

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525
(203) 397-4811

Dr. John J. Brady
Superintendent of Schools

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AMITY REGIONAL BOARD OF EDUCATION

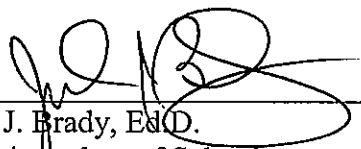
January 9, 2012

A regular meeting of the Amity Regional Board of Education will be held on Monday, January 9, 2012, at 6:30 p.m., in the Presentation Room at the District Offices.

AGENDA

1. Call to Order
2. Pledge of Allegiance
3. Approval of Minutes
 - a. Regular BOE Meeting, December 12, 2011 (Enclosure)
4. Discussion and Possible Action to Accept Audit of Year Ending June 30, 2011(Enclosure)
5. Discussion and Possible Action to Support Community Fund Raising Efforts to Purchase and Install an Artificial Turf Field at Amity High School (Enclosure)
6. Discussion and Possible Action to Amend the Budget Calendar (Enclosure)
7. Information on Enrollment Through 2017-2018 (Enclosure)
8. Principal's Reports
9. Student Report
10. Public Comment
11. Announcements from the Board and Administration
 - a. CNN Program on Indoor Air Quality
 - b. Budget Presentation to AFC – January 23rd, 5:30 p.m.
 - c. Budget Presentation to BOE – January 30th, 6:30 p.m.
12. Correspondence
13. Superintendent's Report
 - a. Personnel Report (Enclosure)
 - b. Discussion of District Meeting vs. Referendum for 2012-2013 Budget Vote (Enclosure)

14. Chairman's Report
 - a. Committee Reports
 1. ACES
 2. CABE
 3. Curriculum
 - a. Discussion and Possible Action on Chinese V/AP Chinese/ Chinese Honors (Enclosure)
 4. Facilities
 5. Finance
 - a. Discussion and Possible Action to Redesignate Funds from the Capital & Nonrecurring Account for Specified Capital Projects
 - b. Discussion of Monthly Financial Statements
 - c. Director of Finance and Administration Approved Transfers Under \$3,000
 - d. Discussion and Possible Action on Budget Transfers
 - e. Update on Financial Operations
 6. Policy
 7. Personnel
15. Update on Negotiations – Executive Session
16. Discussion and Possible Action on Agreement Between the Amity Regional Board of Education and the Amity Teacher's Association
17. Items for the Next Agenda
18. Adjournment



John J. Brady, Ed.D.
Superintendent of Schools

JJB/kfw

pc: Town Clerks: Bethany
Orange
Woodbridge

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If you require accommodations to participate because of a disability, please contact the office of the Superintendent of Schools in advance at 397-4811.

MINUTES

AMITY BOARD MEMBERS PRESENT:

Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John A. Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

AMITY BOARD MEMBER ABSENT:

James Horwitz

Staff Members Present: John Brady, Jack Levine, Sheila Wycinowski, Mary Raiola, Charles Britton, Kathleen Fuller Cutler, Richard Dellinger, Vicenza Gibbons; Kevin Keller (*Amity AV*), Pua Ford

Also Present: Deb DeMeo (AEA), Thomas Falcigno (Student Government), Tom Kenefick (Woodbridge BOS); other members of the Public; member of the Press

A regular meeting of the Amity Regional Board of Education was held on Monday, December 12, 2011, at 6:30 p.m. in the Presentation Room at the District Offices.

1. **Call to Order:** Bill Blake called the meeting to order at 6:37 p.m.

2. **Pledge of Allegiance** was recited by those present.

Motion to move agenda item 4 up so that new Board members may vote in item 3 (Thomas Hurley, 2d Patricia Cardozo)

Discussion: none.

Vote in favor: Julie Altman, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, Thomas Hurley, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

4. Swearing-In of New Board Members

Bill Blake welcomed the three new representatives from Orange, who had all already taken their oath of office in their town hall. They took the oath again as a formal welcome to the Board.

3. Election of Officers Including Vice Treasurer

Bill Blake turned the meeting over to John Brady, in accordance with the Bylaws of the Board.

- a. Chairperson: John Brady called for nominations for this office; explained the bylaws. Sue Cohen nominated Bill Blake; Rita Gedansky seconded the nomination. There were no other nominations; there was no discussion. Vote in favor of the nomination was unanimous. Bill resumed chairmanship of the meeting.
- b. Vice-Chairperson: Bill Blake asked for nominations. Rita Gedansky nominated Sue Cohen for vice-chair; dc seconded the nomination. There were no other nominations; there was no discussion. Vote in favor of the nomination was unanimous.
- c. Secretary: Bill Blake asked for nominations. Thomas Hurley nominated Rita Gedansky for secretary; Diane Crocco seconded the nomination. There were no other nominations; there was no discussion. Vote in favor of the nomination was unanimous.
- d. Treasurer: Bill Blake referred to Policy/Bylaw 9126 for a description of this office; he asked for nominations. James Stirling nominated James Horwitz for treasurer; Sue Cohen seconded

the nomination. There were no other nominations; there was no discussion. Vote in favor of the nomination was unanimous. Bill Blake noted that Jim Horwitz has been acting as Treasurer over the past month.

- d. Assistant Treasurer: Thomas Hurley nominated Steven DeMaio for Assistant Treasurer; Rita Gedansky seconded the nomination. There were no other nominations; there was no discussion. Vote in favor of the nomination was unanimous.

