

- Educators shall still complete a self-assessment based on evidence and data collected throughout the school year, and submit to their evaluators no later than the date in the district's EESP.
- Evaluators shall provide a narrative summary highlighting commendations, areas for improvement, and recommendations to the educator prior to the end of the school year.
- The reporting of aggregate evaluation ratings to the CSDE by September 15, 2021, is waived.
- Districts shall inform their local or regional board of education the implications of the Governor's Executive Order No. 7C on Educator Evaluation and Support.

#### **Evaluation-based Professional Learning**

It is recommended that professional learning needs be discussed during the goal-setting conference and be reviewed as part of mid-year check-ins. This will ensure ongoing support as educators adapt and adjust to the potential for varied teaching and learning environments due to the monitoring of COVID-19 factors.

#### **Individual Improvement and Remediation Plans**

These flexibilities should not be interpreted to mean improvement and remediation plans are unnecessary. Any evaluator who continues to have concerns about an educator's performance should ensure it is appropriately communicated and documented, and development opportunities are provided, even without summative ratings. Communication between evaluators, educators, and the exclusive bargaining representative should take place regarding the status of existing plans. Primary evaluators should provide formative documentation when developing a plan in consultation with the educator and exclusive bargaining representative.

## SUPERVISION DISTRICT

Supporting the Chester, Deep River, Essex and Region 4 Schools

**2021-2022 BUDGET REQUEST - REVISED MARCH 23, 2021  
FOR SUPERVISION DISTRICT COMMITTEE AND JOINT BOE VOTE APRIL 1, 2021**



**DRAFT**

*A Mission-Driven Learning Community with a PK-12 Line of Sight*

Brian J. White, Superintendent of Schools

Vacant, Assistant Superintendent

Sarah Smalley, Director of Pupil Services

Robert Grissom, Finance Director



***Regional School District 4***  
***Chester - Deep River - Essex - Region 4***

**2021-2022 School Year Budget Request**

**SUPERVISION DISTRICT**

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***Regional School District 4***  
***Chester - Deep River - Essex - Region 4***  
**2021-2022 School Year Budget Request**

**SUPERVISION DISTRICT**

What is the Supervision District?

The Boards of Education of Chester, Deep River, Essex, and Region 4 endeavor to work together as multiple Boards of Education to support the Region's mission and strategic goals. High-achieving school districts intentionally align school goals, district goals, and Board goals to cultivate a mission-driven organization. The development of a cohesive educational program pre-kindergarten through grade twelve is a fundamental condition for educational excellence.

The Supervision District is unique to the educational system in Chester, Deep River, and Essex due to the complex multiple-board organizational structure. It is a key element facilitating regional cohesiveness. The Supervision District Committee provides oversight of the budget for the Central Administrative Office, which consists of the Superintendent, Assistant Superintendent, Director of Pupil Services, Director of Technology, and the Business Manager.

The Supervision District provides essential shared services to all of the Region's schools including administrative and fiscal services, curricular organization, professional development, the provision of special services, legal support, personnel services, student transportation, and best practices. The Supervision District also provides teachers and staff who work, or are available to work, in any of the Region's schools such as special education, preschool services, gifted and talented support, summer school, and elementary world language, music, and art teachers.

Chartered through an agreement in 1964 among the Boards of Education of Chester, Deep River, Essex, and Region 4, and modified in 2000, the Supervision District was established to fund those programs and services best shared across our schools. A committee composed of three members each from the Chester, Deep River, Essex, and Region 4 Boards of Education govern the Supervision District. The town Boards of Education govern each town's elementary school. The Region 4 Board of Education governs John Winthrop Middle School and Valley Regional High School. The Supervision District Committee chair rotates annually among the chairs of the Boards of Education.

The annual contributions required for each of the Boards is established by the Supervision committee in accordance with the agreement, and allocates each expense in the approved budget according to an accepted methodology. This methodology includes one or more of the following allocation methods:

- 1.) A 3-way allocation based on elementary student populations
- 2.) A 4-way allocation based on total K-12 student populations
- 3.) 1-way allocation for expenses benefiting only one board
- 4.) Use allocation for expenses which can be segregated by frequency or volume of use.



***Regional School District 4***  
***Chester - Deep River - Essex - Region 4***

**2021-2022 School Year Budget Request**

**SUPERVISION DISTRICT**

**District Strategies for 2017-2022**

All schools and staff will be dedicated to pursuing and implementing the strategies that the strategic planning team identified as the most crucial to the improvement of student success in our priority identified skills. They are:

1. Operationalize a three community, unified focus: Pre-K to 12 on critical and creative thinking for solving difficult problems and to focus and align the districts' goal setting processes with these priorities across towns, building and grades.
2. Clarify/unify the assessment philosophy of the districts and comprehensively audit the use of assessment resources to ensure they are consistently applied throughout the districts and then build/use the assessment capacity of the districts to enable reliable assessment and data reporting of student proficiency in the priority skills (3 Year Process).
  - Data collection across the districts
  - Assessment Audit
  - Assessment Philosophy
3. Support teachers in the enhancement of their capacity (professional learning, development, support and feedback) to teach and assess higher order thinking skills (critical and creative problem-solving) in a digital learning environment. - (Educator Evaluation Rubric 3B and 3C).





## Regional School District 4 Chester - Deep River - Essex - Region 4

### 2021-2022 School Year Budget Request

#### SUPERVISION DISTRICT

##### Average Daily Membership

#### What is Average Daily Membership (ADM)?

The Supervision District provides essential shared services to the Chester, Deep River, Essex, and Region 4 schools. The costs associated with Supervision District are assigned to member districts using a three-way allocation for shared elementary services. A four-way allocation is used for services shared by all member districts including Region 4. The allocations are based on the Average Daily Membership (ADM) among the participating Boards of Education. Preschool special needs students (minus typical peers) are counted and assigned to the home district. Students who are educated out of district are assigned to the home district (special education, vocational agriculture); this does not include students who attend technical high schools or adult education.

Average Daily Membership for the subsequent budget year is determined by the total number of students in each district grades K-6 or 7-12 based upon the Connecticut State Department of Education October 1 census of actual enrollment in the current year.

#### Average Daily Membership Calculation for the 2021/2022 Budget

##### ■ Average Daily Membership based upon a three-way allocation to the elementary districts

	<u>Chester</u>	<u>Deep River</u>	<u>Essex</u>
School Year 2021/2022	28.55%	31.83%	39.62%
School Year 2020/2021 *	25.60%	33.16%	41.24%
Change	2.95%	-1.33%	-1.62%

##### ■ Average Daily Membership based upon a four-way allocation to the districts

	<u>Chester</u>	<u>Deep River</u>	<u>Essex</u>	<u>Region 4</u>
School Year 2021/2022	13.18%	14.70%	18.30%	53.82%
School Year 2020/2021 *	11.90%	15.41%	19.17%	53.52%
Change	1.28%	-0.71%	-0.87%	0.30%



**Regional School District 4**  
**Chester - Deep River - Essex - Region 4**

**2021-2022 School Year Budget Request**

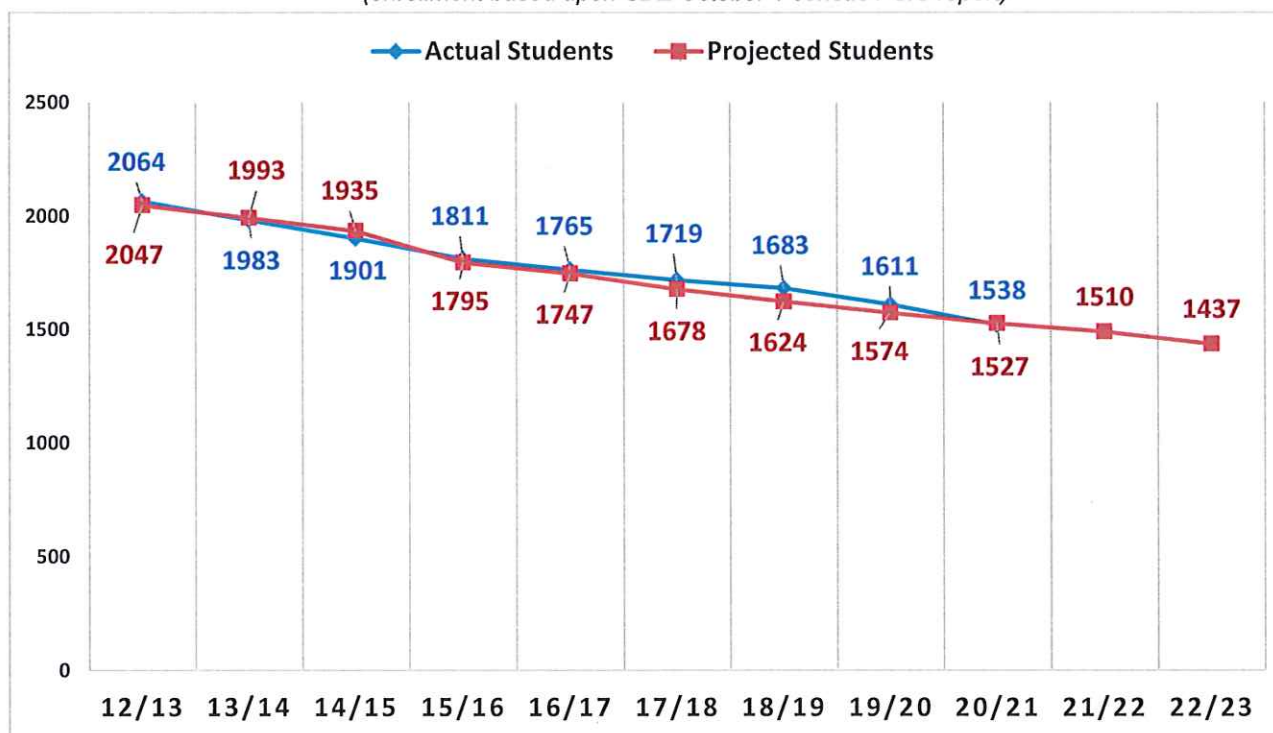
**SUPERVISION DISTRICT**

**Total: Chester, Deep River, Essex, Region 4**

Enrollment and Projections (Grades K-12)

2012/13 through 2022/23

(enrollment based upon SDE October 1 census PSIS report)

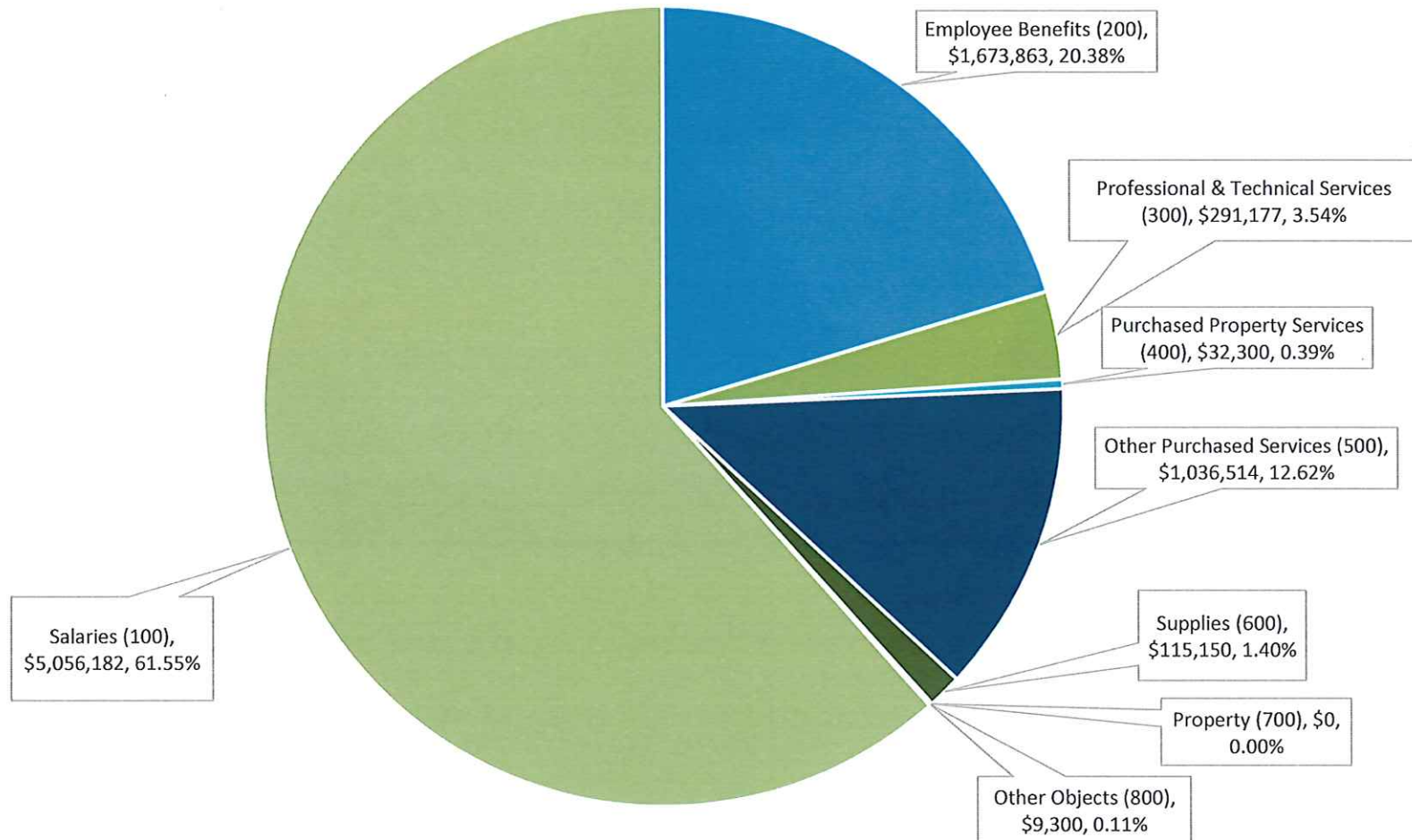


\*Pete Prowda projections used for years 12/13 through 20/21

\*NESDEC study used for projections for 21/22 and 22/23

SUPERVISION DISTRICT  
Chester - Deep River - Essex - Region 4  
Proposed Budget for School Year 2021-2022

2021-2022 Analysis of Requested Budget by Object  
Total Budget Request: \$8,214,486



<b>BUDGET SUMMARY</b>	<b>2018-19</b>	<b>2018-19</b>	<b>2019-2020</b>	<b>2019-2020</b>	<b>2020-2021</b>	<b>2021-2022</b>	<b>% Change</b>	<b>\$ Change</b>	
<b>EXPENDITURES BY OBJECT</b>	<b>Approved</b>	<b>Actual</b>	<b>Approved</b>	<b>Actual</b>	<b>Approved</b>	<b>Requested</b>	<b>over</b>	<b>over</b>	<b>Object Description</b>
	<b>Budget</b>	<b>Expenses</b>	<b>Budget</b>	<b>Expenses</b>	<b>Budget</b>	<b>Budget</b>	<b>2021</b>	<b>2021</b>	
Salaries (100)	4,248,750	4,136,853	4,774,662	4,746,869	4,849,242	5,056,182	4.27%	206,940	Includes regular and extra compensatory wages for employees
Employee Benefits (200)	1,359,519	1,347,630	1,522,480	1,551,698	1,639,943	1,673,863	2.07%	33,920	Contractual Benefits for employees including medical, life insurance, annuities and FICA/Medicare. Additionally, includes Worker's & Unemployment Compensation
Professional & Technical Services (300)	259,277	336,258	282,481	283,424	317,405	291,177	-8.26%	-26,228	Legal, consulting, rehabilitative, and professional development services performed by outside contractors.
Purchased Property Services (400)	22,852	22,386	39,300	31,382	40,456	32,300	-20.16%	-8,156	Expenditures from these accounts are used for upkeep and repairs of school buildings and equipment.
Other Purchased Services (500)	967,597	937,882	989,134	858,780	1,005,965	1,036,514	3.04%	30,549	Expenditures from these accounts are used primarily for student transportation for all districts, communications, travel, and conferences.
Supplies (600)	110,072	115,915	112,422	79,107	117,750	115,150	-2.21%	-2,600	Includes supplies, materials, textbooks, utilities such as propane heat and diesel fuel for the student buses.
Property (700)	0	0	0	0	0	0	0.00%	0	Funds from these accounts are used for new and replacement equipment.
Other Objects (800)	8,924	8,241	8,924	9,835	7,950	9,300	16.98%	1,350	These accounts are used to budget for professional memberships.
<b>TOTAL</b>	<b>6,976,991</b>	<b>6,905,167</b>	<b>7,729,403</b>	<b>7,561,094</b>	<b>7,978,711</b>	<b>8,214,486</b>	<b>2.96%</b>	<b>235,776</b>	
<b>SUBTOTAL</b>	<b>6,976,991</b>	<b>6,905,167</b>	<b>7,729,403</b>	<b>7,561,094</b>	<b>7,978,711</b>	<b>8,214,486</b>			
<b>Revenues *</b>	<b>30,000</b>	<b>15,000</b>	<b>15,000</b>	<b>18,380</b>	<b>15,000</b>	<b>15,000</b>			
<b>GRAND TOTAL</b>	<b>6,946,991</b>	<b>6,890,167</b>	<b>7,714,403</b>	<b>7,542,714</b>	<b>7,963,711</b>	<b>8,199,486</b>			

**2.96%**  
**235,776**

\* The regular education typical peers would pay a tuition to participate in the preschool program and miscellaneous revenue.





Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT  
BY OBJECT CODE

BY OBJECT CODE		2018-2019 Approved Budget	2018-2019 Actual Expenses	2019-2020 Approved Budget	2019-2020 Actual Expenses	2019-2020 Surplus (Deficit)	2020-2021 Approved Budget	2021-2022 Requested Budget	% Change over 2021	\$ Change over 2021	Object Description
<b>OBJECT 100 - SALARIES:</b>											
5111	Administration	878,294	900,459	923,998	900,907	23,091	948,206	955,891	0.81%	7,686	Includes salaries of the Superintendent, Asst. Superintendent, Finance Director, Director of Technology, Director of Pupil Services, Supervisor of Pupil Services
5113	Teachers	2,856,004	2,701,860	3,097,800	3,055,932	41,868	3,120,606	3,252,797	4.24%	132,191	Contractual salaries for special education and special area teachers. ESY program salaries.
5114	Finance Office Staff/Secretaries	429,698	448,354	482,024	495,343	(13,319)	502,529	525,656	4.60%	23,127	Salaries for Finance Office staff and Secretaries in the Central Office.
5115	Custodial Service	8,541	1,519	0	0	0	0	0	0%	0	Part-time custodial service for the Central Office. Moved to Purchased Services in 19/20.
5116	Nurse Coordinator Stipend	3,000	3,000	3,000	1,857	1,143	3,000	3,000	0.00%	0	Stipend for a nurse to coordinate the district-wide nursing staff and stipend for ESL Coordinator.
	ESL Stipend	0	0	0	0	0	0	5,000	100.00%	5,000	Stipend for a teacher for English Language learning needs for students in the community.
5120	Managemnt System Admin. & Network Technicians	47,685	46,924	245,340	254,312	(8,972)	247,401	281,338	13.72%	33,937	Salary for Management System Administrator and Network Technicians. Increase to 12 month positions.
5123	Substitute Teachers	20,000	26,293	20,000	31,574	(11,574)	25,000	30,000	20.00%	5,000	To provide coverage for when teachers are absent from school.
5124	Substitute Secretary	500	0	500	0	500	500	500	0.00%	0	To provide coverage for when secretaries are absent.
5134	Secretary OT	1,000	7,895	2,000	6,744	(4,744)	2,000	2,000	0.00%	0	Overtime necessary for projects to remain on a timely basis.
5135	Board of Education Clerk	1,200	0	0	200	(200)	0	0			To provide wages for Board of Education Clerk.
<b>TOTAL SALARIES</b>		<b>4,245,922</b>	<b>4,136,853</b>	<b>4,774,662</b>	<b>4,746,869</b>	<b>27,793</b>	<b>4,849,242</b>	<b>5,056,182</b>	<b>4.27%</b>	<b>206,940</b>	
<b>OBJECT 200 - EMPLOYEE BENEFITS:</b>											
5210	Health Insurance	921,796	1,066,265	1,205,864	1,209,864	(4,000)	1,240,364	1,217,645	-1.83%	(22,719)	To provide contractual health insurance to supervision employees.
5212	Appropriation: Health Insurance Reserve Fund						40,381	40,381	0.00%	0	Appropriation: Health Insurance Reserve Fund
5214	Life Insurance	7,496	6,972	7,818	7,637	181	8,603	7,248	-15.75%	(1,355)	To provide contractual life insurance to supervision employees.
5222	MERF - Municipal Employee Retirement Fund	84,938	89,639	97,198	117,402	(20,204)	132,517	164,619	24.22%	32,102	To provide contractual contribution to the State's Municipal Employees Retirement Fund for non-certified employees.
5223	FICA/Medicare	121,989	113,694	131,119	129,426	1,693	118,090	157,842	33.66%	39,752	Required by statute for all non-certified personnel and certified personnel hired after 4/1/1986.
5250	Unemployment Compensation	10,000	3,653	5,000	7,532	(2,532)	4,000	5,000	25%	1,000	Payments for actual unemployment claims filed by former Supervision District employees.
5260	Worker's Compensation Insurance	35,807	35,807	36,881	36,837	44	37,988	39,127	3.00%	1,140	Premium payments, required by statute, for all Supervision employees.
5291	Annuities	29,500	31,600	38,600	43,000	(4,400)	58,000	42,000	-27.59%	(16,000)	Contractual contributions to annuity contracts.
<b>TOTAL EMPLOYEE BENEFITS</b>		<b>1,211,526</b>	<b>1,347,630</b>	<b>1,522,480</b>	<b>1,551,698</b>	<b>(29,217)</b>	<b>1,639,943</b>	<b>1,673,863</b>	<b>2.07%</b>	<b>33,920</b>	





Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT  
BY OBJECT CODE

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<b>OBJECT 300 - PURCHASED &amp; TECHNICAL SERVICES:</b>											
<b>5322</b>	<b>Instructional Program Improvement</b>										
	Prof Development Programs	51,000	54,464	51,000	44,329	6,671	35,000	30,000	-14.29%	(5,000)	Services performed by persons to assist teachers and supervisors to enhance the quality of the teaching process. Professional development for PK-12 activities.
	Curriculum Writing	28,000	27,092	28,000	23,526	4,474	20,000	20,000	0.00%	0	Curriculum development and revision across all content areas.
	Teacher Course Reimbursement	10,740	10,236	7,000	0	7,000	16,385	38,504	135.00%	22,119	Contractual reimbursement for courses.
	<b>TOTAL INSTR. PROGRAM</b>	<b>89,740</b>	<b>91,791</b>	<b>86,000</b>	<b>67,855</b>	<b>18,145</b>	<b>71,385</b>	<b>88,504</b>	<b>23.98%</b>	<b>17,119</b>	
<b>5330</b>	<b>Other Professional Services</b>										
	Summer School	35,000	35,088	30,000	31,419	(1,419)	23,000	0	-100.00%	(23,000)	To provide enrichment and remedial support services during the summer.
	Management Information Systems	91,537	116,296	118,981	123,946	(4,965)	151,878	152,673	0.52%	795	Annual maintenance and support for the districts management information systems such as MUNIS, Powerschool Student Database, Frontline, virus and other software.
	Legal/Audit/Other Prof Serv	41,500	86,194	41,500	60,203	(18,703)	37,500	50,000	33.33%	12,500	Legal and Audit services for the Supervision District. Includes the districtwide medical advisor and enrollment projection services.
	Custodial Services			6,000	0	6,000	8,642	0	-100.00%	(8,642)	Moved from Salary Object - purchased service through Region 4.
	Professional Services	1,500	6,889	0	0	0	25,000	0	-100.00%	(25,000)	To provide outside professional support for fiscal operations.
	<b>TOTAL OTHER PROF SERVICES</b>	<b>169,537</b>	<b>244,467</b>	<b>196,481</b>	<b>215,569</b>	<b>(19,087)</b>	<b>246,020</b>	<b>202,673</b>	<b>-17.62%</b>	<b>(43,347)</b>	
	<b>TOTAL PURCH/TECH SERVICES</b>	<b>259,277</b>	<b>336,258</b>	<b>282,481</b>	<b>283,423</b>	<b>(942)</b>	<b>317,405</b>	<b>291,177</b>	<b>-8.26%</b>	<b>(26,228)</b>	



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SUPERVISION DISTRICT  
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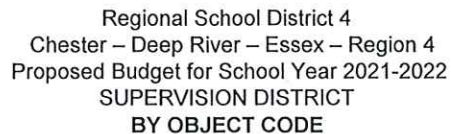
BY OBJECT CODE		2018-2019 Approved Budget	2018-2019 Actual Expenses	2019-2020 Approved Budget	2019-2020 Actual Expenses	2019-2020 Surplus (Deficit)	2020-2021 Approved Budget	2021-2022 Requested Budget	% Change over 2021	\$ Change over 2021	Object Description
<b>OBJECT 400 - PURCHASED PROPERTY SERVICES:</b>											
5412	Electricity	7,800	6,000	7,800	6,116	1,684	7,956	7,800	-1.96%	(156)	To provide electrical energy to the Central Office.
5430	<b>Repairs &amp; Maintenance</b>										
	General Tech Repairs	3,500	0	3,500	3,500	0	3,500	3,500	0.00%	0	To provide repairs to technology equipment
	Instructional Repairs	500	0	500	0	500	500	500	0.00%	0	To provide repairs to Special Education
	Central Office Repairs	1,000	7,439	15,000	15,252		15,000	10,000	-33.33%	(5,000)	To provide repairs to the Central Office
	Non-Instructional Repairs	1,000	0	1,000	0	1,000	1,000	0	-100.00%	(1,000)	To provide repairs to non-instructional district equipment
	<b>TOTAL REPAIRS &amp; MAINT</b>	<b>6,000</b>	<b>13,439</b>	<b>20,000</b>	<b>18,752</b>	<b>1,248</b>	<b>20,000</b>	<b>14,000</b>	<b>-30.00%</b>	<b>(6,000)</b>	
5440	<b>Leases</b>										
	Technology Lease	0	0	3,500	0	3,500	3,500	3,500	0.00%	0	To provide the lease purchase of technology for the district.
	Central Office Rentals	9,052	8,948	8,000	6,513	1,487	9,000	7,000	-22.22%	(2,000)	Equipment lease agreements for the postage meter and Central Office copy machines.
	<b>TOTAL LEASES</b>	<b>9,052</b>	<b>8,948</b>	<b>11,500</b>	<b>6,513</b>	<b>4,987</b>	<b>12,500</b>	<b>10,500</b>	<b>-16.00%</b>	<b>(2,000)</b>	
<b>TOTAL PURCH PROPERTY SERVICES</b>		<b>22,852</b>	<b>22,386</b>	<b>39,300</b>	<b>31,382</b>	<b>7,918</b>	<b>40,456</b>	<b>32,300</b>	<b>-20.16%</b>	<b>(8,156)</b>	
<b>OBJECT 500 - OTHER PURCHASED SERVICES:</b>											
5510	Daily Transportation	722,585	723,868	744,263	657,828	86,436	774,034	806,031	4.13%	31,997	Contractual bus service for public elementary, middle and high schools.
5513	Sp Ed. In-District Transportation	123,034	129,087	126,725	103,907	22,818	131,794	131,794	0.00%	0	Contractual bus service for special education transportation includes 1 pre-school and 2 "tri-town" mini bus.
5515	Sp Ed. Extended School Year	34,033	19,809	35,054	40,538	(5,484)	26,456	28,606	8.13%	2,150	Transportation for mandatory summer program.
5520	Comprehensive Insurance	4,679	2,626	4,819	4,508	312	5,093	5,245	2.98%	152	Supervision's portion of premium payments for Property and Liability Insurance.
5530	Communications	50,000	31,550	45,000	23,793	21,207	35,000	30,000	-14.29%	(5,000)	Includes districtwide telephone, fax and cellular services.
5540	Advertising	750	1,395	750	3,494	(2,744)	750	3,000	300.00%	2,250	Provides for typical advertising needs.
5580	<b>Travel &amp; Conference</b>										
	Professional Development	2,800	2,357	2,500	2,130	370	2,500	1,500	-40.00%	(1,000)	Conferences/training for Supervision District Staff.
	Central Office Travel & Conf	19,500	16,350	19,500	13,475	6,025	19,500	19,500	0.00%	0	Contractual travel and conference allowances for Central Office staff.
	Courier Service	10,216	10,310	10,522	9,108	1,415	10,838	10,838	0.00%	(0)	Provides the inter-building and post office courier service.
	<b>TOTAL TRAVEL &amp; CONF</b>	<b>32,516</b>	<b>29,017</b>	<b>32,522</b>	<b>24,713</b>	<b>7,810</b>	<b>32,838</b>	<b>31,838</b>	<b>-3.05%</b>	<b>(1,000)</b>	
<b>TOTAL OTHER PURCH SERVICES</b>		<b>967,597</b>	<b>937,351</b>	<b>989,134</b>	<b>858,780</b>	<b>130,354</b>	<b>1,005,965</b>	<b>1,036,514</b>	<b>3.04%</b>	<b>30,549</b>	





Regional School District 4  
Chester – Deep River – Essex – Region 4  
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SUPERVISION DISTRICT  
BY OBJECT CODE

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<b>OBJECT 600 - SUPPLIES:</b>											
5610	<b>General Supplies</b>										
	Printing & Admin Supplies	2,500	3,438	2,500	1,849	651	2,500	500	-80.00%	(2,000)	To provide funds for the printing and distribution of regional publications & misc admin supplies.
	General Office Supplies	10,000	10,713	10,000	8,634	1,366	15,000	12,500	-16.67%	(2,500)	To provide the supplies necessary to conduct the business of the Central Office.
	Fiscal Services Supplies	1,000	924	1,000	1,000	0	1,000	1,000	0.00%	0	To provide the forms and supplies necessary for the Finance Office.
	<b>TOTAL GENERAL SUPPLIES</b>	<b>13,500</b>	<b>15,074</b>	<b>13,500</b>	<b>11,484</b>	<b>2,016</b>	<b>18,500</b>	<b>14,000</b>	<b>-24.32%</b>	<b>(4,500)</b>	
5611	<b>Instructional Supplies</b>										
	Occupational Therapy Supplies	722	603	722	410	312	600	600	0.00%	0	To provide for consumable materials and other supplies necessary to conduct special education and pupil services.
	PreK Special Education Supplies	3,000	2,914	3,000	2,704	296	3,000	5,100	70.00%	2,100	Consumable materials and other supplies necessary to conduct the preschool special education program.
	Social Work Services Supplies	500	0	500	0	500	250	250	0.00%	0	To provide for consumable materials and other supplies necessary to for the District's social workers.
	Speech & Language Supplies	450	450	450	131	319	400	400	0.00%	0	To provide for consumable materials and other supplies necessary to for the District's speech and language program.
	Staff Recognition	100	0	100	0	100	0	0	0.00%	0	To provide for funding for recognition and awards for staff special achievements.
	<b>TOTAL INSTRUCT SUPPLIES</b>	<b>4,772</b>	<b>3,967</b>	<b>4,772</b>	<b>3,244</b>	<b>1,528</b>	<b>4,250</b>	<b>6,350</b>	<b>49.41%</b>	<b>2,100</b>	
5613	Maintenance Supplies	1,000	1,032	1,000	917	83	1,200	1,000	-16.67%	(200)	To provide for maintenance and cleaning supplies for Central Office.
5624	Heating Fuel	6,500	9,053	5,400	7,122	(1,722)	5,400	5,400	0.00%	0	To provide gas to heat the Central Office.
5626	Diesel Fuel	82,000	85,549	85,000	55,617	29,383	87,000	87,000	0.00%	0	Fuel necessary for our daily transportation.
	<b>Total Maintenance/Diesel</b>		<b>95,634</b>	<b>91,400</b>	<b>63,656</b>	<b>27,744</b>	<b>93,600</b>	<b>93,400</b>	<b>-16.67%</b>	<b>(200)</b>	



\* The regular education typical peers would pay a tuition to participate in the preschool program and miscellaneous revenue.



Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

**SUPERVISION DISTRICT STAFFING ANALYSIS**

<b>LOCALLY FUNDED</b>		<b>19-20</b>	<b>20-21</b>	<b>21-22 Proposed</b>	<b>Adjustments</b>
<b>Position</b>	<b>Description</b>				
5111	<b>Administration</b>				
	Superintendent	1.00	1.00	1.00	0.00
	Assistant Superintendent	1.00	1.00	1.00	0.00
	Finance Director	1.00	1.00	1.00	0.00
	Director of Technology	1.00	1.00	1.00	0.00
	Director of Pupil Services	0.90	0.90	0.90	0.00
	Pupil Services Supervisor	1.00	1.00	1.00	0.00
	<b>Total Administration</b>	<b>5.90</b>	<b>5.90</b>	<b>5.90</b>	<b>0.00</b>
5113	<b>Teachers</b>				
	Art (PK-6)	2.50	2.50	2.50	0.00
	FLES (PK-6)	2.00	2.00	2.00	0.00
	Music (PK-6)	4.60	4.60	4.60	0.00
	PE (PK-6)	2.50	2.50	2.50	0.00
	Media Specialist	2.70	2.70	2.70	0.00
	Special Education (K-6)	11.80	11.30	11.30	0.00
	Behavior Analyst (BCBA) (K-6)	0.70	0.70	0.70	0.00
	Psychologists (PK-12)	2.60	2.60	2.60	0.00
	Social Workers (PK-6)	1.80	1.80	1.80	0.00
	Occupational Therapist (PK-12)	1.40	1.40	1.40	0.00
	Speech & Language (PK-6)	4.30	4.30	4.30	0.00
	Preschool (PK)	3.00	3.00	3.00	0.00
	<b>Total Teachers</b>	<b>39.90</b>	<b>39.40</b>	<b>39.40</b>	<b>0.00</b>
5114	<b>Secretaries/Finance Office Staff</b>				
	Fiscal Services	2.80	2.80	3.00	0.20
	Central Office	4.00	4.00	4.00	0.00
	<b>Total Secretaries/Finance Office Staff</b>	<b>6.80</b>	<b>6.80</b>	<b>7.00</b>	<b>0.20</b>
5119	<b>Para-educators</b>				
	Elementary Special Education	0.00	0.00	0.00	0.00
5120	<b>Technology</b>				
	Management System Administrator	0.75	0.75	0.75	0.00
	Technology Integration Specialist	0.00	0.00	0.00	0.00
	Network Technicians	4.00	4.00	4.00	0.00
	<b>Total Technology Personnel</b>	<b>0.75</b>	<b>4.75</b>	<b>4.75</b>	<b>0.00</b>
	<b>TOTAL LOCALLY FUNDED</b>	<b>57.35</b>	<b>56.85</b>	<b>57.05</b>	<b>0.20</b>
<b>GRANT FUNDED</b>					
	<b>Position Description</b>				
5111	Administration	0.10	0.10	0.00	-0.10
5113	Teachers	1.50	1.50	1.00	-0.50
5119	Para-educators - Special Education (PK)	6.50	6.50	6.50	0.00
5119	Para-educators	0.00	0.00	1.00	1.00
	<b>TOTAL GRANT FUNDED</b>	<b>8.10</b>	<b>8.10</b>	<b>8.50</b>	<b>0.40</b>





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Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

Budget Allocation - 2021-2022

Obj #	Func #	Proposed Amount	Description	ADM Split		Chester	Deep River	Essex	Region #4	Total
				1 District	1					
				Elementary	3					
				4 Districts	4					
						0.00%	0.00%	0.00%	100.00%	100.00%
						28.55%	31.83%	39.62%	0.00%	100.00%
						13.18%	14.70%	18.30%	53.82%	100.00%
<b>100 - SALARIES:</b>										
5111	1207	112,933	Technology Director	4		14,885	16,601	20,667	60,781	112,933
5111	1215	293,475	Student Services	4		38,680	43,141	53,706	157,948	293,475
5111	2321	549,483	Superintendent/Asst Super/Bus Mgr	4		72,422	80,774	100,555	295,732	549,483
TOTAL 5111		955,891	Administration			125,986	140,516	174,928	514,461	955,891
5113	1101	186,898	Art	Usage		52,266	72,755	61,877	-	186,898
5113	1104	178,705	Foreign Language	Usage		44,570	62,483	71,652	-	178,705
5113	1109	385,630	Music	Usage		88,929	126,297	170,404	-	385,630
5113	1110	187,411	PE	Usage		71,312	52,189	63,910	-	187,411
5113	1123	201,638	Media Specialist	Usage		43,543	89,565	68,530	-	201,638
5113	1215	779,883	Special Ed	Usage		225,870	308,379	245,634	-	779,883
5113	2135	160,739	Occupational Therapy	Usage		45,534	72,276	8,094	34,836	160,739
5113	2113	162,555	Social Work	Usage		68,760	93,795	-	-	162,555
5113	2140	210,993	Psychological Services	Usage		34,793	34,793	84,160	57,247	210,993
5113	2150	366,312	Speech/Language	Usage		88,106	108,505	169,701	-	366,312
5113	1215	50,510	Related Services - BCBA	4		6,657	7,425	9,243	27,184	50,510
5113	1215	133,000	ESY Teachers *	Usage / 3		25,582	28,521	35,501	43,396	133,000
5113	1290	248,523	Pre-Kindergarten	3		70,953	79,105	98,465	-	248,523
TOTAL 5113		3,252,797	Teachers			866,876	1,136,087	1,087,170	162,663	3,252,797
5114	2321	525,656	Secretary / Finance Office Staff	4		69,281	77,271	96,195	282,908	525,656
5116	2435	8,000	ESL / Health Services Stipend	4		1,054	1,176	1,464	4,306	8,000
5120	2321	54,046	PowerSchool Administrator	4		7,123	7,945	9,890	29,088	54,046
5120	2321	227,292	Network Techs	4		29,957	33,412	41,594	122,328	227,292
5123	1215	30,000	Sub Teachers	3		8,565	9,549	11,886	-	30,000
5124	1215	500	Sub Secty/Aide	3		143	159	198	-	500
5134	2321	2,000	OT Secty/Aides	4		264	294	366	1,076	2,000
<b>100</b>		<b>5,056,182</b>	<b>Salaries</b>			<b>1,109,250</b>	<b>1,406,410</b>	<b>1,423,694</b>	<b>1,116,830</b>	<b>5,056,182</b>
* ESY Pre-K to 6 = 3-way split; R4 = usage % of salaries per individual budget						21.94%	27.82%	28.16%	22.08%	100.00%



Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

Obj #	Func #	Proposed Amount	Description	ADM Split		Chester	Deep River	Essex	Region #4	Total
				1 District	1					
				Elementary	3	28.55%	31.83%	39.62%	0.00%	100.00%
				4 Districts	4	13.18%	14.70%	18.30%	53.82%	100.00%
<b>200 - BENEFITS</b>										
5210	2321	236,429	Supt Office / Admin	4		31,161	34,755	43,267	127,246	236,429
5210	1101	85,875	Art	3		24,517	27,334	34,024	-	85,875
5210	1104	34,824	Foreign Language	3		9,942	11,084	13,797	-	34,824
5210	1109	122,750	Music	3		35,045	39,071	48,634	-	122,750
5210	1110	34,579	PE	3		9,872	11,006	13,700	-	34,579
5210	1215	200,722	Special Education	3		41,074	71,121	88,527	-	200,722
5210	1215	34,824	Occupational Therapy	4		4,590	5,119	6,372	18,742	34,824
5210	1290	85,875	Preschool	3		24,517	27,334	34,024	-	85,875
5210	1215	32,610	Social Work	3		9,310	10,380	12,920	-	32,610
5210	1215	54,587	Psychological Services	4		7,195	8,024	9,989	29,379	54,587
5210	1215	74,103	Speech & Language	4		9,767	10,893	13,561	39,882	74,103
5210	2321	88,804	Secretaries / Bookkeepers	4		11,704	13,054	16,251	47,794	88,804
5210		131,663	Media Specialist & Tech	4		17,353	19,354	24,094	70,861	131,663
		1,217,645	Total Health Insurance			236,049	288,531	359,161	333,905	1,217,646
5212		40,381	Appropriation: Health Insurance Reserve	4		5,322	5,935	7,390	21,733	40,381
5214	2321	3,400	Supt / Admin	4		448	500	622	1,830	3,399
5214	1101	266	Art	3		76	85	105	-	266
5214	1104	77	Foreign Language	3		22	25	31	-	77
5214	1109	243	Music	3		69	77	96	-	243
5214	1110	177	PE	3		51	56	70	-	177
5214		262	Media Specialist	3		75	83	104	-	262
5214	1215	674	Special Education	3		192	215	267	-	674
5214	2135	89	Occupational Therapy	4		12	13	16	48	89
5214	1290	166	Preschool	3		47	53	66	-	166
5214	2113	88	Social Work	Usage		33	55	-	-	88
5214	2140	89	Psychological Services	4		12	13	16	48	89
5214	2150	343	Speech & Language	4		45	50	63	184	343
5214	1207	211	Technology	4		28	31	39	113	211



Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

Obj #	Func #	Proposed Amount	Description	ADM Split		Chester	Deep River	Essex	Region #4	Total
				1 District	1					
				Elementary	3					
				4 Districts	4					
5214	2321	1,165	Secretaries / Bookkeepers	4		154	171	213	627	1,165
214	2600	-	Custodial Service	4		-	-	-	-	-
5214		7,248	Total Life Insurance			1,263	1,427	1,708	2,850	7,248
222	1207	15,962	Technology Director	4		2,104	2,346	2,921	8,591	15,962
222	1207	18,212	Technology Technician	4		2,400	2,677	3,333	9,802	18,212
222	2321	20,929	Admin	4		2,758	3,077	3,830	11,264	20,929
222	2321	28,149	Secretary/Bookkeeping	4		3,710	4,138	5,151	15,150	28,149
222	2321	81,367	Other Staff	4		10,724	11,961	14,890	43,792	81,367
222	2600	-	Custodial Service	4		-	-	-	-	-
		164,619	Total MERF	4		21,697	24,199	30,125	88,598	164,619
223	2321	-	Supt / Admin	4		-	-	-	-	-
5223	1101	2,500	Art	3		714	796	991	-	2,500
5223	1104	2,500	Foreign Language	3		714	796	991	-	2,500
5223	1109	5,200	Music	3		1,485	1,654	2,061	-	5,200
5223	1110	3,000	PE	3		857	954	1,190	-	3,000
5223		12,028	Media Specialist	3		3,434	3,829	4,765	-	12,028
5223	1215	16,000	Special Education	3		4,568	5,093	6,339	-	16,000
5223	1215	2,800	Occupational Therapy	4		369	412	512	1,507	2,800
5223	1215	3,391	Pre-k	3		968	1,079	1,344	-	3,391
5223	1215	2,105	Social Work (1)	Usage		778	1,327	-	-	2,105
5223	2134	9,000	Nurse	4		1,186	1,323	1,647	4,844	9,000
5223	1215	4,900	Psychological Services (2)	4		646	720	897	2,637	4,900
5223	1215	2,000	Speech & Language	4		264	294	366	1,076	2,000
5223	2321	61,500	Admin / Secretaries / Bookkeepers	4		8,106	9,041	11,255	33,099	61,500
5223	1116	2,000	Substitute Teachers	3		571	637	793	-	2,001
5223	1207	24,168	Technology	4		3,185	3,553	4,423	13,007	24,168
5223	2321	1,950	Summer School	4		257	287	357	1,049	1,950
5223	2321	2,800	PD & Curriculum Writing	4		369	412	512	1,507	2,800
5223		157,842	Total FICA / Medicare			28,470	32,204	38,441	58,727	157,842



Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

Obj #	Func #	Proposed Amount	Description	ADM Split		Chester	Deep River	Essex	Region #4	Total
				1 District	1					
				Elementary	3	28.55%	31.83%	39.62%	0.00%	100.00%
				4 Districts	4	13.18%	14.70%	18.30%	53.82%	100.00%

Unemployment & Worker's Compensation:

5250 & 5291	2321 2310	44,127 42,000	Workers Comp/Unemployment Comp Admin Annuities	4 4	5,816 5,536	6,487 6,174	8,075 7,686	23,749 22,604	44,127 42,000
<b>200</b>		<b>1,673,863</b>	<b>Employee Benefits</b>		<b>304,153</b>	<b>364,958</b>	<b>452,586</b>	<b>552,166</b>	<b>1,673,863</b>
			% of benefits per individual budget		18.17%	21.80%	27.04%	32.99%	100%

300 - PURCHASED SERVICES:

5322	1190	30,000	Prof Development Programs	4	3,954	4,410	5,490	16,146	30,000
5322	2213	20,000	Summer Curriculum	4	2,636	2,940	3,660	10,764	20,000
5322	2310	38,504	Teacher Course Reimbursement	3	10,993	12,256	15,255	-	38,504
5330	1116	-	Summer School	4	-	-	-	-	-
5330	1207	152,673	Technology	4	20,122	22,443	27,939	82,169	152,673
5330	2310	50,000	Legal /Audit	4	6,590	7,350	9,150	26,910	50,000
5330	2310	-	Custodial	4	-	-	-	-	-
5330		-	Consultants	4	-	-	-	-	-
<b>300</b>		<b>291,177</b>	<b>Purchased Services</b>		<b>44,295</b>	<b>49,399</b>	<b>61,494</b>	<b>135,989</b>	<b>291,177</b>
			% of purchased services per individual budget		15.21%	16.97%	21.12%	46.70%	100%

400 - PURCHASED PROPERTY SERVICES:

5412	2600	7,800	Electricity	4	1,028	1,147	1,427	4,198	7,800
5430	1207	3,500	General Tech Repairs	4	461	515	641	1,884	3,500
5430	2150	500	Speech Repairs	4	66	74	92	269	500
5430	2321	10,000	Central Office Building	4	1,318	1,470	1,830	5,382	10,000
5430	2510	-	Non-Instructional (Fiscal)	4	-	-	-	-	-
5440	2321	10,500	Copy Machine	4	1,384	1,544	1,922	5,651	10,500
<b>400</b>		<b>32,300</b>	<b>Purchased Property Services</b>		<b>4,257</b>	<b>4,748</b>	<b>5,911</b>	<b>17,384</b>	<b>32,300</b>
			% of purchased property services per individual budget		13.18%	14.70%	18.30%	53.82%	100%





Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

Obj #	Func #	Proposed Amount	Description	ADM Split		Chester	Deep River	Essex	Region #4	Total
				1 District	1	0.00%	0.00%	0.00%	100.00%	100.00%
				Elementary	3	28.55%	31.83%	39.62%	0.00%	100.00%
				4 Districts	4	13.18%	14.70%	18.30%	53.82%	100.00%
<b>500 - OTHER PURCHASED SERVICES:</b>										
5510	2700	806,031	Daily Transportation	Usage		111,071	111,071	196,994	386,895	806,031
5513	2700	131,794	2 Mini Bus (SpEd)	3		37,627	41,950	52,217	-	131,794
5515	2700	28,606	SpEd Trips & Summer School	3		8,167	9,105	11,334	-	28,606
5520	2310	5,245	Insurance	4		691	771	960	2,823	5,245
5530	2321	30,000	Communications	4		3,954	4,410	5,490	16,146	30,000
5540	2321	3,000	Advertising	4		395	441	549	1,615	3,000
5580	2213	1,500	Travel - Prof. Development	4		198	221	275	807	1,500
5580	2321	19,500	Travel - Superintendent's Office	4		2,570	2,867	3,569	10,495	19,500
5580	2321	10,838	Courier Service	4		1,428	1,593	1,983	5,833	10,838
<b>500</b>		<b>1,036,514</b>	<b>Other Purchased Services</b>			<b>166,102</b>	<b>172,429</b>	<b>273,370</b>	<b>424,614</b>	<b>1,036,514</b>
			% of other purchased services per individual budget			16.03%	16.64%	26.37%	40.97%	100%

**600 - SUPPLIES:**

5610	2310	500	Publish Regional Publication	4		66	74	92	269	500
5610	2321	12,500	General Office Supplies	4		1,648	1,838	2,288	6,728	12,500
5610	2510	1,000	Fiscal Svcs	4		132	147	183	538	1,000
5611	1215	600	Occupational Therapy	4		79	88	110	323	600
5611	1290	5,100	Pre-K SpEd	3		1,456	1,623	2,021	-	5,100
5611	2113	250	Social Work	3		71	80	99	-	250
5611	2150	400	Speech & Language	3		114	127	158	-	400
5613	2600	1,000	Maintenance Supplies	4		132	147	183	538	1,000
5624	2600	5,400	Heating Fuel	4		712	794	988	2,906	5,400
5626	2700	87,000	Transportation Fuel	Usage		10,875	10,875	21,750	43,500	87,000
5641	1290	500	Pre-K SpEd	3		143	159	198	-	500
5641	2140	400	Psych Svcs	4		53	59	73	215	400
5642	2321	500	Professional Books	4		66	74	92	269	500
<b>600</b>		<b>115,150</b>	<b>Supplies</b>			<b>15,546</b>	<b>16,084</b>	<b>28,234</b>	<b>55,287</b>	<b>115,150</b>
			% of supplies per individual budget			13.50%	13.97%	24.52%	48.01%	100%



Regional School District 4  
Chester – Deep River – Essex – Region 4  
Proposed Budget for School Year 2021-2022  
SUPERVISION DISTRICT

Obj #	Func #	Proposed Amount	Description	ADM Split					
					Chester	Deep River	Essex	Region #4	Total
				1 District	0.00%	0.00%	0.00%	100.00%	100.00%
				Elementary	28.55%	31.83%	39.62%	0.00%	100.00%
				4 Districts	13.18%	14.70%	18.30%	53.82%	100.00%
<b>700 - PROPERTY:</b>									
5730	2510	-	Technology	4	-	-	-	-	-
		-			-	-	-	-	-
<b>TOTAL</b>									
<b>700</b>		<b>-</b>	<b>Property</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
% of property per individual budget					0%	0%	0%	0%	0%
<b>800 - OTHER OBJECTS:</b>									
5810	2222	200	Library Co-op	4	26	29	36	108	200
5810	2321	8,000	Superintendent's Office	4	1,054	1,176	1,464	4,305	8,000
5810	2510	1,100	Fiscal Services	4	145	162	201	592	1,100
<b>800</b>		<b>9,300</b>	<b>Other Objects</b>		<b>1,226</b>	<b>1,367</b>	<b>1,703</b>	<b>5,004</b>	<b>9,300</b>
% of other objects per individual budget					13.18%	14.70%	18.31%	53.81%	100%
<b>8,214,486 TOTAL 21-22 REQUESTED EXPENDITURES</b>					<b>1,644,829</b>	<b>2,015,393</b>	<b>2,246,991</b>	<b>2,307,272</b>	<b>8,214,487</b>
-	Additional Services				-	-	-	-	-
(15,000)	Revenues				(4,283)	(4,775)	(5,943)	-	(15,000)
<b>8,199,486</b>	<b>GRAND TOTAL 21-22 REQUESTED BUDGET</b>				<b>1,640,546</b>	<b>2,010,619</b>	<b>2,241,049</b>	<b>2,307,272</b>	<b>8,199,487</b>
% of total per individual budget					20.01%	24.52%	27.33%	28.14%	100%

	Chester	Deep River	Essex	Region 4	
2021-2022 Supervision District Allocation	1,644,829	2,015,393	2,246,991	2,307,272	8,214,487
2020-2021 Allocation *	1,542,660	1,924,358	2,253,465	2,258,228	7,978,711
\$ change over 2020-2021	102,169	91,035	(6,474)	49,045	235,776
% Change over 2020-2021	6.62%	4.73%	-0.29%	2.17%	3.0%

\* 2020-2021 allocation corrected from 21-22 Workshop #3 budget document (1/20/2021), based on revised 20-21 ADM calculation March 5, 2020. No change to total dollar expenditures.

Encl #4

**REGIONAL SCHOOL DISTRICT NO. 4**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2020**

**REGIONAL SCHOOL DISTRICT NO. 4**  
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**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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## **INDEPENDENT AUDITOR'S REPORT**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Education,  
Regional School District No. 4  
Deep River, Connecticut

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Regional School District No. 4 (the "District") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Regional School District No. 4, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the information on pages 57 through 66 be presented to supplement the basic financial statements. Such information, 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.

### ***Other 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 combining and individual fund statements and schedules on pages 67 through 71 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Certified Public Accountants  
Glastonbury, Connecticut  
March 22, 2021



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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**REGIONAL SCHOOL DISTRICT NO. 4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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As management of Regional School District No. 4 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District as of and for the fiscal year ended June 30, 2020.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources as of June 30, 2020 by \$23,822,633 (net position), an increase of \$1,756,141 in comparison to the prior year.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance \$262,005, an increase of \$464,234 in comparison with the prior year.
- The District's long-term bonded debt decreased by \$1,405,000 during the current fiscal year due to scheduled principal repayments.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**Government-wide Financial Statements**

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

The statement of net position presents information on all of the District's assets, deferred outflows and inflows of resources, and liabilities, with the difference 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 result in cash flows in future fiscal periods.

**REGIONAL SCHOOL DISTRICT NO. 4**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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

The government-wide financial statements are intended to distinguish functions of the District that are principally supported by District towns and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the District include instruction and support services. The business-type activities of the District include the operation of the District's self-insured health insurance program.

The government-wide financial statements can be found on pages 13 and 14 of this report.

**Fund Financial Statements**

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

***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term outflows and inflows 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 funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Education Grants Fund, the Capital Nonrecurring Fund, and the School Cafeteria Fund, all of which are considered to be major funds.

The basic governmental fund financial statements can be found on pages 15 through 18 of this report.

***Proprietary Funds***

The District maintains one type of proprietary fund. The District uses a proprietary fund to account for its risk management activities related to health insurance.

The basic proprietary fund financial statements can be found on pages 19 through 21 of this report.

**REGIONAL SCHOOL DISTRICT NO. 4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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

***Fiduciary Funds***

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

The basic fiduciary fund financial statements can be found on pages 22 and 23 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 24 through 56 of this report.

**Required Supplementary Information and Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information and combining and individual fund statements and schedules, which can be found on pages 57 through 71 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. Total net position of the District totaled \$23,822,633 as of June 30, 2020 and \$22,066,492 as of June 30, 2019.

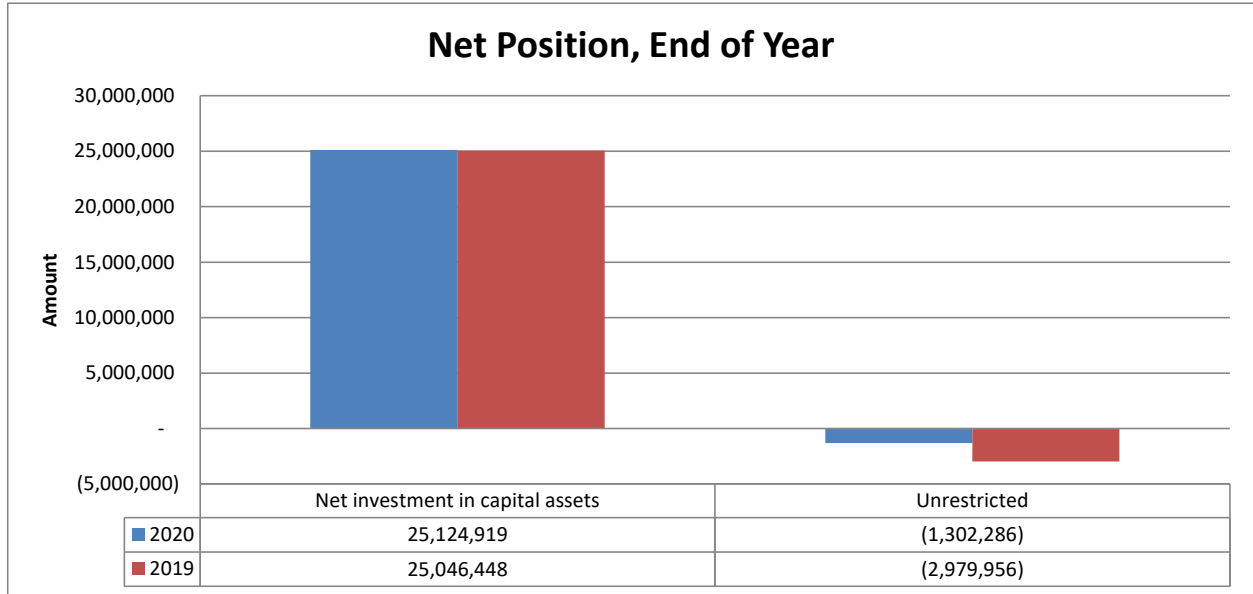
	June 30, 2020			June 30, 2019	\$ Change	% Change
	Governmental Activities	Business-type Activities	Total			
Current and other assets	\$ 1,813,273	\$ 1,381,226	\$ 3,194,499	\$ 1,415,976	\$ 1,778,523	125.6%
Capital assets	30,142,145	-	30,142,145	31,419,994	(1,277,849)	-4.1%
Total assets	31,955,418	1,381,226	33,336,644	32,835,970	500,674	1.5%
Deferred outflows of resources	1,617,951	-	1,617,951	1,296,192	321,759	24.8%
Long-term liabilities	8,654,282	-	8,654,282	9,574,898	(920,616)	-9.6%
Other liabilities	1,588,622	491,671	2,080,293	2,240,705	(160,412)	-7.2%
Total liabilities	10,242,904	491,671	10,734,575	11,815,603	(1,081,028)	-9.1%
Deferred inflows of resources	397,387	-	397,387	250,067	147,320	58.9%
Net position:						
Net investment in capital assets	25,124,919	-	25,124,919	25,046,448	78,471	0.3%
Unrestricted	(2,191,841)	889,555	(1,302,286)	(2,979,956)	1,677,670	-56.3%
Total net position	\$ 22,933,078	\$ 889,555	\$ 23,822,633	\$ 22,066,492	\$ 1,756,141	8.0%



**REGIONAL SCHOOL DISTRICT NO. 4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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

**Net Position (Continued)**



As of June 30, 2020, 105.5% of the District's net position consisted of investments in capital assets, less any related debt. The District's capital assets are used to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The remainder of net position represents the District's net unrestricted deficit and is primarily due to liabilities and related deferrals on the District's pension and OPEB plans in the amount of \$2,384,445, offset by a positive net position in the District's Health Insurance Fund in the amount of \$889,555.

**REGIONAL SCHOOL DISTRICT NO. 4**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2020**

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

**Changes in Net Position**

Changes in net position for the years ended June 30, 2020 and 2019 are as follows. Certain reclassifications have been made to amounts reported for the year ended June 30, 2019 to conform with the current year presentation.