Bill thanked the elected officers for their willingness to serve.

5. Approval of Minutes

- a. Regular Board of Education Meeting: November 14, 2011

Motion to approve these minutes as presented (Thomas Hurley, 2d Sue Cohen).

Discussion: Tom Hurley made corrections.

Vote in favor of approving the minutes as corrected: Patricia Cardozo, Sue Cohen, Diane Crocco, Thomas Hurley, James Stirling

Vote opposed: none

Abstain: Julie Altman, Christopher Browe, Steven DeMaio, Rita Gedansky, John Grasso, Tracey Lane Russo

Motion passed.

- b. Board of Education Retreat: November 16, 2011

Motion to approve these minutes as presented (Thomas Hurley, 2d Diane Crocco).

Discussion: Tom Hurley offered a correction.

Vote in favor of approving the minutes as corrected: Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, John Grasso, Thomas Hurley, James Stirling

Vote opposed: none

Abstain: Julie Altman, Rita Gedansky, Tracey Lane Russo

Motion passed.

6. Recognition of Vi Gibbons, Connecticut Assistant Principal of the Year

John Brady described the criteria leading to recognition of Vi Gibbons, assistant principal at Orange MS as CT Asst Principal of the Year. Vi offered remarks, thanked everyone, especially Principal Kathleen Fuller Cutler for nominating her.

7. Discussion and Possible Action to Appoint Board of Education as Superintendent Search Committee

Motion to appoint the entire Board of Education as the Superintendent Search Committee (Thomas Hurley, 2d Christopher Browe).

Discussion: none.

Vote in favor: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

8. Discussion and Possible Action to Enter into Contract for Superintendent Search Services

Bill Blake described how some Board member had met with several firms who provide assistance to boards of educations in this search process. In a non meeting, they interviewed three organizations last week. All were very professional, and gave much of their time. Sue Cohen said she was impressed with Ms. Jacobi from the CABA search service and thought they would connect well with people in the community. Bill asked for a motion authorizing negotiations and set the cost. John Brady pointed out that a new funding request for \$15,000 appears later in the agenda.

Motion to enter into negotiations with CAFE search services regarding engagement and the cost of a search for a new Superintendent of Schools (Sue Cohen, 2d Patricia Cardozo).

Discussion: Tom Hurley reported that he was impressed with the top choices among the firms and that he supports this motion.

Vote in favor: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

9. Discussion of District Meeting vs. Referendum for 2012-2013 Budget Vote (memorandum dated 11/30/2011).

The Finance committee tabled this item, pending further information on hourly voter turnout and how other regional districts conduct budget votes. Board member made other requests for data, such as the cost of conducting referenda and the total percentage of turnout. This item was tabled.

10. Principals' Reports

- a. Orange middle school: Kathleen Fuller Cutler reported on activity at the Orange campus: writing prompts, parent conferences, a proposed student exchange (together with Bethany middle school students) to China (w/ Bethany campus students), recent staff training, PTSO fundraising, student council talent show and clothing drive, a lock-down drill, after-school book chat café, 8th graders attending the high school play *Almost Maine*, a visit from the Chinese Education Delegation of Administrators, and class team efforts raising money for the Hamden Children's Center and for overseas military.
- b. Bethany middle school: Rich Dellinger reported similar activity at the Bethany campus: the student council Toys for Tots drive, Quilts for Healing sent to the Yale Pediatric Hospital, the PTO holiday coffee, holiday concert, the iPad initiative. He described the potential Chinese trip in more detail.
- c. High school: Charles Britton reported to clarify some recent incidents, involving student arrests for marijuana and other drugs. He described how the administration works with Officer Rizutti to enforce the law. He answered questions from the Board; there does not appear to be any increase in drug activity, just better tracking of it. Feedback from students indicates that these problems are no worse here than at other schools. Last year a canine unit was brought into the school for a general search; this may be carried out again. Health education programs and policies regarding student expulsion and reentry are in place.

Charles went on to review seasonal activities at the high school: adjusting the new schedule, 8th Grade Parent Night (with a PowerPoint describing the high school program of studies posted online for those who could not attend), AP Night with a panel of current AP students informing others about the program, the senior internship program with local and distant businesses (application deadline 12/16), PTSA seeking donations for Families in Need, and the seasonal music concerts.

11. Student Report

Thomas Falcigno reported on student activities at the high school: the Homecoming Dance, Spirit Week, the Greater New Haven Math League Competition hosted by Amity (where the home team placed 3rd after Choate & Hopkins), the competition to join a regional youth orchestra, a debate tournament hosted by Amity, and the play *Almost Maine*, which was also part of the Guidance Department program.

Rita Gedansky thanked the Superintendent for the Thanksgiving events honoring her husband, Dr. Sim and Mr. Johnson.

12. Public Comment (7:38 p.m.): none

13. Announcements from the Board and Administration

- a. Amity students take first place in Sikorsky STEM challenge (*Bethwood Patch article*).

14. Correspondence

- a. Letter from State Dept. of Education Regarding School Closures and the School Calendar:
School districts should expect to fulfill the 180-day minimum year, despite the days lost due to the two storms and subsequent power outages. If necessary, districts should consider using the holidays before cutting their school year short.
- b. Letter from Carol Steiner, Ph.D.: about school start time.