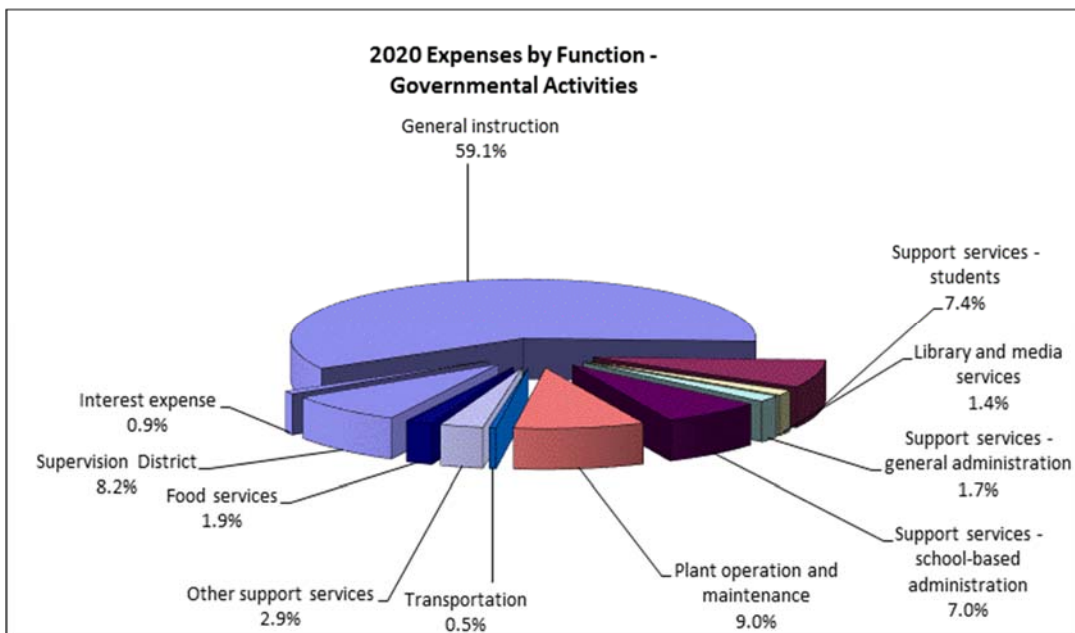
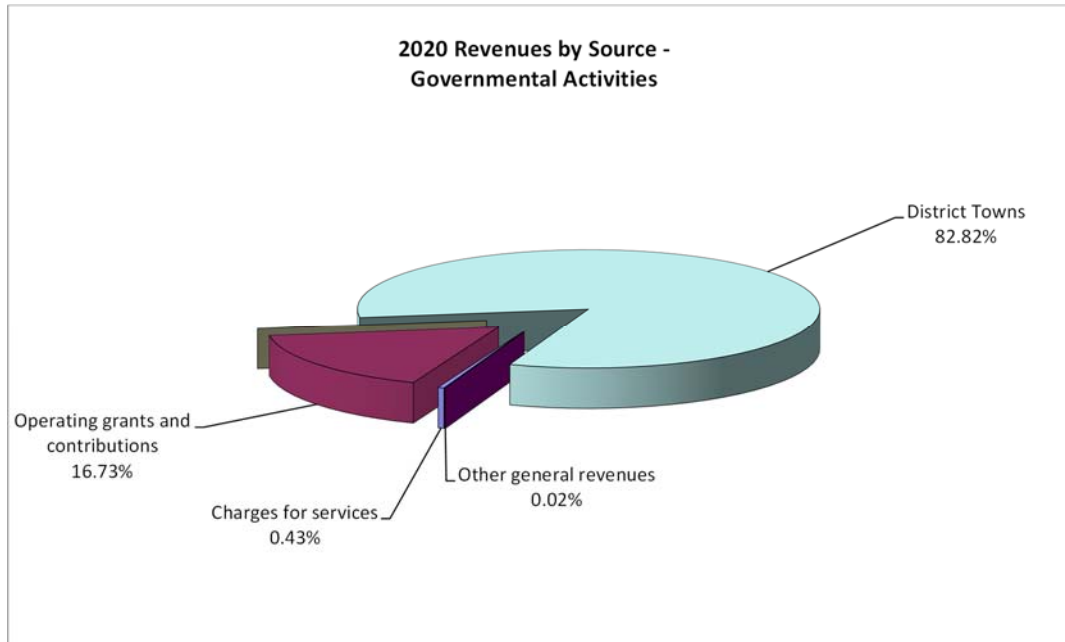
	June 30, 2020			June 30, 2019	\$ Change	% Change
	Governmental Activities	Business-type Activities	Total			
Program revenues:						
Charges for services	\$ 105,146	\$ 8,300,048	\$ 8,405,194	\$ 7,317,797	\$ 1,087,397	14.9%
Operating grants and contributions	4,131,220	-	4,131,220	1,899,354	2,231,866	117.5%
General revenues:						
Member Towns	20,455,149	-	20,455,149	19,767,704	687,445	3.5%
Interest income	591	-	591	814	(223)	-27.4%
Other	6,434	-	6,434	209,848	(203,414)	-96.9%
Total revenues	<u>24,698,540</u>	<u>8,300,048</u>	<u>32,998,588</u>	<u>29,195,517</u>	<u>3,803,071</u>	<u>13.0%</u>
Program expenses:						
General instruction	14,415,470	-	14,415,470	11,714,263	2,701,207	23.1%
Support services - students	1,813,016	-	1,813,016	1,655,899	157,117	9.5%
Library and media services	330,086	-	330,086	337,588	(7,502)	-2.2%
Support services - general administration	402,883	-	402,883	339,249	63,634	18.8%
Support services - school-based administration	1,700,665	-	1,700,665	1,610,976	89,689	5.6%
Operation and maintenance of plant	2,213,572	-	2,213,572	2,645,171	(431,599)	-16.3%
Transportation	115,090	-	115,090	39,504	75,586	191.3%
Other support services	734,123	-	734,123	874,570	(140,447)	-16.1%
Food services	461,619	-	461,619	375,262	86,357	23.0%
Supervision District	2,002,145	-	2,002,145	1,771,431	230,714	13.0%
Interest expense	218,390	-	218,390	354,609	(136,219)	-38.4%
Health insurance	-	6,835,388	6,835,388	7,921,528	(1,086,140)	-13.7%
Total expenses	<u>24,407,059</u>	<u>6,835,388</u>	<u>31,242,447</u>	<u>29,640,050</u>	<u>1,602,397</u>	<u>5.4%</u>
Change in net position	<u>\$ 291,481</u>	<u>\$ 1,464,660</u>	<u>\$ 1,756,141</u>	<u>\$ (444,533)</u>	<u>\$ 2,200,674</u>	<u>-495.1%</u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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



**REGIONAL SCHOOL DISTRICT NO. 4**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

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

Overall net position increased by \$1,756,141. This increase was driven by an overall increase of \$1,464,660 relating to the District's self-insured health insurance activities. The District's Health Insurance Fund benefited from a favorable claims year in addition to a planned increase in contributions in an effort to restore a positive net position within the Fund.

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

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

**Governmental Funds**

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

As of the end of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$262,005.

***General Fund***

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, the District's unassigned fund balance totaled \$306,440, which is available for distribution back to the Member Towns.

***Other Major Funds***

The Education Grants Fund has no fund balance. Generally, this fund reports no fund balance as a result of accounting for activities related to cost reimbursement grants and contracts.

The Capital Nonrecurring Fund has a deficit fund balance of \$165,034 as of June 30, 2020, a decrease in the overall fund deficit of \$264,695 reported in the prior year. The decrease in the deficit is attributed to current year capital outlays for sidewalk and parking lot projects, offset by transfers in from the District's General Fund.

The School Cafeteria Fund has a fund balance of \$98,940 as of June 30, 2020, an increase of \$72,720 over the prior year fund balance.

**REGIONAL SCHOOL DISTRICT NO. 4**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's original budget did not contemplate the use of fund balance in order to balance revenues and expenditures. During the fiscal year, the Board authorized the use of a portion of the prior year surplus in the amount of \$158,215 to reduce the deficit within the Capital Nonrecurring Fund (formerly reported as the Capital Sinking Fund). The remaining portion of the prior year surplus in the amount of \$43,065 was distributed to the Member Towns. The current year surplus for the year ended June 30, 2020 reported by the General Fund totaled \$306,440 and is available for distribution to the Member Towns.

Revenues were \$44,965 more than budgeted revenues and expenditures were \$229,953 less than budgeted expenditures.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The District's investment in capital assets for its governmental activities as of June 30, 2020 and 2019 totaled \$30,142,145 and \$31,419,994, respectively (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, equipment, and improvements to athletic facilities. The total decrease in the District's investment in capital assets for the current fiscal year was \$1,277,849.

The following table is a two-year comparison of the District's investment in capital assets, net:

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>
Land	\$ 589,816	\$ 589,816	\$ -	0.0%
Buildings and improvements	28,522,279	29,682,392	(1,160,113)	-3.9%
Equipment and vehicles	1,030,050	1,147,786	(117,736)	-10.3%
Totals	<u>\$ 30,142,145</u>	<u>\$ 31,419,994</u>	<u>\$ (1,277,849)</u>	-4.1%

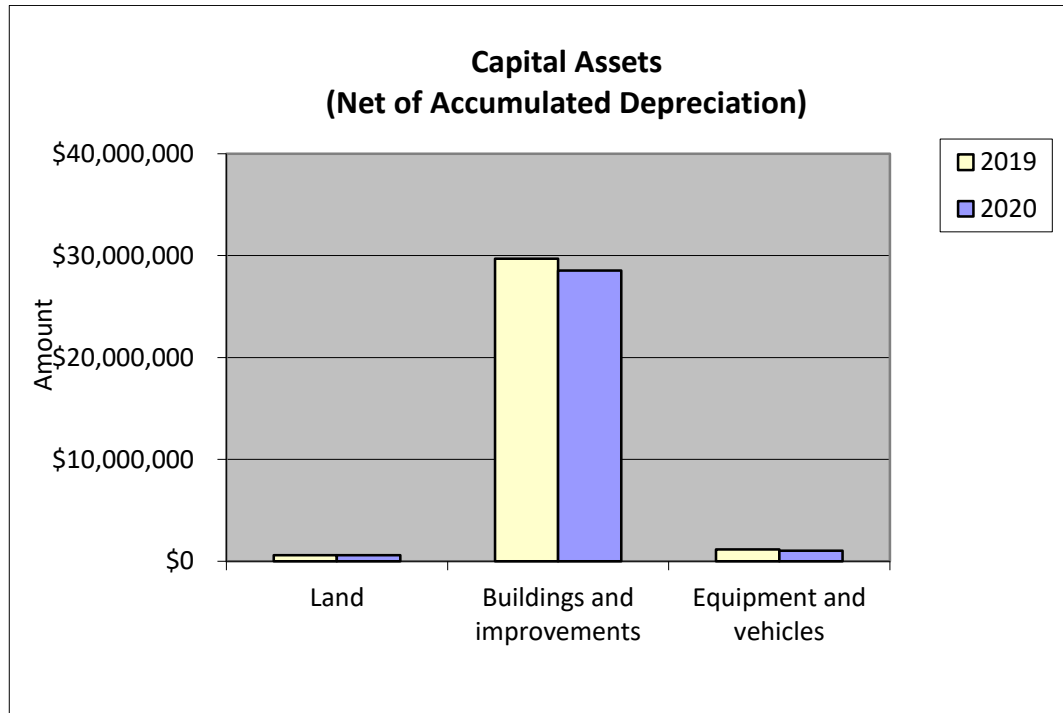


**REGIONAL SCHOOL DISTRICT NO. 4**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

**Capital Assets *(Continued)***



Additional information on the District's capital assets can be found in Note 3 of this report.

**Long-term Debt**

At the end of the current fiscal year, the District had total bonded debt outstanding of \$4,230,000.

The District's total bonded debt decreased by \$1,405,000 during the current fiscal year due to scheduled principal repayments.

Connecticut General Statutes provide that the aggregate indebtedness of a regional school district shall not exceed 4.5 times the annual receipts from its member towns for the current fiscal year. The current debt limitation for the District is significantly in excess of the District's outstanding general obligation debt.

**REGIONAL SCHOOL DISTRICT NO. 4**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - (UNAUDITED) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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

**Long-term Debt *(Continued)***

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

	<b>2020</b>	<b>2019</b>	<b>\$ Change</b>	<b>% Change</b>
General obligation bonds	<u>\$ 4,230,000</u>	<u>\$ 5,635,000</u>	<u>\$ (1,405,000)</u>	<u>-24.9%</u>

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

**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.

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The District has received and continues to apply for additional funding from federal and state agencies to assist in covering certain costs associated with the response to the pandemic. However, the extent to which COVID-19 will impact the District's operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

These factors were considered in preparing the District's budget for fiscal year 2021. The fiscal year 2021 budget was adopted by the District in accordance with the Governor's executive orders in April 2020. The approved budgetary expenditures total \$21,163,741, a \$591,067 or 2.87% increase over the District's fiscal year 2020 approved budgetary expenditures.

**REQUESTS FOR INFORMATION**

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

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## **BASIC FINANCIAL STATEMENTS**

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**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2020**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash	\$ 1,799,050	\$ 1,056,365	\$ 2,855,415
Receivables:			
Due from Member Towns	220,631	-	220,631
Due from other governments	6,751	-	6,751
Other	94,667	-	94,667
Inventories	17,035	-	17,035
Internal balances	(324,861)	324,861	-
Capital assets:			
Non-depreciable	589,816	-	589,816
Depreciable, net	29,552,329	-	29,552,329
Total assets	<u>31,955,418</u>	<u>1,381,226</u>	<u>33,336,644</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on refunding	91,616	-	91,616
Deferred charges on pension	974,195	-	974,195
Deferred charges on OPEB	552,140	-	552,140
Total deferred outflows of resources	<u>1,617,951</u>	<u>-</u>	<u>1,617,951</u>
<b>LIABILITIES</b>			
Accounts payable	261,321	-	261,321
Claims payable	-	87,915	87,915
Due to Regional Supervision District	219,565	-	219,565
Accrued liabilities:			
Accrued payroll and benefits	1,019,214	-	1,019,214
Accrued interest	37,354	-	37,354
Incurred but not reported claims	-	403,756	403,756
Unearned revenue	51,168	-	51,168
Noncurrent liabilities:			
Due within one year	1,675,446	-	1,675,446
Due in more than one year	6,978,836	-	6,978,836
Total liabilities	<u>10,242,904</u>	<u>491,671</u>	<u>10,734,575</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on pension	222,106	-	222,106
Deferred charges on OPEB	175,281	-	175,281
Total deferred inflows of resources	<u>397,387</u>	<u>-</u>	<u>397,387</u>
<b>NET POSITION</b>			
Net investment in capital assets	25,124,919	-	25,124,919
Unrestricted	(2,191,841)	889,555	(1,302,286)
Total net position	<u>\$ 22,933,078</u>	<u>\$ 889,555</u>	<u>\$ 23,822,633</u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
<b>Governmental activities:</b>						
Instruction:						
General instruction	\$ 14,415,470	\$ -	\$ 3,343,924	\$(11,071,546)	\$ -	\$(11,071,546)
Support services:						
Support services - students	1,813,016	105,146	369,488	(1,338,382)	-	(1,338,382)
Library and media services	330,086	-	71,749	(258,337)	-	(258,337)
Support services - general administration	402,883	-	-	(402,883)	-	(402,883)
Support services - school-based administration	1,700,665	-	267,189	(1,433,476)	-	(1,433,476)
Operation and maintenance of plant	2,213,572	-	-	(2,213,572)	-	(2,213,572)
Transportation	115,090	-	-	(115,090)	-	(115,090)
Other support services	734,123	-	-	(734,123)	-	(734,123)
Food services	461,619	-	78,870	(382,749)	-	(382,749)
Supervision District	2,002,145	-	-	(2,002,145)	-	(2,002,145)
Total support services	9,773,199	105,146	787,296	(8,880,757)	-	(8,880,757)
Interest expense	218,390	-	-	(218,390)	-	(218,390)
Total governmental activities	24,407,059	105,146	4,131,220	(20,170,693)	-	(20,170,693)
<b>Business-type activities:</b>						
Health insurance	6,835,388	8,300,048	-	-	1,464,660	1,464,660
<b>Total primary government</b>	<b>\$ 31,242,447</b>	<b>\$ 8,405,194</b>	<b>\$ 4,131,220</b>	<b>(20,170,693)</b>	<b>1,464,660</b>	<b>(18,706,033)</b>
General revenues:						
Member Towns				20,455,149	-	20,455,149
Interest income				591	-	591
Other				6,434	-	6,434
Total general revenues				20,462,174	-	20,462,174
Change in net position				291,481	1,464,660	1,756,141
		Net position - beginning		22,641,597	(575,105)	22,066,492
		Net position - ending		\$ 22,933,078	\$ 889,555	\$ 23,822,633

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



**REGIONAL SCHOOL DISTRICT NO. 4**  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2020

	General Fund	Education Grants Fund	Capital Nonrecurring Fund	School Cafeteria Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 1,358,939	\$ 203,618	\$ 7	\$ 236,486	\$ 1,799,050
Receivables:					
Due from Member Towns	218,609	-	-	2,022	220,631
Due from other governments	-	-	-	6,751	6,751
Other	94,667	-	-	-	94,667
Due from other funds	459,519	-	-	-	459,519
Inventories	-	-	-	17,035	17,035
Total assets	<u>\$ 2,131,734</u>	<u>\$ 203,618</u>	<u>\$ 7</u>	<u>\$ 262,294</u>	<u>\$ 2,597,653</u>
<b>LIABILITIES</b>					
Accounts payable	257,020	\$ -	\$ -	\$ -	\$ 257,020
Accrued payroll and benefits	1,002,189	-	-	17,025	1,019,214
Due to other governments	-	4,301	-	-	4,301
Due to other funds	324,861	148,149	165,041	146,329	784,380
Due to Regional Supervision District	219,565	-	-	-	219,565
Unearned revenue	-	51,168	-	-	51,168
Total liabilities	<u>1,803,635</u>	<u>203,618</u>	<u>165,041</u>	<u>163,354</u>	<u>2,335,648</u>
<b>FUND BALANCES</b>					
Committed	-	-	-	98,940	98,940
Assigned	21,659	-	-	-	21,659
Unassigned	306,440	-	(165,034)	-	141,406
Total fund balances	<u>328,099</u>	<u>-</u>	<u>(165,034)</u>	<u>98,940</u>	<u>262,005</u>
Total liabilities and fund balances	<u>\$ 2,131,734</u>	<u>\$ 203,618</u>	<u>\$ 7</u>	<u>\$ 262,294</u>	<u>\$ 2,597,653</u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2020

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Total fund balances for governmental funds \$ 262,005

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

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

Land	\$ 589,816	
Buildings and improvements	49,513,417	
Land improvements	138,565	
Vehicles	83,616	
Equipment	2,312,553	
Less: accumulated depreciation and amortization	<u>(22,495,822)</u>	
Total capital assets, net		30,142,145

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 governmental fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position. Those liabilities consist of:

Long-term debt:

Bonds payable	(4,230,000)
Unamortized premiums	(68,020)
Obligations under capital lease	(810,822)
Deferred amount on refundings	91,616
Accrued interest payable	(37,354)

Other long-term liabilities:

Compensated absences	(32,047)
Net pension liability	(1,839,145)
Total OPEB liability	<u>(1,674,248)</u>

Total long-term liabilities (8,600,020)

Deferred outflows and inflows of resources resulting from changes in the components of the District's net pension and total OPEB liabilities are reported in the statement of net position.

1,128,948

Net position of governmental activities \$ 22,933,078

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<b>General Fund</b>	<b>Education Grants Fund</b>	<b>Capital Nonrecurring Fund</b>	<b>School Cafeteria Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Member Towns	\$ 20,498,214	\$ -	\$ -	\$ -	\$ 20,498,214
Intergovernmental	2,608,408	442,065	-	78,870	3,129,343
Charges for goods and services	23	-	-	105,123	105,146
Interest income	311	-	280	-	591
Other	4,867	-	-	1,567	6,434
Total revenues	<u>23,111,823</u>	<u>442,065</u>	<u>280</u>	<u>185,560</u>	<u>23,739,728</u>
<b>EXPENDITURES</b>					
Current:					
Instruction:					
General instruction	12,088,254	442,065	-	-	12,530,319
Support services:					
Support services - students	1,535,039	-	-	-	1,535,039
Library and media services	306,859	-	-	-	306,859
Support services - general administration	258,997	-	-	-	258,997
Support services - school-based administration	1,453,025	-	-	-	1,453,025
Operation and maintenance of plant	1,950,033	-	-	-	1,950,033
Transportation	30,158	-	-	-	30,158
Other support services	703,426	-	-	-	703,426
Food services	-	-	-	432,840	432,840
Supervision District	2,002,145	-	-	-	2,002,145
Total support services	<u>8,239,682</u>	<u>-</u>	<u>-</u>	<u>432,840</u>	<u>8,672,522</u>
Debt service:					
Principal	1,701,443	-	-	-	1,701,443
Interest and fiscal charges	228,619	-	-	-	228,619
Capital outlays	265,672	-	99,526	-	365,198
Total expenditures	<u>22,523,670</u>	<u>442,065</u>	<u>99,526</u>	<u>432,840</u>	<u>23,498,101</u>
Excess (deficiency) of revenues over expenditures	588,153	-	(99,246)	(247,280)	241,627
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital lease financing	265,672	-	-	-	265,672
Prior Year Surplus Distributed to Member Towns	(43,065)	-	-	-	(43,065)
Transfers in	-	-	363,941	320,000	683,941
Transfers out	(683,941)	-	-	-	(683,941)
Total other financing sources (uses)	<u>(461,334)</u>	<u>-</u>	<u>363,941</u>	<u>320,000</u>	<u>222,607</u>
Net change in fund balances	126,819	-	264,695	72,720	464,234
Fund balances - beginning	<u>201,280</u>	<u>-</u>	<u>(429,729)</u>	<u>26,220</u>	<u>(202,229)</u>
Fund balances - ending	<u>\$ 328,099</u>	<u>\$ -</u>	<u>\$ (165,034)</u>	<u>\$ 98,940</u>	<u>\$ 262,005</u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2020**

Net change in fund balances for governmental funds	\$	464,234
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Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets, net	\$ 356,462	
Depreciation and amortization expense	(1,634,311)	
		(1,277,849)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. Also, governmental funds recognize the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Debt issued or incurred:		
Capital leases	(265,672)	
Principal repayments:		
Bonds payable	1,405,000	
Capital leases	216,804	
Amortization of deferred amount on refunding	(52,774)	
Amortization of bond premium	52,962	
Net adjustment		1,356,320

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

Compensated absences	(11,124)	
Accrued interest	10,041	
Net pension liability	183,267	
Total OPEB liability	(660,621)	
		(478,437)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and total OPEB liabilities are amortized as a component of pension expense in the statement of activities.

		227,213
Change in net position of governmental activities	\$	291,481

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUND**  
**AS OF JUNE 30, 2020**

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	<b>Business-type Activities - Health Insurance Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,056,365
Due from other funds	324,861
Total assets	<u>1,381,226</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	87,915
Incurred but not reported claims	403,756
Total liabilities	<u>491,671</u>
<b>NET POSITION</b>	
Unrestricted	889,555
Total net position	<u>\$ 889,555</u>

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



**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Business-type Activities - Health Insurance Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services:	
Participating employers	\$ 6,748,812
Participating employees	1,142,784
Participating retirees	355,642
Other	52,810
	<u>8,300,048</u>
<b>OPERATING EXPENSES</b>	
Claims, net of stop loss	
reimbursements of \$820,012	5,579,337
Premiums	710,381
HSA contributions	371,893
Administration	173,777
	<u>6,835,388</u>
Operating income	1,464,660
Net position - beginning	<u>(575,105)</u>
Net position - ending	<u><u>\$ 889,555</u></u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Business-type Activities - Health Insurance Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Receipts from users	\$ 8,304,048
Payments of claims, administration and premiums	<u>(7,302,609)</u>
Net cash provided by operating activities	<u>1,001,439</u>
 Net change in cash	 1,001,439
 Cash, beginning of year	 <u>54,926</u>
 Cash, end of year	 <u><u>\$ 1,056,365</u></u>
 <b>RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Change in net position	\$ 1,464,660
Change in assets and liabilities:	
Receivables	4,000
Claims payable	(227,855)
Incurred but not reported claims	<u>(239,366)</u>
Net cash provided by operating activities	<u><u>\$ 1,001,439</u></u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2020**

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	<b>Private Purpose Trust - Scholarship Fund</b>	<b>Agency Fund - Student Activities</b>
<b>ASSETS</b>		
Cash	\$ -	\$ 259,860
Due from other funds	8,388	-
	<u>8,388</u>	<u>\$ 259,860</u>
<b>LIABILITIES</b>		
Due to other funds	-	8,388
Due to student groups	-	251,472
	<u>-</u>	<u>\$ 259,860</u>
<b>NET POSITION</b>		
Held in trust for other purposes	<u>\$ 8,388</u>	

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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	<b>Private- Purpose Trust - Scholarship Fund</b>
<b>ADDITIONS</b>	
Contributions	\$ 26,000
<b>DEDUCTIONS</b>	
Scholarships	<u>26,300</u>
Change in net position	(300)
Net position - beginning	<u>8,688</u>
Net position - ending	<u><u>\$ 8,388</u></u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR JUNE 30, 2020**

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

The accounting policies of Regional School District No. 4 (the "District") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

**Financial Reporting Entity**

The District is governed by a Board of Education (the "Board").

The Board is an elected group of individuals, which has governance responsibilities over all activities related to providing education for grades 7-12 within the jurisdiction of Regional School District No. 4, serving the Towns of Chester, Deep River and Essex, Connecticut ("Member Towns"). The District receives funding from local, state, and federal government sources and must comply with the compliance requirements of these funding sources.

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

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the District and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through payments from the Member Towns, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

**Fund Financial Statements**

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. The District has no remaining funds aggregated and reported as nonmajor funds.



**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

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

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

The District reports the following major governmental funds:

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

**Education Grants Fund** - This fund is used to account for the proceeds of federal, state and local cost reimbursement grants and contracts not controlled by the District's legal budgets, but by requirements specific to the grants and contracts.

**Capital Nonrecurring Fund** - This fund is used to account for financial resources related to various capital acquisitions and projects within the District.

**School Cafeteria Fund** - This fund is used to account for the activities of the District's school lunch program.

The District reports the following proprietary fund:

**Health Insurance Fund** - This fund is used to account for risk financing activities relating to health insurance. The purpose of the fund is to allow members to pool their various enrollee counts in order to achieve cost savings and risk sharing in the purchasing of health insurance. In addition to Regional School District No. 4, the participating members are as follows: Town of Chester Board of Education, Town of Deep River (including Board of Education), Town of Essex (including Board of Education) and the Regional Supervision District Board of Education.

In addition, the District reports the following fiduciary fund types:

**Private Purpose Trust Fund** - This fund is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The District utilizes this fund to account for amounts contributed to fund student scholarships.

**Agency Funds** - These funds are used to account for resources held by the District in a purely custodial capacity. The District utilizes these funds to account for assets held for student activities.

**Measurement Focus and Basis of Accounting**

**Government-wide and Fiduciary Fund Financial Statements**

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 transactions or events for recognition in the financial statements.

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 Towns 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 grantor have been met.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

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

**Governmental Fund Financial Statements**

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

The proprietary and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Health Insurance Fund are premiums received from participating employers and participants. Operating expenses of the District's Health Insurance Fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Implementation of Accounting Standards**

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As such, no new accounting standards were implemented by the District for the year ended June 30, 2020.

**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. The District had no cash equivalents as of June 30, 2020.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

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

**Inventories and Prepaid Items**

Purchased inventories are reported at cost using the first-in first-out (FIFO) method, except for USDA donated commodities, which are recorded at market value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Capital Assets**

Capital assets, which include land, buildings and improvements, land improvements, equipment and vehicles, are reported in the government-wide statement of net position. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of five years. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	40
Equipment	5-10
Land improvements	10-20
Vehicles	5

**Unearned Revenue**

This liability represents resources that have been received but not yet earned.

**Deferred Outflows and Inflows of Resources**

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

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

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

Deferred outflows of resources also include deferred charges on refundings reported in the government-wide statement of net position. Deferred charges on refundings are amortized to interest expense using the effective interest method over the life of the related bonds.

**Compensated Absences**

Sick time may be accumulated by employees of the District. Upon retirement or termination, employees will only receive payment upon meeting the following conditions:

- The employee must have a minimum of 10 years of service in the District.
- There is no payment for the first 50 - 150 accumulated days based on job position.
- Accumulated sick days above 150 shall be compensated at a rate between \$20-\$75 per day based on job position, with a cap of between \$1,000-\$2,500 based on job position.

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

**Long-term Obligations**

Long-term debt and other long-term obligations are reported as liabilities in the government-wide statement of net position. Bond premiums and discounts are deferred and amortized over the life of the related bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expenses as incurred.

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

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

**Net Position and Fund Balance**

The government-wide statement of net position presents the District's non-fiduciary assets, deferred outflows and inflows of resources and liabilities, with the difference reported as net position. Net position is reported in three categories:

***Net investment in capital assets*** - This category consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital 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 funds report the following fund balance categories:

***Nonspendable*** - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

***Restricted*** - 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.

***Committed*** - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Education (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*** - Amounts are constrained by the District's intent to be used for specific purposes, but are not restricted or committed. The Board of Education is the body authorized to assign fund balance via a majority vote of the Board.

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

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

**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 and proprietary 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 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.

**Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e. the current portion of interfund loans) or “advances to/from other funds” (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

**Interfund Services Provided and Used**

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

**Interfund Transfers**

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

**Interfund Activities *(Continued)***

**Interfund Reimbursements**

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**Annual Member Town Assessments**

Each Member Town in the District pays a share of the cost of capital outlays and current expenditures necessary for the operation of the District. The Board of Education determines the amount to be paid by each Member Town. Such amount bears the same ratio to the net expenditures of the District as the number of pupil residents in such town in average daily membership in the District during the preceding school year bears to the total number of such pupils in the District.

**Use of Estimates**

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

**NOTE 2 - CASH DEPOSITS**

A reconciliation of the District's cash deposits as of June 30, 2020 is as follows:

Government-wide statement of net position	\$ 2,855,415
Statement of fiduciary net position:	
Agency funds	259,860
	<u>\$ 3,115,275</u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover its cash deposits or will not be able to recover collateral securities that are in possession of an outside party. The District does not have a deposit policy for custodial risk. As of June 30, 2020, \$2,827,870 of the District's bank balance of \$3,327,881 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,545,083
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name	282,787
	<u>\$ 2,827,870</u>



**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

**Custodial Credit Risk *(Continued)***

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 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2020 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental Activities</b>				
Capital assets, not being depreciated:				
Land	\$ 589,816	\$ -	\$ -	\$ 589,816
Total capital assets, not being depreciated	<u>589,816</u>	<u>-</u>	<u>-</u>	<u>589,816</u>
Capital assets, being depreciated:				
Building and improvements	49,513,417	-	-	49,513,417
Land improvements	47,775	90,790	-	138,565
Vehicles	83,616	-	-	83,616
Equipment	2,284,869	265,672	237,988	2,312,553
Total capital assets, being depreciated	<u>51,929,677</u>	<u>356,462</u>	<u>237,988</u>	<u>52,048,151</u>
Less accumulated depreciation and amortization for:				
Building and improvements	(19,831,025)	(1,247,555)	-	(21,078,580)
Land improvements	(47,775)	(3,348)	-	(51,123)
Vehicles	(50,924)	(14,373)	-	(65,297)
Equipment	(1,169,775)	(369,035)	(237,988)	(1,300,822)
Total accumulated depreciation and amortization	<u>(21,099,499)</u>	<u>(1,634,311)</u>	<u>(237,988)</u>	<u>(22,495,822)</u>
Total capital assets, being depreciated, net	<u>30,830,178</u>	<u>(1,277,849)</u>	<u>-</u>	<u>29,552,329</u>
Governmental activities capital assets, net	<u>\$ 31,419,994</u>	<u>\$ (1,277,849)</u>	<u>\$ -</u>	<u>\$ 30,142,145</u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 3 - CAPITAL ASSETS *(Continued)***

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

Governmental Activities:	
Instruction:	
General instruction	\$ 955,574
Support services:	
Support services - students	136,707
Support services - general administration	140,469
Support services - school-based administration	123,011
Operation and maintenance of plant	169,641
Transportation	84,932
Other support services	23,977
Total depreciation and amortization expense - governmental activities	<u>\$ 1,634,311</u>

**NOTE 4 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2020 consisted of the following:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
<b>Governmental Funds</b>		
General Fund	School Cafeteria Fund	\$ 146,329
	Capital Nonrecurring Fund	165,041
	Education Grants Fund	148,149
		<u>\$ 459,519</u>
<b>Proprietary Fund</b>		
Health Insurance Fund	General Fund	<u>\$ 324,861</u>
<b>Fiduciary Funds</b>		
Private Purpose Trust Fund	Agency Fund	<u>\$ 8,388</u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 5 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2020 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
<b>Governmental Funds</b>		
Capital Nonrecurring Fund	General Fund	\$ 363,941
School Cafeteria Fund	General Fund	320,000
		<u>\$ 683,941</u>

The transfer to the School Cafeteria Fund was made to subsidize the operations of the fund. The transfer to the Capital Nonrecurring Fund was made to fund authorized capital outlays and to reduce the prior year deficit.

**NOTE 6 - RISK MANAGEMENT AND UNCERTAINTIES**

**Risk Management**

The District is exposed to various risks of loss related to torts, theft 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 health insurance. During fiscal year 2020, deductibles paid by the District were insignificant. Neither the District nor its insurers have settled any claims, which exceeded the District's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The District participates in a health insurance fund administered by Blue Cross/Blue Shield, and maintains an internal service fund for the purpose of providing healthcare 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 Regional School District No. 4, the participating members are as follows: Town of Chester Board of Education, Town of Deep River (including Board of Education), Town of Essex (including Board of Education) and the Regional Supervision District Board of Education. Members may be subject to additional assessments in the event of a deficiency.

Effective July 1, 2020, the Town of Essex and the Town of Deep River withdrew from participation in the plan.

Health insurance premiums are based on estimates of the number of employees and type of coverages (single or family), trends in insurance claims and estimates for administration. The claims liability of \$403,756 at June 30, 2020 represents a liability for estimated claims "incurred but not reported" (IBNR). The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

**NOTE 6 - RISK MANAGEMENT *(Continued)***

**Risk Management *(Continued)***

An analysis of the claims liability, including the IBNR, for the past two years is as follows:

Year ended June 30,	Balance July 1,	New Claims/ Change in Estimate	Claims Paid	Balance June 30,
2020	\$ 958,892	\$ 6,073,353	\$ 6,540,574	\$ 491,671
2019	496,755	6,792,676	6,330,539	958,892

**Uncertainties - Pandemic**

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, education, commerce and financial markets globally, and is widely expected to affect economic growth worldwide.

The extent to which COVID-19 will impact the District's operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

**NOTE 7 - LONG-TERM DEBT**

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

The following is a summary of changes in long-term debt for the year ended June 30, 2020:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds payable:					
General obligation bonds	\$ 5,635,000	\$ -	\$ (1,405,000)	\$ 4,230,000	\$ 1,380,000
Unamortized premium	120,982	-	(52,962)	68,020	-
	5,755,982	-	(1,457,962)	4,298,020	1,380,000
Capital leases from direct borrowings	761,954	265,672	(216,804)	810,822	292,241
	<u>\$ 6,517,936</u>	<u>\$ 265,672</u>	<u>\$ (1,674,766)</u>	<u>\$ 5,108,842</u>	<u>\$ 1,672,241</u>

Bonds payable and capital leases are liquidated by the General Fund.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

**GENERAL OBLIGATION BONDS**

A summary of general obligation bonds outstanding at June 30, 2020 is as follows:

<b>Purpose of Bonds</b>	<b>Final Maturity Dates</b>	<b>Interest Rates</b>	<b>Amount Outstanding</b>
<b>Governmental Activities</b>			
General obligation refunding bonds issued 4/15/11, original amount of \$5,045,000	4/2022	3%-5%	\$ 985,000
General obligation bonds issued 8/15/11, original amount of \$1,472,000	8/2021	2%-3%	280,000
General obligation refunding bonds issued 4/5/12, original amount of \$7,760,000	2/2024	2%-4%	2,965,000
			<u>\$ 4,230,000</u>

The following is the annual debt service requirements on general obligation bonds to maturity at June 30, 2020:

<b>Year ending June 30:</b>	<b>General Obligation Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2021	\$ 1,380,000	\$ 159,200	\$ 1,539,200
2022	1,380,000	107,800	1,487,800
2023	735,000	58,800	793,800
2024	735,000	29,400	764,400
	<u>\$ 4,230,000</u>	<u>\$ 355,200</u>	<u>\$ 4,585,200</u>

**Statutory Debt Limitation**

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the District shall not exceed four and half times base receipts, as defined in the Statute. The District did not exceed the statutory debt limitation as of June 30, 2020.

**Advanced Debt Refundings**

In prior years, the District defeased general obligation bonds by creating separate irrevocable trusts. New debt was issued and the proceeds were used to purchase U.S. government securities that were placed in the trusts. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, is no longer counted in computing the District's debt for statutory debt limit purposes.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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

***CAPITAL LEASES FROM DIRECT BORROWINGS***

Capital leases from direct borrowings include non-appropriation clauses and provide the obligor with a security interest in the underlying equipment in the event of default. A summary of assets acquired under capital leases is as follows as of June 30, 2020:

	<b>Governmental Activities</b>
Equipment	\$ 1,791,247
Less: accumulated amortization	(827,412)
	<u>\$ 963,835</u>

Amortization expense relative to leased property under capital leases totaled \$305,115 for the year ended June 30, 2020 and is included in depreciation and amortization expense disclosed in Note 3.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 are as follows:

	<b>Governmental Activities</b>
Year Ending June 30:	
2021	\$ 310,406
2022	217,750
2023	217,751
2024	55,920
2025	55,921
Total minimum lease payments	<u>857,748</u>
Less: amount representing interest	(46,926)
Present value of minimum lease payments	<u>\$ 810,822</u>

The minimum lease payments are funded through the District's General Fund. A portion of the assets under lease are being utilized by the Member Towns. The District receives reimbursement for the portion of the lease payments associated with those assets. For the year ended June 30, 2020, the District received reimbursements in the amount of \$175,023.

**NOTE 8 - OTHER LONG-TERM LIABILITIES**

Changes in other long-term liabilities for the year ended June 30, 2020 are as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Amounts Due Within One Year</b>
Other liabilities:					
Compensated absences	\$ 20,923	\$ 13,463	\$ (2,339)	\$ 32,047	\$ 3,205
Net pension liability <i>(see Note 9)</i>	2,022,412	-	(183,267)	1,839,145	-
Total OPEB liability <i>(see Note 10)</i>	1,013,627	660,621	-	1,674,248	-
	<u>\$ 3,056,962</u>	<u>\$ 674,084</u>	<u>\$ (185,606)</u>	<u>\$ 3,545,440</u>	<u>\$ 3,205</u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS**

**Connecticut Municipal Employees' Retirement System**

The District participates in the Connecticut's Municipal Employees' Retirement System (CMERS). CMERS is the 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

**Plan Description**

*Plan administration* - CMERS is a multiemployer 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.

*Benefits provided* - General employees are eligible to retire at age 55 with 5 years of continuous service, or 15 years of active aggregate service, or 25 years of aggregate service. Police are eligible at the compulsory retirement age for police and fire members are eligible at the age of 65.

For members not covered by social security, the benefit is 2% of average final compensation times 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% 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 continuous or 15 years of active aggregate 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.



**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

**Plan Description *(Continued)***

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 due to hypertension or heart disease, in the case of firemen and policemen, is presumed to have been suffered in the line of duty. 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. The current rate is 13.73% of the annual District employees' covered payroll. The contribution requirements of the District are established and may be amended by the State Retirement Commission. The District's contributions to the CMERS for the year ended June 30, 2020 totaled \$177,877, and were equal to the required contributions for the year.