15. Superintendent's Report

- a. Personnel Report
The superintendent reported one new hire at the high school, new coaching appointments, no resignations, and the coming retirement of Carolyn Stanley, the technology teacher at the Bethany campus.
- b. Information on Next Ed – Transforming Connecticut's Education System – John Brady discussed important points in the *Next Ed* document which had been distributed to Board members. These recommendations will be considered by the General Assembly at the upcoming legislative session. John described them as “transformative recommendations” with the potential to improve education even if they were “cherry-picked.” He pointed out particular recommendations on pp. 2-4 in a document distributed to the Board.

[Further information on CAPSS website <http://www.capss.org/page.cfm?p=437>]

16. Chairman's Report

- a. Committee Reports
- 1) ACES: no report
 - 2) CAFE: Jamie Stirling described the CAFE/CAPSS convention in November, Governor Malloy's address about the emphasis on education in the coming legislative session, and useful workshops. He referred to the CAPSS website for information on *Next Ed*. He said it would be important for Boards of Education to be heard at the General Assembly this year. Bill Blake noted that the New Commissioner of Education also addressed the convention.
 - 3) Curriculum
 - a. Discussion and Possible Action on New Texts and New Course Proposals
Julie Altman reported on the November committee meeting. Sheila Wycinowski walked the Board through the list of three proposed textbooks.

Motion to adopt all three textbooks as proposed (Thomas Hurley, 2d John Grasso).
Discussion: Steve DeMaio asked if these books would be available online or as CDs. Sheila said online texts cost much more, and were available for limited periods.
Vote to approve: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling
Vote opposed: none.
Abstain: none.

Motion passed.

Sheila described the list of course proposals. Responding to questions from the Board, she said that if students don't sign up for any course offering, the class is not scheduled and may be eventually deleted.

Motion to approve the new courses as recommended (Thomas Hurley, 2d Steven DeMaio).

Discussion: none further.

Vote to approve: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

4) Facilities: This committee will meet soon on a number of issues.

5) Finance

a) Discussion and Possible Action on Parking Fee Proposal

John Brady recapped Tom Falcigno's presentation at the Nov. ABOE meeting. Refined proposal before them now may result in better revenue for the district. The Finance committee approved this item.

Motion that the fee structure for student parking be changed so students are charged \$100 at the start of the academic year; \$75 at the beginning of the second marking period; \$50 at the beginning of the third marking period; and \$25 at the beginning of the fourth marking period. Fees will not be refunded to students for non-use of parking. Parking stickers issued to one student may not be transferred to a different student (Diane Crocco, 2d Christopher Browe).

Discussion: Board members asked questions and discussed details. Refunds on parking fees are not possible but are seldom requested. There have been no comments from the public on this arrangement so far. Tom Hurley wondered if the Board should consider some condition on the proposal, in case it does not result in more revenue; Bill Blake recommended testing this proposal first.

Vote in favor: Julie Altman, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

b) Discussion of Monthly Financial Statements: Jack Levine highlighted items that would require approval of budget transfers.

c) Director of Finance and Administration Approved Transfers under \$3,000
The Board received the two-page list.

d) Discussion and Possible Action on Budget Transfers over \$3,000 (memorandum 11/29/2011)

Bill Blake briefly oriented new board members on customary process for finance business. All of the following items were approved by the Finance committee.

Motion to make the following budget transfer of \$17,504 to pay the State of Connecticut Department of Labor for unemployment compensation expenses (James Stirling, 2d Patricia Cardozo).

Account Number	Account Name	From	To
03-14-2600-5410	Utilities, excluding Heat	\$ 17,504.	
05-15-2512-5290	Unemployment Compensation		\$ 17,504.

Discussion: discussion.

Vote in favor: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

e) Discussion and Possible Action on New Funding Requests

All the recommended motions were approved by the Finance committee. Board members discussed whether the amount for the Superintendent search was sufficient.

- a) *Motion to make the following budget transfer of \$20,000 to pay for consulting services to assist the Board of Education in the selection of a new Superintendent of Schools (Thomas Hurley, 2d Rita Gedansky).*

Discussion: Tom Hurley's motion increased the amount approved by the Finance committee in order to provide sufficient funds in case out-of-state travel by a candidate or by Board members making a site visit were required. The cost of advertising the superintendent position was covered in the quotes from candidate search firms; most such online advertising is done online, not in print. Others believe that another funding request or use of other line items would satisfy possible needs. Bill Blake proposed separating amounts discussed by amending the motion.

Motion to amend the above motion, changing "\$20,000" to "\$15,000" (accepted by Thomas Hurley, Rita Gedansky).

Amended motion: To make the following budget transfer of \$15,000 to pay for consulting services to assist the Board of Education in the selection of a new Superintendent of Schools.

Vote in favor: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

Account Number	Account Name	From	To
05-15-0000-5850	Contingency Account	\$ 15,000.	
05-14-2310-5330	Other Profession & Technical Services		\$ 15,000.

- b) *Motion to transfer \$5,000 from Contingency to appropriate account to be designated by the Director of Finance and Administration for advertising and travel (Thomas Hurley, 2d Christopher Browe).*

Discussion: Board members discussed possible purposes of and need for this money.

Vote in favor: Christopher Browe, Diane Crocco, Rita Gedansky, John Grasso, Thomas Hurley

Vote opposed: Julie Altman, Patricia Cardozo, Sue Cohen, Steven DeMaio, Tracey Lane Russo, James Stirling

Abstain: none.

Motion failed.

- c) *Motion to make the following budget transfer of \$4,218 from the Tuition account to the Contingency account (James Stirling, 2d Thomas Hurley).*

Account Number	Account Name	From	To
04-12-6227-5650	Tuition	\$ 4,218.	
05-15-0000-5850	Contingency Account		\$ 4,218.

Discussion: Jack explained that since the ACES bill for ECA students was lower than anticipated, some funds should be restored to the Contingency account

Vote in favor: Julie Altman, William Blake, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John A. Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Vote opposed: none.

Abstain: none.

Motion passed.

Bill Blake will talk to new members about appointments to committees.

6) Policy: The committee will meet in January

7) Personnel: The committee has worked on negotiations with the teachers.

17. Update on Negotiations – Executive Session

Motion to go into Executive Session at 8:40 p.m. in order to discuss negotiations and to invite the Superintendent and Director of Finance and Administration to join the Board. (Thomas Hurley, 2d Diane Crocco).

Vote in favor: Julie Altman, Christopher Browe, Patricia Cardozo, Sue Cohen, Diane Crocco, Steven DeMaio, Rita Gedansky, John Grasso, Thomas Hurley, Tracey Lane Russo, James Stirling

Opposed: none

Abstain: none

Motion passed.

The Board entered Executive Session at 8:40 p.m.

The Board left Executive Session at 9:00 p.m.

18. Items for Next Agenda: Board members should notify Bill or John about items they wish to add.

19. Adjournment

The Board adjourned the meeting at 9:00 p.m.

Respectfully submitted,

Rita Gedansky, secretary
Pua Ford, recording clerk pro tem

Attachments/References

Bylaws of the Board # 9126 & 9127

Minutes: regular Board meeting (11/14/2011, 12 pp.)
Board retreat (11/16/2011, 6pp.)

Memo: J.Brady to Finance committee and Board 11/29/2011) [re Amity budget referendum]

News story from *Bethwood Patch* (11/21/2011)

Letters: SDOE to superintendents re School Closures and Calendar (11/15/2011)
Dr. Steiner to Board (11/18/2011)

Memo: J.Brady to Board (12/14/2011) re Personnel

Textbook approval applications (3)

New/modified course applications (8)

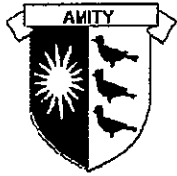
Memo: J.Levine to J.Brady (12/02/2011) re Student Parking Policy

Monthly Financial Statements (12/01/2011)

Director of Finance and Administration Approved Transfers under \$3,000

Budget transfers 2011-2012 (nd, 2pp.)

Minutes: Finance committee (11/14/2011, 4 pp.)
Curriculum committee (11/17/2011, 4 pp.)



AMITY REGIONAL SCHOOL DISTRICT NO. 5

BETHANY * ORANGE * WOODBRIDGE

*John J. Brady, Ed.D.
Superintendent of Schools*

25 Newton Road
Woodbridge, CT 06525
john.brady@reg5.k12.ct.us
Phone: (203) 392-2106
Fax: (203) 397-4864

To: Amity Board of Education and Amity Finance Committee Members

From: Dr. John J. Brady, Superintendent of Schools

Re: Audited Financial Statements for the Year Ended June 30, 2011

Date: January 4, 2012

Enclosed please find the audited financial statements for the year ended June 30, 2011. The District's auditors will be presenting their report at our January meeting. I am very pleased to say that the auditors have found the financial operations to be highly efficient for the third straight year. We received no management letter and there were no recommendations for changes to procedures or policies.

Last year, there was some concern by Board Members that the District did not have a deposit policy for custodial credit risk. The financial statements now indicate on page 30, "The District limits its exposure to custodial credit risk through a formal written policy that requires, among other things, that the District monitor the financial condition of its financial institutions on a quarterly basis." During the year, with the concurrence of the Board Treasurer, I directed we switch our bank accounts for accounts payable and payroll to Peoples' United in light of the negative ratings being publically disclosed for Bank of America. We have made this change and will continue to keep a close watch on where we keep our cash deposits.

It is a credit to Jack Levine, Director of Finance and Administration, and Terry Lumas, Finance Manager, and the finance staff that we have implemented and maintained highly efficient financial operations, including on-line processing of purchase requisitions and purchase orders, personal and payroll records, records management, budget transfers, and the like.

ACTION RECOMMENDED:

The Board needs to accept the audit for year ending June 30, 2011 as presented. I purpose the Amity Finance Committee recommend the Amity Board of Education make the following motion:

Move the Amity Board of Education accept the audit of year ending June 30, 2011 as presented.

**AMITY REGIONAL SCHOOL DISTRICT
NO. 5**

**BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

**TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**



AMITY REGIONAL SCHOOL DISTRICT NO. 5
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Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Education of
Amity Regional School District No. 5
Woodbridge, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5 (the "District"), as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the District's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2011, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2011 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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 schedules of funding progress and schedules of employer contributions on pages 50 and 51 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual fund statements and schedules are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

CCR LLP

Glastonbury, Connecticut
December 19, 2011

Management's Discussion and Analysis

AMITY REGIONAL SCHOOL DISTRICT NO. 5 MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Amity Regional School District No. 5 (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the most recent fiscal year by \$58,316,957 (net assets). Of this amount, \$740,496 (unrestricted net assets) may be used to meet the District's ongoing obligations.
- The District's net assets for the year ended June 30, 2011 increased by \$2,327,015.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,731,973, an increase of \$346,865 in comparison with the prior year.
- As of the close of the current fiscal year, fund balance assigned to use in subsequent year's budget for the General Fund totaled \$675,000, or 1.5% of total General Fund expenditures.
- The District's total long-term bonded debt decreased by \$3,650,000 or 6.9% during the current year due to bonds refunded of \$8,120,000 and current year scheduled principal repayments, offset by the issuance of \$8,245,000 in general obligation refunding bonds. The refunding will result in an economic gain of \$506,117 and cash flow savings of \$614,021.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are 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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected revenues and earned but unused vacation and sick leave).