For employees not covered by social security, each person is required to contribute 5.50% of compensation. For employees covered by social security, each person is required to contribute 2.75% of compensation up to the social security taxable wage base plus 5% of compensation, if any, in excess of such base.

**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 in accordance with accounting principles generally accepted in the United States of America. 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. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

*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.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

**Collective Net Pension Liability**

The total estimated net pension liability of the CMERS as of June 30, 2019 was \$1.033 billion, the most recent available reporting provided by the Board. The portion that was associated with the District totaled \$1,839,145 or approximately 0.498% 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, 2019. The portion of the net pension liability associated with the District was based on the 2019 actuarial (expected) payroll amounts reported by participating employers. Expected payroll adjusts actual payroll for known changes in the status of employees, annualized salaries for partial year employees and anticipated salary increases.

*Actuarial assumptions* - The total pension liability for the CMERS was determined by an actuarial valuation as of June 30, 2019, 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
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 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 B to 2020 was used.

The long-term expected rate of return on pension plan investments was determined using a statistical analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target 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>
Domestic Equity	20.0%	5.3%
Developed Market International	11.0%	5.1%
Emerging Market International	9.0%	7.4%
Core Fixed Income	16.0%	1.6%
Inflation Linked Bond	5.0%	1.3%
Emerging Market Debt	5.0%	2.9%
High Yield Bond	6.0%	3.4%
Real Estate	10.0%	4.7%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	3.2%
Liquidity Fund	1.0%	0.9%
	<b>100.0%</b>	

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

**NOTE 9 - PENSION PLANS *(Continued)***

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

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

*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 net pension liability 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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount</u>	<u>1% Increase</u>
Proportionate share of the collective net pension liability	\$ 2,620,785	\$ 1,839,145	\$ 1,180,806

*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.

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

For the year ended June 30, 2020, the District recognized pension expense related to the CMERS of \$522,865. At June 30, 2020, 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>Deferred Outflows of Resources, net</u>
Differences between expected and actual experience	\$ 200,280	\$ (165,766)	\$ 34,514
Net difference between projected and actual earnings on pension plan investments	74,871	-	74,871
Change of assumptions	485,744	-	485,744
Contributions paid to the CMERS subsequent to the measurement date	177,877	-	177,877
Other	35,423	(56,340)	(20,917)
Total	<u>\$ 974,195</u>	<u>\$ (222,106)</u>	<u>\$ 752,089</u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

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

Amounts reported as deferred outflows of resources related to the CMERS will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	
2021	\$ 276,270
2022	215,060
2023	247,312
2024	13,447
	<u>\$ 752,089</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).

**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% per year by which retirement precedes normal retirement date.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

**Benefit Provisions *(Continued)***

*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 July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

**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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2019. The net pension liability at June 30, 2019 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 Comprehensive Annual Financial Report can be obtained at [www.ct.gov](http://www.ct.gov).

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

**Basis of Presentation *(Continued)***

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. 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 as measured June 30, 2018, the date of the latest biennial valuation. The liabilities of the June 30, 2018 actuarial valuation were rolled forward to the measurement date of June 30, 2019. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to District totaled 0.174% 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, 2019, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		\$ 17,072,720,000
	<u>Proportion</u>	<u>Proportionate Share</u>
District's proportionate share of the Collective Net Pension Liability	0.000%	\$ -
State's proportionate share of the Collective Net Pension Liability attributed to the District	0.174%	\$ 29,781,000

**Collective Pension Expense**

The District's expected contribution effort for allocation purposes totaled \$2,254,277 or 0.174% 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, 2020.

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 \$3,657,637 or 0.174% 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, 2020.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2018, and a measurement date of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.25% - 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 RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

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

**Long-Term Rate of Return**

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



**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 9 - PENSION PLANS *(Continued)***

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

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

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected Return</b>	<b>Standard Deviation</b>
Public Equity - US Equity	20.0%	8.1%	17.0%
Public Equity - International Developed Equity	11.0%	8.5%	19.0%
Public Equity - Emerging Markets Equity	9.0%	10.4%	24.0%
Fixed Income - Core Fixed Income	16.0%	4.6%	7.0%
Fixed Income - Inflation Linked Bonds	5.0%	3.6%	7.0%
Fixed Income - High Yield	6.0%	6.5%	11.0%
Fixed Income - Emerging Market Debt	5.0%	5.2%	11.0%
Private Equity	10.0%	9.8%	23.0%
Real Estate	10.0%	7.0%	15.0%
Alternative Investments - Real Assets	4.0%	8.2%	17.0%
Alternative Investments - Hedge Funds	3.0%	5.4%	7.0%
Liquidity Fund	1.0%	2.9%	1.0%
	<u>100%</u>		

The geometric rates of expected return shown in the table above are nominal returns net of investment expenses.

**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.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Board of Education Other Post-Employment Benefits Plan**

**Plan Description**

The District provides healthcare insurance benefits for eligible retirees and their families through the District's group health insurance plan (the "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. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Benefits Provided**

The Plan provides for medical and dental insurance benefits to eligible retirees, spouses and beneficiaries. Contribution requirements of the plan members are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Currently, participants contribute 100% toward medical and dental premiums. The District finances the plan on a pay-as-you-go-basis. Contribution requirements of the participants and the District are established by and may be amended through negotiations between the District and the unions.

**Employees Covered by Benefit Terms**

As of July 1, 2019, the date of the most recent actuarial valuation, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	17
Active participants	<u>139</u>
Total	<u><u>156</u></u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Board of Education Other Post-Employment Benefits Plan *(Continued)***

**Total OPEB Liability**

The District's OPEB liability reported as of June 30, 2020 totaled \$1,674,248. The total OPEB liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019.

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2020 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	2.75% as of June 30, 2020
Healthcare cost trend rates:	
Medicare Supplement Plans	4.50%
Active Plans	4.50%

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

Mortality rates for general post-retirement and disabled mortality were based on the RP-2014 Mortality Table for Blue Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Mortality rates for teachers post-retirement and disabled mortality were based on the RP-2014 Mortality Table for White Collar Healthy Annuitants projected generationally with scale MP-2016 for males and females.

Mortality rates for general pre-retirement mortality were based on the RP-2014 Mortality Table for Blue Collar Employees projected generationally with scale MP-2016 for males and females, set forward 1 year for females. Mortality rates for teachers pre-retirement mortality were based on the RP-2014 Mortality Table for White Collar Employees projected generationally with scale MP-2016 for males and females.

Assumptions regarding participation and coverage election relating to are as follows:

- It was assumed that 65% of employees eligible to receive retirement benefits would enroll in the retiree medical and dental plans upon retirement;
- It was assumed that 80% of male employees and 70% of female employees who elect retiree healthcare coverage for themselves would also elect coverage for a spouse upon retirement;
- It was assumed that retirees who were over age 66 on the valuation date and were enrolled in an Active plan were ineligible for Medicare and all other participants would be eligible for Medicare at age 65, absent any information to the contrary.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Board of Education Other Post-Employment Benefits Plan *(Continued)***

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance as of June 30, 2019	\$ 1,013,627
<b>Changes for the year:</b>	
Service cost	82,797
Interest	34,120
Differences between expected and actual experience	69,530
Change in assumption	568,081
Benefit payments	(93,907)
<b>Net changes</b>	<b>660,621</b>
Balance as of June 30, 2020	<b>\$ 1,674,248</b>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1- percentage-point lower (2.25%) or 1-percentage-point higher (4.25%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 1,511,545	\$ 1,674,248	\$ 1,859,183

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

	<b>1% Decrease in Trend Rates</b>	<b>Current Trend Rates</b>	<b>1% Increase in Trend Rates</b>
Total OPEB Liability	\$ 1,793,378	\$ 1,674,248	\$ 1,563,983

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

For the year ended June 30, 2020, the District recognized net OPEB expense of \$83,137. As of June 30, 2020, 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</b>
Difference between expected and actual experience	\$ 58,598	\$ (175,281)	\$ (116,683)
Changes in assumptions	493,542	-	493,542
	<b>\$ 552,140</b>	<b>\$ (175,281)</b>	<b>\$ 376,859</b>

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Board of Education Other Post-Employment Benefits Plan *(Continued)***

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

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

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
2021	\$ 103,948	\$ (43,821)	\$ 60,127
2022	103,948	(43,821)	60,127
2023	103,948	(43,821)	60,127
2024	103,945	(43,818)	60,127
Thereafter	136,351	-	136,351
	<u>\$ 552,140</u>	<u>\$ (175,281)</u>	<u>\$ 376,859</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 service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

**Benefit Provisions**

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 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 \$220 per month towards coverage under a local school district plan.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Benefit Provisions *(Continued)***

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

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

**Contributions**

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

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

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

**Administrative Expenses**

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

**Basis of Presentation**

The components associated with the other postemployment benefits (OPEB) expense and deferred inflows and outflows 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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2019. The net OPEB liability at June 30, 2019 has been calculated using the audited amounts. The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual 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. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Allocation Methodology**

The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The allocations for participating employers are based on the expected contribution effort as measured June 30, 2018, the date of the latest biennial valuation. The liabilities of the June 30, 2018 actuarial valuation were rolled forward to the measurement date of June 30, 2019. 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 0.174% 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, 2019, 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>\$ 2,662,587,000</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	0.174%	<u>\$ 4,645,000</u>

**Collective OPEB Expense**

The District's expected contribution effort for allocation purposes totaled \$61,611 or 0.174% 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, 2020.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the District totaled a negative \$(339,872) or 0.174% of the total collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2020.



**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Pre-Medicare	5.95% for 2018 decreasing to an ultimate rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate rate of 4.75% by 2028

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

**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 evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Expected 10-Year Geometric Real Rate of Return</b>	<b>Standard Deviation</b>
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.50%. 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, 2018.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

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

**Discount Rate *(Continued)***

In addition to the actuarial methods and assumptions of the June 30, 2018 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 3.25%.
- 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.
- No future employer contributions were assumed to be made.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate of 3.87% was used in the determination of the single equivalent rate.

**NOTE 11 - FUND BALANCE DEFICITS**

The following fund has a deficit fund balance as of June 30, 2020:

<b>Fund</b>	<b>Amount</b>
Capital Nonrecurring Fund	\$ 165,034

The above deficit will be funded through future transfers in from the General Fund.

**NOTE 12 - CONTINGENCIES**

***Litigation***

There are several lawsuits pending against the District. The outcome and eventual liability to the District, if any, in these cases is not known at this time. The District's management, based upon consultation with legal counsel, estimates that potential claims against the District, not covered by insurance, resulting from such litigation would not materially affect the financial position of the District.

***Federal Awards and State Financial Assistance***

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 13 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this statement are effective for the District's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The District is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the District's reporting period beginning July 1, 2021, which reflects the eighteen month postponement pursuant to GASB Statement No. 95 issued in May 2020. The District is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the District's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The District does not expect this statement to have a material effect on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the District's reporting period beginning July 1, 2020, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The District does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the District's reporting period beginning July 1, 2022, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The District does not expect this statement to have a material effect on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the District's reporting period beginning July 1, 2021, which reflects the one year postponement pursuant to GASB Statement No. 95 issued in May 2020. The District does not expect this statement to have a material effect on its financial statements.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO THE FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 13 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)***

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this statement are effective for the District's reporting period beginning July 1, 2020. The District does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the District's reporting period beginning July 1, 2022. The District is currently evaluating the potential impact of adopting this Statement on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the District's reporting period beginning July 1, 2022. The District does not expect this statement to have a material effect on its financial statements.

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement are effective for the District's reporting period beginning July 1, 2021. The District is currently evaluating the potential impact of adopting this Statement on its financial statements.

**NOTE 14 - SUBSEQUENT EVENT**

In November 2020, the District entered into a capital lease agreement for new technology equipment in the amount of \$321,821. The lease payments will be funded through the District's General Fund. A portion of the assets under lease will be utilized by the Member Towns and the District anticipates receiving reimbursement for the portion of the lease payments associated with those assets.

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## REQUIRED SUPPLEMENTARY INFORMATION

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**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF REVENUES AND EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
REVENUES				
Member Towns:				
Current Year Assessments	\$20,323,187	\$20,323,187	\$20,323,191	\$ 4
Intergovernmental	247,114	247,114	289,249	42,135
Interest Income	375	375	311	(64)
Other	2,000	2,000	4,890	2,890
Total revenues	20,572,676	20,572,676	20,617,641	44,965
EXPENDITURES				
Current:				
Salaries	10,769,156	10,529,054	10,501,382	(27,672)
Employee benefits	3,254,923	3,211,916	3,193,733	(18,183)
Purchased Services	490,621	535,921	474,637	(61,284)
Purchased Property Services	1,085,215	1,033,325	998,794	(34,531)
Other Purchased Services	2,545,124	2,389,333	2,330,275	(59,058)
Supplies	621,601	596,303	570,401	(25,902)
Equipment	17,960	14,450	13,711	(739)
Other Objects	88,851	96,901	94,317	(2,584)
Debt service:				
Principal	1,265,000	1,405,000	1,405,000	-
Interest	203,225	203,225	203,225	-
Total expenditures	20,341,676	20,015,428	19,785,475	(229,953)
Excess of revenues over expenditures	231,000	557,248	832,166	274,918
OTHER FINANCING SOURCES (USES)				
Use of Prior Year Surplus	-	201,280	201,280	-
Transfer Out - Cafeteria	(100,000)	(320,000)	(320,000)	-
Transfer Out - Capital Nonrecurring Fund	(131,000)	(395,463)	(363,941)	31,522
Prior Year Surplus Distributed to Member Towns	-	(43,065)	(43,065)	-
Total other financing sources (uses)	(231,000)	(557,248)	(525,726)	31,522
Net change in fund balance	\$ -	\$ -	\$ 306,440	\$ 306,440

*See accompanying notes to required supplementary information.*

**REGIONAL SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST SIX FISCAL YEARS\***  
(Rounded to nearest thousand)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the net pension liability	0.50%	0.21%	0.34%	0.34%	0.39%	0.26%
District's proportionate share of the net pension liability	<u>\$ 1,839,000</u>	<u>\$ 2,022,000</u>	<u>\$ 841,000</u>	<u>\$ 1,120,000</u>	<u>\$ 747,000</u>	<u>\$ 620,000</u>
District's covered payroll	1,296,000	1,154,000	1,328,000	1,294,839	1,211,000	1,338,359
District's proportionate share of the net pension liability as a percentage of its covered payroll	141.9%	175.2%	63.3%	86.5%	61.7%	46.3%
Plan fiduciary net position as a percentage of the total pension liability	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 SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF CONTRIBUTIONS -**  
**CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST SIX FISCAL YEARS\***

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>	<u><b>2015</b></u>
Contractually required contribution	\$ 177,877	\$ 135,487	\$ 155,944	\$ 145,152	\$ 136,329	\$ 139,454
Contributions in relation to the contractually required contribution	<u>177,877</u>	<u>135,487</u>	<u>155,944</u>	<u>145,152</u>	<u>136,329</u>	<u>139,454</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,296,000	\$ 1,154,000	\$ 1,328,000	\$ 1,295,000	\$ 1,211,000	\$ 1,338,000
Contributions as a percentage of covered payroll	13.73%	11.74%	11.74%	11.21%	11.26%	10.42%

\* 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 SCHOOL DISTRICT NO. 4**  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -  
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)  
LAST SIX FISCAL YEARS\*  
(Rounded to nearest thousand)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
District's proportion of the collective net pension liability	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	29,781,000	22,963,000	22,570,000	23,812,000	18,872,000	17,443,000
Total	<u>\$ 29,781,000</u>	<u>\$ 22,963,000</u>	<u>\$ 22,570,000</u>	<u>\$ 23,812,000</u>	<u>\$ 18,872,000</u>	<u>\$ 17,443,000</u>
District's covered payroll	\$ 7,657,000	\$ 7,538,000	\$ 7,154,000	\$ 6,895,000	\$ 7,015,000	\$ 6,761,000
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%
Plan fiduciary net position as a percentage of the total collective pension liability	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 SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY -**  
**OTHER POST-EMPLOYMENT BENEFITS PROGRAM (UNAUDITED)**  
**LAST THREE FISCAL YEARS\***

	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Total OPEB liability:</b>			
Service cost	\$ 82,797	\$ 31,387	\$ 28,143
Interest	34,120	32,633	41,328
Changes in benefit terms	-	-	-
Differences between expected and actual experience	69,530	-	(306,744)
Changes of assumptions	568,081	-	25,869
Benefit payments, including refunds	(93,907)	(45,795)	(72,719)
Net change in total OPEB liability	660,621	18,225	(284,123)
Total OPEB liability - beginning	1,013,627	995,402	1,279,525
Total OPEB liability - ending	<u>\$ 1,674,248</u>	<u>\$ 1,013,627</u>	<u>\$ 995,402</u>

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

**REGIONAL SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -**  
**CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST THREE FISCAL YEARS\***  
**(Rounded to Nearest Thousand)**

	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>
District's proportion of the collective net OPEB liability	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	<u>4,645,000</u>	<u>4,590,000</u>	<u>5,809,000</u>
Total	<u><u>\$ 4,645,000</u></u>	<u><u>\$ 4,590,000</u></u>	<u><u>\$ 5,809,000</u></u>
District's covered employee payroll	\$ 7,657,000	\$ 7,538,000	\$ 7,154,000
District's proportionate share of the collective net OPEB liability as a percentage of its covered employee payroll	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective OPEB liability	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.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**NOTE 1 - BUDGETARY INFORMATION**

**BUDGETARY INFORMATION**

The District adheres to the following procedures in establishing the budgetary data for the General Fund:

- The District legally adopts an annual budget for the General Fund pursuant to Connecticut General Statutes 10-51. Formal budgetary integration is employed by the District as a management control device during the year for the General Fund. The Capital Nonrecurring Fund employs a project length budget, which is approved by the Board of Education.
- Prior to January, each department head 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 January and February, the Superintendent presents to the Board the revenue and expenditure detail for their consideration.
- Not less than two weeks before the annual hearing, which must be held on the first Monday of May, the Board shall hold a public meeting to present a proposed budget for the next fiscal year. Any person may request the addition or deletion of expenditures at such time.
- After the public hearing, the Board shall prepare an annual budget for the next fiscal year, make available or request copies thereof and deliver a reasonable number of copies to the Town clerk of each Town in the District at least five days before the annual meeting.
- At the annual meeting, the Board shall present a budget which includes statements of (1) estimated receipts and expenditures for the next fiscal year, (2) estimated receipts and expenditures for the current fiscal year, (3) estimated surplus or deficit in operating funds at the end of the current fiscal year, (4) bonded or other debt, (5) estimated per pupil expenditure for the current and for the next fiscal year and (6) such other information as is necessary in the opinion of the Board.
- Persons present and eligible to vote may accept or reject the proposed budget. If a majority of such persons voting reject the budget, the Board shall, within two weeks thereafter and upon notice of not less than one week, call a District meeting to consider the same or amended budget. Such meetings shall be convened at such intervals until a budget is approved. It has been Board practice at the District meeting, to move the budget to a District referendum.
- After the budget is approved, the Board shall estimate the share of the net expenditures to be paid by each Member Town in accordance with Connecticut General Statutes 10-51, and notify the respective Town Treasurer, thereof.
- The level of control for a legally adopted budget (the level at which expenditures may not legally exceed appropriations without Board approval) is at the 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 Board of Education.
- The Board does not have the authority to expend beyond the total budget appropriations without District meeting approval. No additional appropriations were made during the year.
- Except for encumbrance accounting, the budget is prepared on the modified accrual basis of accounting. Generally, all unencumbered appropriations lapse at year-end, except those of the capital projects fund. Encumbered appropriations are carried forward to the ensuing fiscal year. Appropriations for capital projects are continued until the completion of applicable projects, even when those projects extend more than one fiscal year.