AMITY REGIONAL SCHOOL DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

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 District does not have any business-type activities.

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 two categories: governmental funds and fiduciary funds.

Governmental Funds

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

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

The District maintains seven 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 Capital Projects Fund, and the Reserve Fund for Capital and Nonrecurring, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for these nonmajor governmental funds is provided in the form of a combining statement elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 - 20 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 21 and 22 of this report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 23 - 49 of this report.

Required Supplementary Information

The schedules of funding progress and schedules of employer contributions for the District's benefit plans can be found on pages 50 and 51 of this report.

Other Information

Combining and individual fund statements and schedules can be found on pages 52 - 60 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

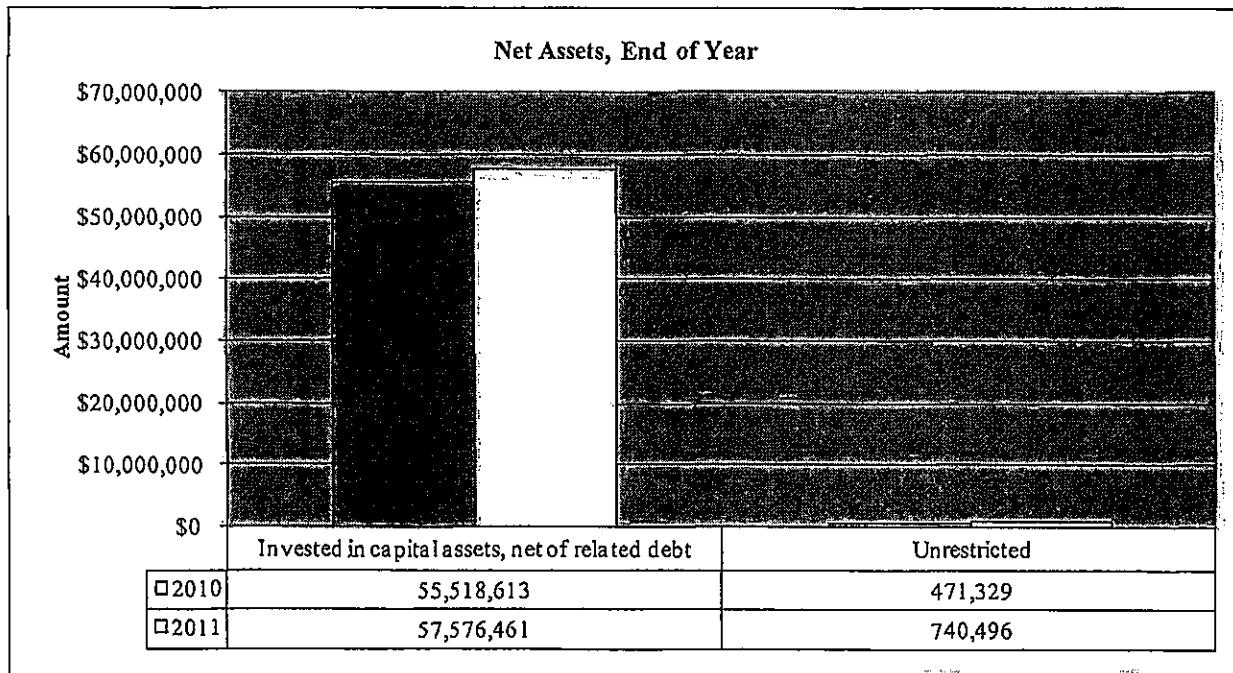
Over time, net assets may serve as one measure of a government's financial position. Total net assets of the District totaled \$58,316,957 and \$55,989,942 as of June 30, 2011 and 2010, respectively, and are summarized as follows:

	<u>2011</u>	<u>2010</u>
Current and other assets	\$ 4,907,421	\$ 7,029,371
Capital assets, net	<u>107,633,051</u>	<u>109,245,747</u>
Total assets	<u>112,540,472</u>	<u>116,275,118</u>
Long-term liabilities	52,730,217	56,751,960
Other liabilities	<u>1,493,298</u>	<u>3,533,216</u>
Total liabilities	<u>54,223,515</u>	<u>60,285,176</u>
Net assets:		
Invested in capital assets, net of related debt	57,576,461	55,518,613
Unrestricted	<u>740,496</u>	<u>471,329</u>
Total net assets	<u>\$ 58,316,957</u>	<u>\$ 55,989,942</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5 **MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Assets (Continued)



98.7% of the District's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets 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 the District's net assets is considered unrestricted and may be used to meet the District's ongoing obligations to students and creditors.

AMITY REGIONAL SCHOOL DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Changes in Net Assets

Changes in net assets for the years ended June 30, 2011 and 2010 are as follows:

	2011	2010
Revenues		
Program revenues:		
Charges for services	\$ 1,100,204	\$ 1,096,019
Operating grants and contributions	4,662,012	4,282,784
Capital grants and contributions	15,260	10,844
General revenues:		
Assessments to member towns	40,645,362	40,413,305
Unrestricted investment earnings	119,110	69,056
Miscellaneous	61,603	40,876
Total revenues	<u>46,603,551</u>	<u>45,912,884</u>
Program expenses:		
General instruction	25,391,123	25,496,757
Support services - students	3,365,184	3,367,977
Improvement of instruction	494,940	490,853
Media	710,531	808,780
General administration	4,467,196	4,344,293
Transportation	1,558,103	1,518,547
Student activities	1,399,106	1,255,025
Buildings and grounds	4,821,264	4,828,702
Interest and fiscal charges	2,069,089	1,957,650
Total expenses	<u>44,276,536</u>	<u>44,068,584</u>
Change in net assets	2,327,015	1,844,300
Net assets - beginning	<u>55,989,942</u>	<u>54,145,642</u>
Net assets - ending	<u>\$ 58,316,957</u>	<u>\$ 55,989,942</u>

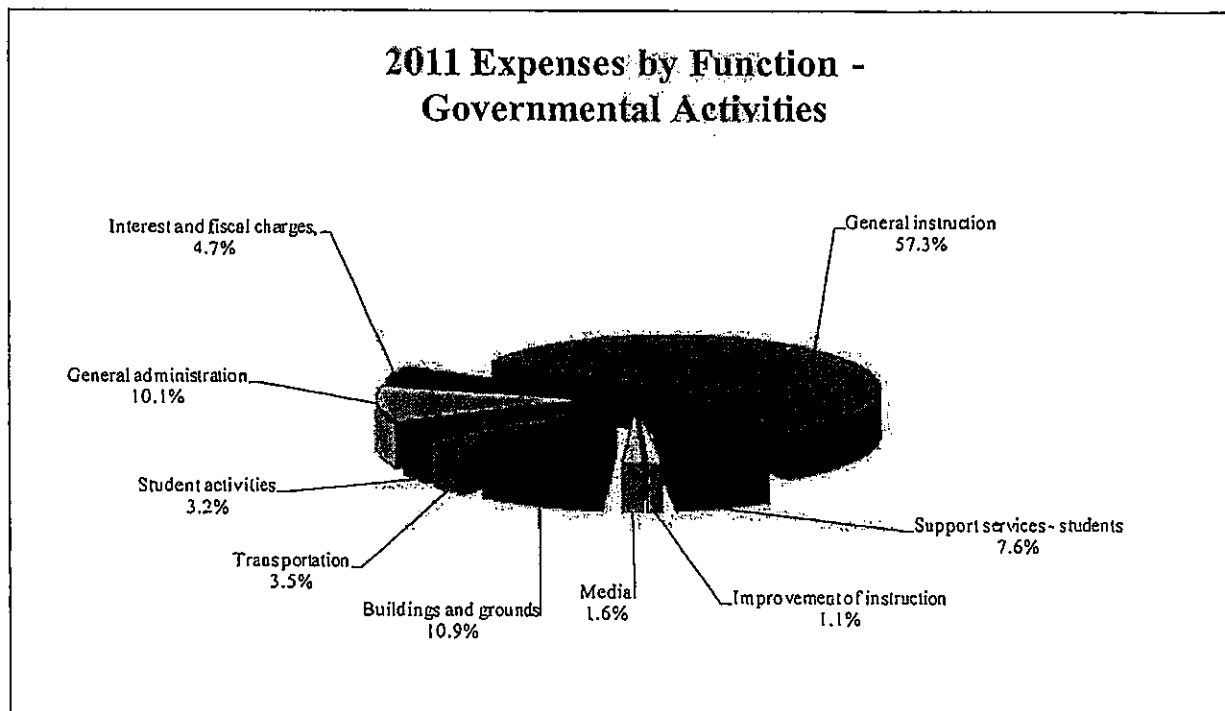
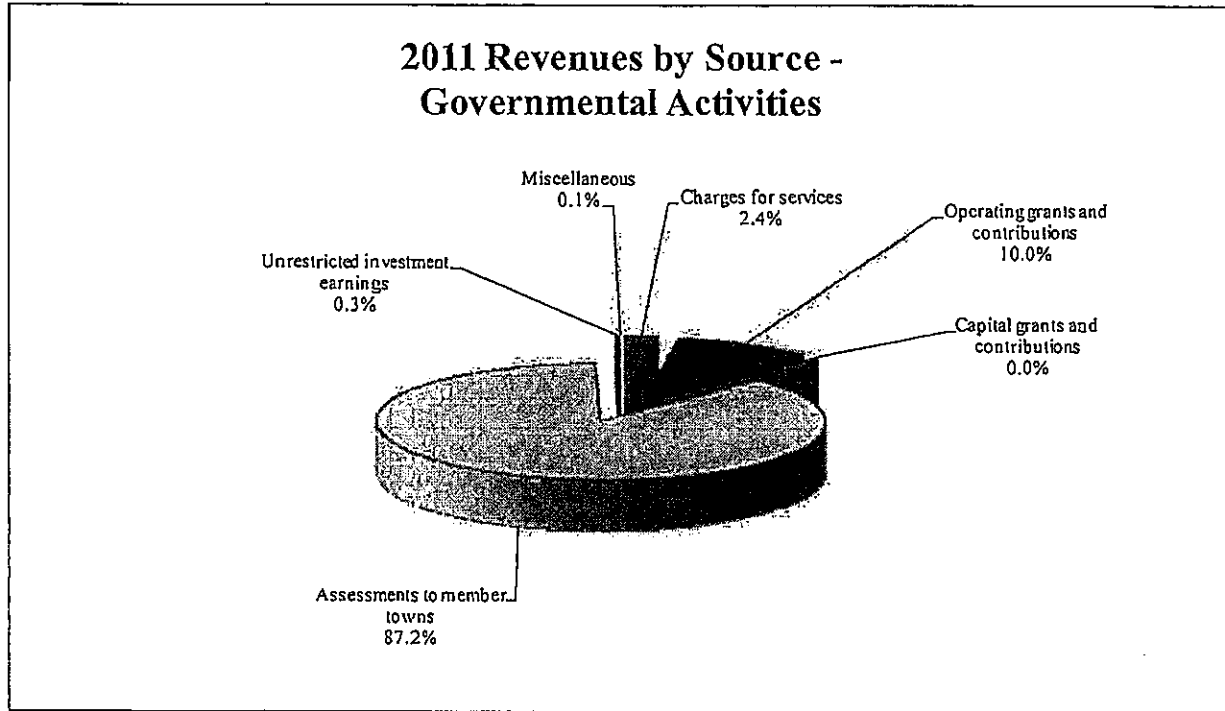
Overall, the change in net assets for 2011 was \$482,715 higher than the change in net assets for 2010. Key elements of this increase are:

- Increase in assessments to member towns of approximately \$232,000.
- Increase in operating grant revenues of approximately \$379,000; due primarily to an increase in Excess Cost funding received from the State of Connecticut.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets (Continued)



AMITY REGIONAL SCHOOL DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unrestricted (committed, assigned, and 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 close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$2,731,973, an increase of \$346,865 in fund balance in comparison with the prior year.

General Fund

The General Fund is the chief operating fund of the District. At the end of the current fiscal year, fund balance of the General Fund was \$1,429,118, all of which was committed or assigned for specific purposes. As a measure of the General Fund's liquidity, it may be useful to compare committed, assigned, and unassigned fund balance to total General Fund expenditures. Committed, assigned, and unassigned fund balance represents 3.2% of total General Fund expenditures. Expressed another way, committed, assigned, and unassigned fund balance for the General Fund was sufficient to cover 0.4 months of General Fund operating expenditures.

The fund balance of the General Fund decreased by \$187,413 during the current year.

Capital Projects Fund

The Capital Projects Fund has a fund balance of \$262,837 as of June 30, 2011. This represents a decrease in fund balance of \$254,210 compared to the prior year.

Reserve Fund for Capital and Nonrecurring

The Reserve Fund for Capital and Nonrecurring has a fund balance of \$734,459 at year end. This represents an increase of \$718,459, primarily due to transfers in from the General Fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no differences in total appropriations and no increases or decreases in appropriations of specific budget objectives between the original budget and the final budget. However, transfers between budget line items occurred throughout the year with the Board of Education's approval.

AMITY REGIONAL SCHOOL DISTRICT NO. 5

MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

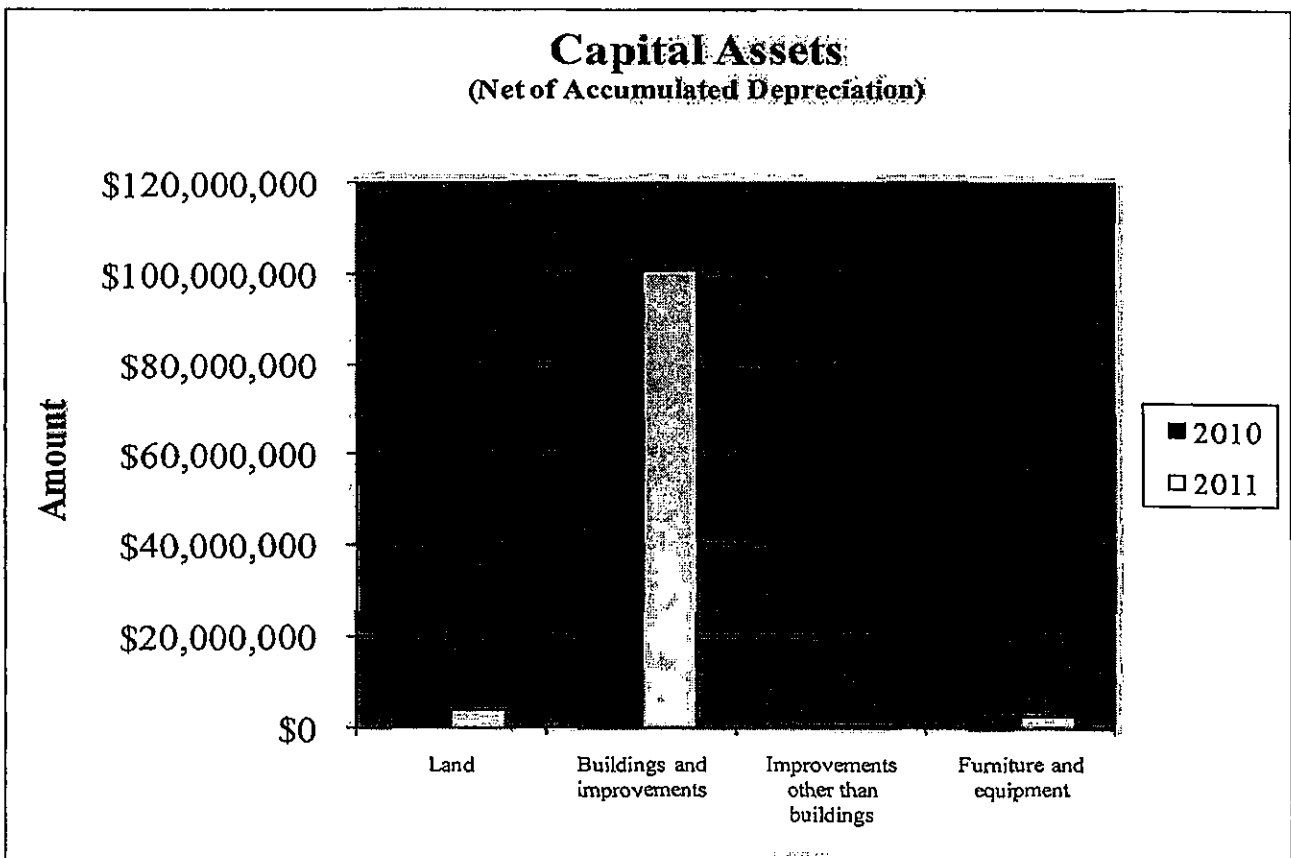
CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2011 totaled \$107,633,051 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, improvements other than buildings, and furniture and equipment. The net decrease in the District's investment in capital assets for the current fiscal year was \$1,612,696 or 1.5%. This was primarily due to depreciation expense of \$1,587,803 and loss on disposal of capital assets of \$35,578.