**REGIONAL SCHOOL DISTRICT NO. 4**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**AS OF AND FOR THE YEAR JUNE 30, 2020**

**NOTE 1 - BUDGETARY INFORMATION AND DEFICIT FUND BALANCES (Continued)**

**BUDGETARY INFORMATION (Continued)**

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, 2020:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Net Change In Fund Balance</u>
Budgetary basis	\$ 20,617,641	\$ 19,785,475	\$ (525,726)	\$ 306,440
"On-behalf" payments - State Teachers Retirement Fund	2,315,888	2,315,888	-	-
Adjustment for encumbrances	-	(21,659)	-	21,659
Capital lease proceeds not recorded for budgetary purposes	-	265,672	265,672	-
Reimbursement for certain grant and debt service costs recorded as a reduction to expenditures for budgetary purposes	178,294	178,294	-	-
Use of fund balance recorded as an other financing source for budgetary purposes	-	-	(201,280)	(201,280)
GAAP basis	<u>\$ 23,111,823</u>	<u>\$ 22,523,670</u>	<u>\$ (461,334)</u>	<u>\$ 126,819</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 two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the District for reporting as of June 30, 2020.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the collective total pension liability.

**REGIONAL SCHOOL DISTRICT NO. 4**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**  
**AS OF AND FOR THE YEAR JUNE 30, 2020**

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**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, 2018, 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: 21 years;
- Asset valuation method: Smoothed market with 20% recognition of investment gains and losses;
- Inflation: 3.25%;
- Investment rate of return: 7.00%, net of investment related expenses;
- Salary increases: Varies 3.50% to 10.00%;
- Cost of living adjustments: 2.50% for those retiring on or after January 1, 2002, for retirements prior to January 1, 2002 2.50% up to age 65, 3.25% afterwards;
- Social Security Wage Base: 3.00%; 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. The static projection produces sufficient margin in the mortality rates to reflect future improvement in our judgement; and
- Future Cost-of-Living adjustments for members who retire on or after January 1, 2002 are 60% of the annual increase in the CPI up to 6%. The minimum annual COLA is 2.5%; the maximum is 6%.

**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. Information prior to fiscal year 2015 is not available. Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the District for reporting as of June 30, 2020, using a measurement date of June 30, 2019.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the total pension liability:

- the inflation assumption was reduced from 2.75% to 2.50%;
- the real rate of return assumption was reduced from 5.25% to 4.40%, which when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.00% to 6.90%; and
- the annual rate of wage increase assumption was increased from 0.50% to 0.75%.

**REGIONAL SCHOOL DISTRICT NO. 4**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)  
AS OF AND FOR THE YEAR JUNE 30, 2020

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**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.

The District measures the total OPEB liability every two years as of July 1 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.

*Assumption Changes* - The following assumption changes collectively had a significant effect on the measurement of the District's total OPEB liability reported as of June 30, 2020:

- discount rate has been decreased from 3.25% to 2.75%;
- the mortality table has been updated from the RP-2000 Employees Mortality Table projected generationally with scale BB and a base year 2009 to the RP-2014 Mortality Table projected generationally with scale MP-2016 for males and females;
- the expected long-term medical trend has been updated to 4.50%;
- the assumption for morbidity or age-related costs of medical care was updated.

**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 Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the District for reporting as of June 30, 2020, using a measurement date of June 30, 2019.

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

*Assumption Changes* - The following assumption changes collectively had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2019:

- The discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.50% as of June 30, 2019;
- 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; and
- The expected rate of inflation was decreased and the Real Wage Growth assumption was increased.

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## **COMBINING INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## GENERAL FUND

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**REGIONAL SCHOOL DISTRICT NO. 4**  
GENERAL FUND - SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2020

	<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>REVENUES:</b>				
Member Towns - Assessments:				
Chester	\$ 4,506,336	\$ 4,506,336	\$ 4,506,336	\$ -
Deep River	6,616,206	6,616,206	6,616,212	6
Essex	7,732,420	7,732,420	7,732,416	(4)
Debt Service - Town contributions	1,468,225	1,468,225	1,468,227	2
Total District Towns - assessments	<u>20,323,187</u>	<u>20,323,187</u>	<u>20,323,191</u>	<u>4</u>
Intergovernmental:				
Adult Education	7,822	7,822	11,070	3,248
Excess Cost Grants	239,292	239,292	278,179	38,887
Total Intergovernmental	<u>247,114</u>	<u>247,114</u>	<u>289,249</u>	<u>42,135</u>
Interest Income	<u>375</u>	<u>375</u>	<u>311</u>	<u>(64)</u>
Other	<u>2,000</u>	<u>2,000</u>	<u>4,890</u>	<u>2,890</u>
Total revenues	<u>20,572,676</u>	<u>20,572,676</u>	<u>20,617,641</u>	<u>44,965</u>
<b>OTHER FINANCING SOURCES:</b>				
Use of prior year surplus	<u>-</u>	<u>201,280</u>	<u>201,280</u>	<u>-</u>
Total revenues and other financing sources	<u>\$ 20,572,676</u>	<u>\$ 20,773,956</u>	<u>\$ 20,818,921</u>	<u>\$ 44,965</u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL - BUDGETARY BASIS *(Continued)*  
FOR THE YEAR ENDED JUNE 30, 2020

	<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	\$ 575,530	\$ 575,530	\$ 575,530	\$ -
Department Coordinators	76,112	76,112	78,129	2,017
Teachers	6,658,908	6,481,908	6,492,858	10,950
Secretaries	363,416	363,416	362,091	(1,325)
Custodians	648,990	648,990	637,513	(11,477)
Nurses	107,538	107,538	111,489	3,951
Para-Educators	713,149	741,047	712,156	(28,891)
Substitute Teachers	120,000	120,000	136,594	16,594
Substitute Others	7,000	7,000	3,396	(3,604)
Coaches and Extra-curricular	432,580	351,580	351,480	(100)
Secretaries Overtime - Board Clerk Salary	1,000	1,000	100	(900)
Custodians Overtime	27,000	17,000	4,238	(12,762)
Building Rental Reimbursements	3,000	3,000	876	(2,124)
Supervision District	1,034,933	1,034,933	1,034,932	(1)
Total salaries	10,769,156	10,529,054	10,501,382	(27,672)
Employee Benefits:				
Health Insurance	2,327,783	2,355,087	2,355,087	-
Life Insurance	11,577	11,577	11,424	(153)
MERF - Pension	154,115	154,115	153,841	(274)
FICA - Medicare	283,801	285,890	265,361	(20,529)
Unemployment Compensation	63,500	13,200	13,108	(92)
Workers' Compensation	72,300	50,200	50,128	(72)
Annuities	15,180	15,180	18,117	2,937
Supervision District	326,667	326,667	326,667	-
Total employee Benefits	3,254,923	3,211,916	3,193,733	(18,183)
Purchased Services:				
Purchased Services	4,650	4,650	2,215	(2,435)
Professional Development	29,800	29,800	24,859	(4,941)
Other Professional Services	187,600	142,700	123,180	(19,520)
Technical Services	116,500	206,700	172,312	(34,388)
Supervision District	152,071	152,071	152,071	-
Total Purchased Services	490,621	535,921	474,637	(61,284)
Purchased Property Services:				
Electricity	358,000	258,600	258,553	(47)
Snow Plowing	24,000	19,000	14,015	(4,985)
Repairs and Maintenance	423,869	476,379	470,519	(5,860)
Rentals	257,652	257,652	234,013	(23,639)
Supervision District	21,694	21,694	21,694	-
Total Purchased Property Services	1,085,215	1,033,325	998,794	(34,531)
				<i>(Continued)</i>

**REGIONAL SCHOOL DISTRICT NO. 4**  
**GENERAL FUND - SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	<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>				
Other Purchased Services:				
Transportation - Vocational Education	\$ 52,941	\$ 52,941	\$ 38,133	\$ (14,808)
Transportation - Out-of-District	304,669	284,669	326,885	42,216
Transportation - Field Trips	10,800	10,800	8,442	(2,358)
Transportation - Athletics	53,260	52,260	50,003	(2,257)
Transportation - Late Bus	32,081	32,081	21,716	(10,365)
Insurance	119,745	119,745	112,392	(7,353)
Communications	12,500	12,500	11,255	(1,245)
Advertising	500	500	106	(394)
Tuition - Magnet & VoAg	64,244	64,244	65,537	1,293
Tuition - Out-of-District	1,472,163	1,337,372	1,277,843	(59,529)
Travel and Conferences	19,100	19,100	14,843	(4,257)
Supervision District	403,121	403,121	403,120	(1)
Total Other Purchased Services	<u>2,545,124</u>	<u>2,389,333</u>	<u>2,330,275</u>	<u>(59,058)</u>
Supplies:				
General Supplies	71,420	71,351	63,329	(8,022)
Instructional Supplies	224,499	193,837	152,922	(40,915)
Maintenance Supplies	38,500	64,500	60,617	(3,883)
Bottled Gas	500	500	180	(320)
Heating Fuel	159,200	159,200	200,288	41,088
Gasoline	900	900	673	(227)
Textbooks and Workbooks	49,795	37,278	26,136	(11,142)
Library and Professional Books	18,051	10,001	7,520	(2,481)
Supervision District	58,736	58,736	58,736	-
Total Supplies	<u>621,601</u>	<u>596,303</u>	<u>570,401</u>	<u>(25,902)</u>
Equipment	<u>17,960</u>	<u>14,450</u>	<u>13,711</u>	<u>(739)</u>
Other Objects:				
Dues and Fees	83,926	91,976	89,392	(2,584)
Supervision District	4,925	4,925	4,925	-
Total Other Objects	<u>88,851</u>	<u>96,901</u>	<u>94,317</u>	<u>(2,584)</u>
Debt Service:				
Principal	1,265,000	1,405,000	1,405,000	-
Interest	203,225	203,225	203,225	-
Total Debt Service	<u>1,468,225</u>	<u>1,608,225</u>	<u>1,608,225</u>	<u>-</u>
<b>OTHER FINANCING USES:</b>				
Prior Year Surplus Distributed to Member Town	-	43,065	43,065	-
Transfer Out - Cafeteria	100,000	320,000	320,000	-
Transfer Out - Capital Nonrecurring Fund	131,000	395,463	363,941	(31,522)
Total Other Financing Uses	<u>231,000</u>	<u>758,528</u>	<u>727,006</u>	<u>(31,522)</u>
Total expenditures and other financing uses	<u>\$ 20,572,676</u>	<u>\$ 20,773,956</u>	<u>\$ 20,512,481</u>	<u>\$ (261,475)</u>
				<i>(Concluded)</i>

**REGIONAL SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES SECTION 7-374(b)**  
**AS OF JUNE 30, 2020**

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	Total Member Towns - Assessments
Total cash collections for the year ended June 30, 2020:	<u>\$ 20,323,191</u>
	<u>District</u>
Debt limitation: 4-1/2 times base	<u>\$ 91,454,360</u>
Indebtedness:	
Bonds payable	<u>4,230,000</u>
Total indebtedness	<u>4,230,000</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 87,224,360</u>
Total capacity of borrowing (4-1/2 times base)	\$ 91,454,360
Total present indebtedness	<u>4,230,000</u>
Margin for additional borrowing	<u>\$ 87,224,360</u>

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## **FIDUCIARY FUND**

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**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATEMENT OF CHANGES IN FIDUCIARY**  
**ASSETS AND LIABILITIES**  
**AGENCY FUND - STUDENT ACTIVITIES**  
**AS OF JUNE 30, 2020**

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	<u>Balance,</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2020</u>
<b>ASSETS</b>				
Cash	\$ 249,592	\$ 254,326	\$ 244,058	\$ 259,860
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>LIABILITIES</b>				
Due to student groups and others				
Due to other funds	\$ 8,688	\$ -	\$ 300	\$ 8,388
Due to students	240,904	254,326	243,758	251,472
	<u>\$ 249,592</u>	<u>\$ 254,326</u>	<u>\$ 244,058</u>	<u>\$ 259,860</u>

**REGIONAL SCHOOL DISTRICT NO. 4**  
**STATE SINGLE AUDIT**  
**FOR THE YEAR ENDED JUNE 30, 2020**



**REGIONAL SCHOOL DISTRICT NO. 4**  
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**FOR THE YEAR ENDED JUNE 30, 2020**

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**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 Board of Education of  
Regional School District No. 4  
Deep River, Connecticut

We have audited, 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Regional School District No. 4 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 22, 2021.

**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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of state findings and questioned costs as item 2020-001, that we consider to be a significant deficiency.

## **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*.

## **District's Response to Findings**

The District's response to the finding identified in our audit is described in the accompanying schedule of state findings and questioned costs. The District's response was not subject to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

## **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.



Certified Public Accountants  
Glastonbury, Connecticut  
March 22, 2021

**INDEPENDENT AUDITOR'S REPORT ON THE SCHEDULE OF EXPENDITURES  
OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Board of Education of  
Regional School District No. 4  
Deep River, Connecticut

**Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Regional School District No. 4 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated March 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance 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. Such information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Mahoney Sabol & Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
March 22, 2021

**REGIONAL SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>State Grantor; Pass-Through Grantor; Program Title</b>	<b>State Grant Program Core - CT Number</b>	<b>Expenditures</b>
<b>NONEXEMPT PROGRAMS:</b>		
<b>DEPARTMENT OF EDUCATION</b>		
<b>Direct:</b>		
Adult Education	11000-SDE64370-17030	\$ 11,070
School Breakfast	11000-SDE64370-17046	2,867
Healthy Foods Initiative	11000-SDE64370-16212	4,973
Child Nutrition State Matching Grant	11000-SDE64370-16211	2,610
Talent Development	11000-SDE64370-12552	771
<b>Total Department of Education</b>		<u>22,291</u>
<b>DEPARTMENT OF LABOR</b>		
<b>Passed through Workforce Alliance New Haven:</b>		
Connecticut's Youth Employment Program	11000-DOL40000-12205	<u>13,922</u>
<b>DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION</b>		
<b>Direct:</b>		
School Security Infrastructure	12052-DPS32161-43546	<u>2,500</u>
<b>Total State Financial Assistance Before Exempt Programs</b>		<u>38,713</u>
<b>EXEMPT PROGRAMS:</b>		
<b>DEPARTMENT OF EDUCATION</b>		
<b>Direct:</b>		
Excess Costs Student Based and Equity	11000-SDE64370-17047	<u>278,179</u>
<b>Total Exempt Programs</b>		<u>278,179</u>
<b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>		<u><u>\$ 316,892</u></u>

*The accompanying note is an integral part of this schedule.*

**REGIONAL SCHOOL DISTRICT NO. 4**  
**NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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The accompanying schedule of expenditures of state financial assistance includes state grant activity of Regional School District No. 4 (the "District") under programs of the State of Connecticut for the fiscal year ended June 30, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance to the District through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the District.

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

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. The following is a summary of the more significant policies relating to the aforementioned grant programs.

**BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. In accordance with Section 4-236-22 of the regulations to the Connecticut State Single Audit Act, these financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

**REGIONAL SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

☐ Material weakness(es) identified?

\_\_\_\_\_ Yes ☒ No

☐ Significant deficiency(ies) identified?

☒ Yes \_\_\_\_\_ None Reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ Yes ☒ No

**STATE FINANCIAL ASSISTANCE**

Internal control over major programs:

☐ Material weakness(es) identified?

\_\_\_\_\_ Yes ☒ No

☐ Significant deficiency(ies) identified?

\_\_\_\_\_ Yes ☒ None Reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_\_ Yes ☒ No

The following schedule reflects the major programs included in the audit:

<b>State Grantor/ Program</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
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There were no major programs as defined by State Single Audit Act Guidelines.

Dollar threshold used to distinguish between Type A and Type B programs: Not applicable

**REGIONAL SCHOOL DISTRICT NO. 4**  
**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2020**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 2020-001: Significant Deficiency in Internal Control over Financial Reporting**

**Criteria:** Management is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Condition:** The following items identified as part of the audit are indicative of internal control deficiencies that collectively have been reported as a significant deficiency:

- Adjustments to properly account for certain interfund transactions and balances.
- Adjustments to properly recognize grant revenues based on allowable expenditures incurred within the Education Grants Fund.
- Adjustments to reclassify mispostings to the proper general ledger accounts within the Education Grants Fund and the Health Insurance Fund.
- Adjustments to recognize budget-to-GAAP entries for the General Fund and conversion entries for the government-wide financial statements.

**Effect:** Audit adjustments were required in order to prepare the District's financial statements in accordance with accounting principles generally accepted in the United States of America.

**Cause:** The deficiencies are attributed to a lack of formal closing procedures to ensure the completeness and accuracy of the general ledger and the financial statements.

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

**District's Response:** The District intends to take the appropriate actions to strengthen its internal control and remedy the conditions giving rise to this reported deficiency.

**SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS**

Prior audit finding 2019-001, *Material Weakness in Internal Control over Financial Reporting*, is no longer considered to be a material weakness. However, certain matters that were previously incorporated into the prior audit finding 2019-001 have been incorporated into the current audit finding 2020-001.



**R4 Only Encl #6**

**REGIONAL SCHOOL DISTRICT NO. 4  
INVITATION TO SUBMIT PROPOSALS  
RFP # R421001**

The Regional School District No. 4 Board of Education of the State of Connecticut (“RSD 4 Board”) hereby invites the submission of sealed Proposals for a full-service real estate brokerage firm specializing in land development to provide brokerage, marketing and transactional services for property owned by Regional School District No 4, located along the northwest corner of Kelsey Hill Road and Falls Landing Road within the central portion of Deep River, Middlesex County, CT identified as Legal Reference: Volume 120, Pages 577, Assessor’s Reference: Map 48. Lot 7B (the “Property”).

The Property represents an approximately 392,000 square foot or 9.0+/- acre site. The extensive road frontage available may allow for the site to be subdivided into an estimated, 4 lots with a 2 acre minimum, subject to receipt of all applicable approvals. The successful firm is expected to market the Property in a manner that will assure RSD 4 Board a sale yielding the highest price and best use.

It is the intent of the RSD 4 Board that the successful proposer will supply commercial real estate services as outlined herein from the date of award for a period to be determined as agreeable to both parties.

Forms for Proposal, Certification, Conditions, Specification, and any Addenda may be obtained on the RSD 4 Board website:

[http://www.reg4.k12.ct.us/news/what\\_s\\_new/r\\_f\\_p](http://www.reg4.k12.ct.us/news/what_s_new/r_f_p)

Sealed Bids must be received by RSD 4 Board no later than **2:30 PM on Tuesday, May 4, 2021**. *Facsimile or email bid responses will not be accepted.* Bids shall be opened and publicly read at that time. Those interested in attending the bid opening should email Finance Director Bob Grissom at [rgrissom@reg4.k12.ct.us](mailto:rgrissom@reg4.k12.ct.us). Bob Grissom will email you with the Google Meet invite/link password. Bids are to be sent to:

**Bob Grissom  
Finance Director  
Superintendent’s Office  
PO Box 187  
1 Winthrop Road  
Deep River, CT 06417  
(860) 526-2417**

Questions regarding this RFP may be directed to Bob Grissom, Finance Director. Only written questions will be accepted via facsimile at (860) 526-5469 or by email to Bob Grissom at [rgrissom@reg4.k12.ct.us](mailto:rgrissom@reg4.k12.ct.us) and must be received no later than April 23, 2021. ***Verbal questions will not be entertained or accepted.***

The RSD 4 Board does not discriminate on the basis of sex, race, religion, national origin, gender identity, sexual orientation, disability, veteran’s status or genetic information.

## **INSTRUCTIONS TO PROPOSERS**

### **I. Definitions**

- A. “Addendum” means written documents issued by the RSD 4 Board prior to Tuesday, May 4, 2021, which modify these Instructions to Proposers by additions, deletions, clarifications or corrections.
- B. “RSD 4 Board” means Regional School District No. 4 Board of Education for the State of Connecticut.
- C. “Contract” means the document that the Contractor executes with RSD 4 Board to provide the Services, as negotiated between the parties.
- D. “Contractor” means the Proposer who is selected by RSD 4 Board to provide the Services described in these Proposal Documents and who executes the Contract.
- E. “Invitation to Submit Proposals” means the published notice of the request for Proposals.
- F. “Proposal” means a submission by a Proposer to provide the Services that conform to the Proposal Documents.
- G. “Proposal Documents” means the Invitation to Submit Proposals and these Instructions to Proposers, all exhibits attached hereto, and any Addendum issued.
- H. “Proposal Price” means the price, as shown on Exhibit A, at which the Proposer offers to perform the work described in the Proposal Documents.
- I. “Proposer” means the person or entity who submits a Proposal.
- J. “Services” means the commercial real estate services described in these Proposal Documents, including the Invitation to Proposers and V. Scope of Services.

Unless otherwise defined, these definitions shall apply to the Proposal Documents and the Contract.

### **II. Proposal Instructions**

- A. Proposals shall be received from Proposers for the furnishing of all personnel and services necessary to perform the Services described herein.

- B. When the Proposal is executed and submitted by Proposer, the Proposer acknowledges it has full knowledge of and agrees with the general specifications, conditions and requirements of the Proposal Documents.
- C. The Proposer shall submit **one (1) original and (1) copy** of the Proposal. The Proposals must be mailed or delivered to the RSD 4 Board in a sealed envelope. The outside of the sealed envelope must be clearly marked with Proposer's name and address and RFP # R421001.
- D. The Proposals shall be submitted no later than **2:30 PM on Tuesday, May 4, 2021** to the Office of the Finance Director of the Regional School District No. 4, 1 Winthrop Rd, Deep River, CT 06417, at which time they will be opened and read aloud. Proposals received later than that date and time will not be considered and will be returned unopened. Amendments to or withdrawals of Proposals received later than that date and time will not be considered.
- E. All Proposals shall become property of the RSD 4 Board and will not be returned.
- F. The Contractor shall comply with applicable laws, rules, regulations and policies of federal, state, and local governments. It shall be the responsibility of the Contractor to ensure that all personnel employed are familiar with all of the aforesaid laws, rules, regulations and policies as well as the contents of any manual or other rules, regulations and policies which the RSD 4 Board might publish.
- G. In considering Proposals and awarding the Contract, RSD 4 Board reserves the right to waive technical defects in Proposals, to reject any and all Proposals, consider cost, service and experience for the Services required, as well as the financial responsibility and specific qualifications set out herein of the Proposer. RSD 4 Board also reserves the right to discuss the scope of services with one or more Proposers and to enter into such negotiations and make such modifications as RSD 4 Board deems to be in its best interest.
- H. Each Proposer is responsible for making sure it gets the information it needs to make a responsible Proposal that allows it to execute the Contract if it is awarded the Contract. Information requests are to be made in writing to Bob Grissom, Finance Director, via facsimile at (860) 526-5469 or by email to Bob Grissom at [rgrissom@reg4.k12.ct.us](mailto:rgrissom@reg4.k12.ct.us) and must be received no later than April 23, 2021. A written request does not in any way diminish a Proposer's responsibility to obtain the information it needs to make a Proposal. Other than the contact person named above, it is RSD 4 Board's requirement that Proposers not communicate directly or indirectly with any other person at RSD 4 Board concerning the Proposal Documents or with respect to requests for additional information.

- I. Any interpretation of or modification to the Proposal Documents will be made by Addendum. Any Addendum will be posted on RSD 4 Board's website. Each Proposer shall confirm prior to submitting its Proposal that it has received all Addendum.
- J. Proposals must be held firm and cannot be withdrawn for sixty (60) calendar days after the opening date.
- K. RSD 4 Board reserves the right to negotiate with any or all Proposers or to cancel or withdraw in part, or in its entirety, the Proposal Documents, if it is in the best interest of RSD 4 Board to do so. RSD 4 Board specifically reserves the right to add or delete from the scope of services in the final Contract from the scope of services described in these Proposal Documents.
- L. RSD 4 Board may require the Proposers submitting Proposals to give an oral presentation of their proposal. Additional technical and/or cost information may be requested for clarification purposes, but in no way will change the original proposal submitted. Interviews are optional and may or may not be conducted.
- M. Selected Proposer is to participate in negotiations concerning the nature and scope of the provision of the Services. The results of such negotiations shall be incorporated into the Contract between RSD 4 Board and the Contractor.
- N. RSD 4 Board reserves the right to request any additional information pertaining to the ability, qualifications, and experience of a Proposer as it deems necessary after Proposals have been opened and reserves the right to interview one or more Proposers.

### **III. Proposal Requirements**

- A. The Proposal shall be submitted with all of the information described in this Article IV.
- B. Each Proposal shall include all of the following:
  - 1. Each Proposer must fill out the "Proposal Form- Fee Schedule" in the form of Exhibit A. Proposal Prices must be submitted on this Proposal Form. All blank spaces for proposal prices must be completed in ink or be typewritten; proposal prices must be stated in both words and figures. The person signing the Proposal Form must initial any errors, alterations or corrections on that form. Ditto marks or words such as "SAME" shall not be used in the Proposal Form. In the event of a discrepancy between the price quoted in words and in figures, the words shall control. RSD 4 Board is exempt from Connecticut sales and use taxes. Such taxes should not be included in the Proposal Prices.

2. All Proposers must read and execute the “Equal Opportunity Memorandum”, in the form of Exhibit B, attached hereto and made a part hereof.
3. Proposers shall submit a minimum of three references. References should be from clients for which similar Services requested pursuant to these Proposal Documents were provided, preferably in Connecticut. All Proposers must read and fill out the reference check form attached as Exhibit C (“Reference Check”). The Proposer, by submitting a Proposal, hereby authorizes RSD 4 Board or its authorized agent to contact such references listed on the Reference Check without obtaining any other consent from the Proposer.
4. All Proposers must disclose all pending and threatened litigation in which such Proposer is named (either suing or being sued), or any judgments entered during the last five (5) years in the form listed on Exhibit D (“Pending or Threatened Litigation”) attached hereto and made a part hereof.
- 6 Each Proposer must submit the Statement on Non-Collusion and Other Practices, in the form attached as Exhibit E, attached hereto and made a part hereof.
7. Each Proposer shall demonstrate a minimum of five (5) years’ experience with proven effectiveness to perform the Services requested. Each Proposer is to provide a brief history and description of the firm’s capabilities, resources and service quality as it relates to the Services requested in this Invitation to Submit Proposals to RSD 4 Board and include the following:
  - (a) years in business, and previous names of the firm, if any.
  - (b) firm size,
  - (c) location,
  - (d) number, title, training, experience, licensures and description of services to be provided by staff assigned to perform these Services. For each person intended to be assigned to perform these Services, provide a copy of their resume,
  - (e) experience in assisting similar size entities, including any and all similar Services provided to public agencies,
  - (f) a detailed description of how the firm plans to market the Property,
  - (g) additional services offered through your firm
  - (h) a fully completed fee schedule (Exhibit A)

8. Each Proposer shall provide a description of the business organization (i.e., corporation, partnership, joint venture, etc.) of its firm, its ownership and its organizational structure; the names and business addresses of all Principals (described below) of the firm or firms submitting the Proposal; if a firm is a partially owned or a fully-owned subsidiary of another firm, identify the parent company and describe the nature and extent of the parents' approval rights over the activities of the firm submitting a Proposal; and describe the approval process.
9. For purposes of these Proposal Documents, "Principals" mean persons possessing an ownership interest in the Proposer. If the Proposer is a corporation, "Principals" shall include each investor who would have any amount of operational control over the Proposer and every stockholder having an ownership interest of 10% or more in the firm. If the Proposer is a partnership or a joint venture or similar organization, provide comparable information as required above for each member of the partnership, joint venture or similar organization.
11. Each Proposer shall list all immediate relatives of Principal(s) (as defined above) of Proposer who are Board members or employees of RSD 4 Board. For purposes of the above, "immediate relative" means a spouse, parent, stepparent, brother, sister, child, stepchild, direct-line aunt or uncle, grandparent, grandchild, and in-laws by reason of relation.
12. Each Proposer should disclose whether any of the Services will be subcontracted and, if so, a description of how the Proposer selects the subcontractors and what are the obligations of Proposer and subcontractor.
13. Each Proposer must submit copies of insurance certificates for general liability and worker's compensation coverage. The successful firm must provide original certificates of insurance prior to commencing services.
14. Each Proposer shall provide any additional information it believes to be important in assisting RSD 4 Board in evaluating its firm and its capabilities.
15. Any exceptions or deviations from these conditions or specifications must be listed on a separate sheet attached to the Proposer's detailed conditions and specifications and referred to separately in the Proposals.

#### **IV. Broker's Qualifications**

Proposers to this RFP shall have the following qualifications:

- A. Principal(s) of the real estate firm must be licensed as a real estate broker and in good standing with the Connecticut Real Estate Commission, with no record of discipline.
- B. Must have at least five (5) years' experience in commercial real estate in the geographic area (Middlesex County) in which the Property is located.
- C. Must have an excellent reputation in the local real estate community.
- D. Must be knowledgeable in the local real estate market and in the use of public real estate records.

**V. Scope of Services**

- A. The Services requested in these Proposal Documents cover all personnel, labor, equipment and services required to complete the tasks set forth and shall also incorporate any other labor, materials, supplies, overhead, taxes and profit of the Proposer, and the Proposal Price shall be "all-inclusive." RSD 4 Board shall be responsible for no other charges other than the prices set forth on Exhibit A.
- B. The successful firm shall contract with RSD 4 Board to provide the following:
  - 1. Perform market analysis,
  - 2. Develop strategies for sale of Property,
  - 3. Work with the Region 4 Board of Education and Superintendent or his designee to negotiate the sale of the Property with buyer and prospects,
  - 4. Coordinate real estate appraisals,
  - 5. Coordinate the closing of the sale of the Property,
  - 6. Handle all other customary activities and services associated with real estate transactions of this type,
  - 7. Attendance and presentations at meetings of the Region 4 Board of Education will be required
- C. It is the intent of this RFP to have the successful broker/firm enter into a Professional Services Contract with Regional School District No. 4 to supply real estate services as outlined herein from the date of award for a period to be determined as agreeable to both parties. However, RSD 4 Board shall have the right to terminate with ninety (30) days' prior written notice at any time and for any reason. Notwithstanding anything to the contrary provided for herein, in the event that sufficient funds are not appropriated during this time, RSD 4 Board shall have the right to terminate the Contract on the last day of the fiscal period for which appropriations were received.

- D. RSD 4 Board and the successful Proposer shall negotiate a contract or contracts for the Services, which contract or contracts shall include the provisions in these Proposal Documents and such additional provisions that RSD 4 Board deems necessary. The parties shall negotiate a final Contract within a reasonable time period after the selection of a Proposer. If the parties cannot agree on a Contract within thirty (30) days after RSD 4 Board has selected a Proposer, RSD 4 Board may enter into discussions with another Proposer. Each Proposer shall be thoroughly familiar with all the terms, conditions, and provisions of the Proposal Documents.

Information from Proposals may be incorporated into the final Contract, as determined by RSD 4 Board.

These Proposal Documents are not a contract offer, and no contract will exist unless and until a written Contract is signed by RSD 4 Board and the successful Proposer.

Please note: All information submitted for review may be subject to the Freedom of Information Act and may be made available upon request by the public. Proposers should identify any confidential, proprietary information or trade secrets and provide justification why such material should not be disclosed.

*Notwithstanding anything to the contrary herein, by submitting a Proposal, the Proposer thereby acknowledges that pursuant to Connecticut General Statutes § 10 - 241d, as amended, RSD 4 Board may consult with the legislative bodies of its member towns regarding this Invitation to Submit Proposals and any and all responses thereto and any other related information.*

#### **VI. Selection Criteria**

- A. Licensed and in good standing with the Connecticut Real Estate Commission, with no record of discipline.
- B. Knowledge of and extensive experience of transactions in the local real estate market (Middlesex County).
- C. Real estate development and marketing experience, qualifications and references.
- D. Ability of Proposer to meet or exceed the requirements defined in the Proposal Documents.
- E. Completion of fee schedule.

#### **VII. Limitations; Withdrawal of Request for Proposals**

These Proposal Documents do not commit RSD 4 Board to award any agreement for Services, or to be responsible or liable in any manner for any risks, costs or expenses



incurred by any Proposer in the preparation of a proposal in response to the Proposal Documents or any revision of such a proposal.

#### **VIII. Proposer's Costs**

Each Proposer acknowledges that all costs incurred by it in connection with the preparation and submission of a Proposal, or any negotiation which results therefrom, shall be borne exclusively by the Proposer. Neither RSD 4 Board, nor its staff, consultants or advisors shall be liable for any claims or damages resulting from the solicitation or preparation of the Proposals, nor will there be any reimbursement to Proposer for the cost of preparing and submitting a Proposal or for participating in this procurement process.

### **CERTIFICATION:**

The Proposer has read and understood the Proposal Documents, INCLUDING ALL EXHIBITS, which are Exhibit A through Exhibit E, all attached hereto and made a part hereof, and the following addendum: \_\_\_\_\_

\_\_\_\_\_ (if any. If none, state "None"), and the Proposal conforms to the terms and conditions of the Proposal Documents.

I hereby certify, as an officer of \_\_\_\_\_, that, as the Proposer under these Proposal Documents, all of the information and material supplied to RSD 4 Board as required by these Proposal Documents are complete and true. I, as an officer of \_\_\_\_\_, understand that all of the terms and conditions of these Proposal Documents shall be included in the Contract executed with RSD 4 Board, if awarded the Contract. I, as an officer of \_\_\_\_\_, further understand that any information that is found to be incomplete or false, or if any attempt to mislead RSD 4 Board is discovered, either during the evaluation or subsequent to any award may result in the disqualification of the Proposal or the immediate termination of the Contract.

Signature \_\_\_\_\_ Date \_\_\_\_\_

Name \_\_\_\_\_ Title \_\_\_\_\_

### **Proposer Information**

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_  
City/Town State Zip

Telephone: \_\_\_\_\_

Email: \_\_\_\_\_

## EXHIBIT A

### PROPOSAL FORM- FEE SCHEDULE

The undersigned, having become thoroughly familiar with the terms and conditions affecting the performance and costs of the Services, as described in the Proposal Documents dated \_\_\_\_\_, 2021, hereby proposes and agrees to fully perform the Services within the time stated and in strict accordance with the Proposal Documents, including furnishing any and all labor and materials, and to do all of the Services required to complete said Services in accordance with the Proposal Documents for the following sum of money:

#### FEE SCHEDULE [To be discussed with client]

1. Commission rate (includes buyer's percentage to be paid by the District): \_\_\_\_\_
2. Estimated costs (to the extent not covered by the commission):
  - a. Marketing budget (by type - print, other media): \_\_\_\_\_
  - b. Appraisal: \_\_\_\_\_
  - c. Appraisal review: \_\_\_\_\_
  - d. Environmental report: \_\_\_\_\_
  - e. Any other third-party reports: \_\_\_\_\_
    - i. [ ] \_\_\_\_\_
    - ii. [ ] \_\_\_\_\_
3. Any other additional fees or costs: \_\_\_\_\_

\_\_\_\_\_  
Proposer's Name

By:

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Date:

## EXHIBIT B

### EQUAL OPPORTUNITY MEMORANDUM

TO: All Proposers

FROM: Board of Education of the Regional School District No. 4

SUBJECT: Equal Opportunity Policy

Regional School District No. Principals

4 is committed to the principles of equal employment. We are committed to complying with all federal, state, and local laws providing equal employment opportunities, and all other employment laws and regulations. It is our intent to maintain a work environment free of harassment, discrimination, or retaliation because of age, race, color, national origin, ancestry, religion, sex (including transgender status, gender identity or expression, sexual orientation, or civil union status), pregnancy (including childbirth, lactation and related medical conditions), physical or mental disability, genetic information (including testing and characteristics), veteran status, uniformed service member status, or any other status protected by federal, state, or local laws.

#### STATEMENT OF POLICY

It is the employment policy of \_\_\_\_\_ that there shall be no discrimination against anyone on the grounds of age, race, color, national origin, ancestry, religion, sex (including transgender status, gender identity or expression, sexual orientation, or civil union status), pregnancy (including childbirth, lactation and related medical conditions), physical or mental disability, genetic information (including testing and characteristics), veteran status, uniformed service member status, or any other status protected by federal, state, or local laws in the hiring, upgrading, demotions, recruitment, termination and selections for training.

\_\_\_\_\_  
Proposer's Name

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Date:

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Street Address

\_\_\_\_\_  
Email

\_\_\_\_\_  
City/State

**EXHIBIT C**  
**REFERENCE CHECK**

Please provide three (3) references:

1. \_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Contact Person  
  
\_\_\_\_\_  
Telephone Number  
  
\_\_\_\_\_  
Period of Contract  
  
\_\_\_\_\_  
Type of Services Provided to Reference
2. \_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Contact Person  
  
\_\_\_\_\_  
Telephone Number  
  
\_\_\_\_\_  
Period of Contract  
  
\_\_\_\_\_  
Type of Services Provided to Reference
3. \_\_\_\_\_  
Name  
  
\_\_\_\_\_  
Contact Person  
  
\_\_\_\_\_  
Telephone Number  
  
\_\_\_\_\_  
Period of Contract  
  
\_\_\_\_\_  
Type of Services Provided to Reference

## **EXHIBIT D**

### **PENDING OR THREATENED LITIGATION**

For cases pending, please provide the following information for each matter:

1. Parties (suing or being sued)
2. Docket Number and Court
3. Brief Description and Status

### **JUDGMENTS**

Please provide the following information for each matter:

1. Parties (suing or being sued)
2. Docket Number and Court
3. Brief Description and Amount of Judgment

(Attach additional sheets, if necessary.)

## **EXHIBIT E**

### **STATEMENT ON NON-COLLUSION AND OTHER PRACTICES**

The undersigned hereby declares that:

1. This Proposal is made without any connection with any other person or entity making any proposal for the same services, that it has been prepared and submitted in good faith, that it is in all respects fair and without collusion or fraud and that no person acting for or employed by RSD 4 Board is directly or indirectly interested in the proposal or in the services to which it relates, or in any portion of the profits therefrom.

2. Proposer hereby declares that the only persons participating in the Proposal as Principals are named in its Proposal and that no person other than those mentioned in its Proposal has any participation in the Proposal or in any contract to be entered into with respect thereto. Additional persons may subsequently be included as participating Principals, but only if acceptable to RSD 4 Board.

3. The Proposer's Proposal is genuine and is not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any collusive agreement or rules of any group, association, organization, or corporation.

4. Proposer has disclosed to RSD 4 Board, in writing pursuant to Section III.B.11 of the Proposal Documents, any and all Principal(s) of Proposer who are Board members or employees, or the immediate relative of Board members or employees, of RSD 4 Board. For purposes of the above, "immediate relative" means a spouse, parent, stepparent, brother, sister, child, stepchild, direct-line aunt or uncle, grandparent, grandchild, and in-laws by reason of relation.

5. Proposer has not directly or indirectly induced or solicited any other prospective Proposers to submit a false or sham Proposal.

6. Proposer has not solicited or induced any individual or entity to refrain from submitting a Proposal.

7. Proposer has not engaged in corrupt, fraudulent, collusive, or coercive practices in competing for the Contract. For the purposes of this paragraph:

- A. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of the procurement process, except as otherwise disclosed to RSD 4 Board in writing;
- B. "fraudulent practice" means an intentional misrepresentation of facts made
  - (a) to influence the procurement process to the detriment of RSD 4 Board,
  - (b) to establish proposal prices at artificial non-competitive levels, or
  - (c) to deprive RSD 4 Board of the benefits of free and open competition;

- Proposer's Name \_\_\_\_\_
- By: \_\_\_\_\_
- Name: \_\_\_\_\_
- Title: \_\_\_\_\_
- Date: \_\_\_\_\_

Subscribed and Sworn to before me on this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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