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation and amortization:

	2011	2010
Land	\$ 4,186,566	\$ 4,186,566
Buildings and improvements	100,954,611	102,354,165
Improvements other than buildings	30,099	36,360
Furniture and equipment	2,461,775	2,668,656
Totals	<u>\$ 107,633,051</u>	<u>\$ 109,245,747</u>



Additional information on the District's capital assets can be found in Note 4 on page 34 of this report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$49,300,000, all of which is backed by the full faith and credit of the District and its member towns of Bethany, Orange, and Woodbridge.

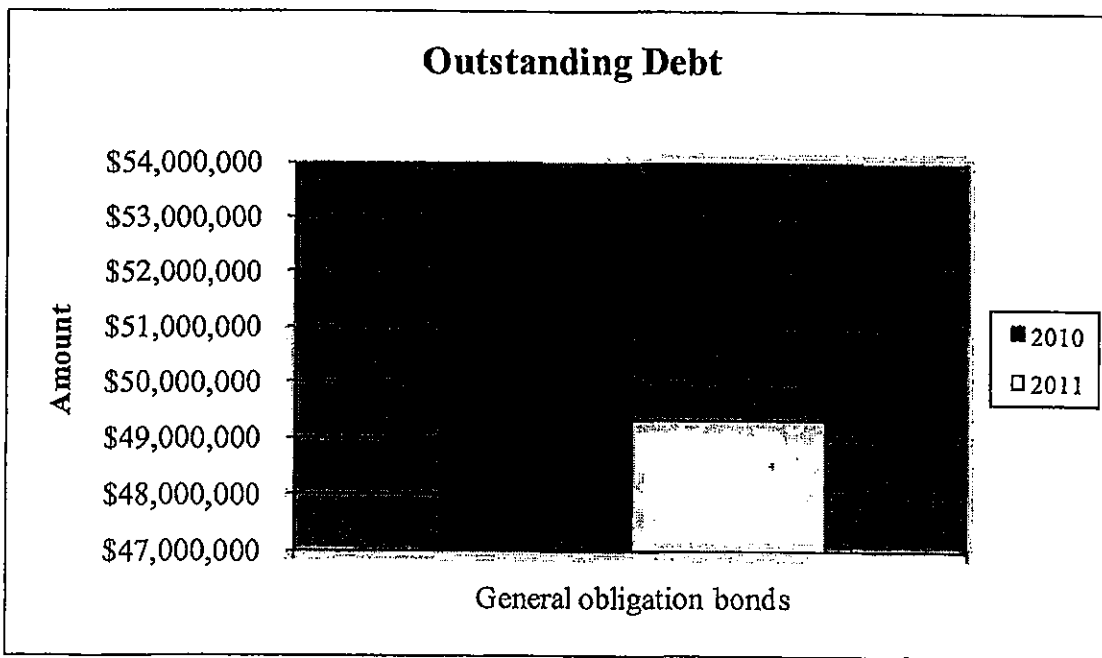
The District's total long-term bonded debt decreased by \$3,650,000 or 6.9% during the current year due to bonds refunded of \$8,120,000 and current year scheduled principal repayments, offset by the issuance of \$8,245,000 in general obligation refunding bonds.

The District maintains an "AA+" and an "Aa1" rating from Fitch Ratings and Moody's Investor Service, respectively, for general obligation debt.

State statutes limit the amount of general obligation debt the District may issue to four and a half times its annual receipts from member towns, as defined by the statutes. The current debt limitation for the District is \$182,904,129, which is significantly in excess of the District's outstanding general obligation debt.

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

	Governmental Activities	
	2011	2010
General obligation bonds	\$ 49,300,000	\$ 52,950,000
Totals	\$ 49,300,000	\$ 52,950,000



Additional information on the District's long-term debt can be found in Note 7 on pages 36 - 38 of this report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

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

- The District's expenses for medical insurance, contractual salaries, special education costs, and pension plan funding increased significantly for fiscal year 2011 compared to prior years.
- The District receives a significant amount of revenue from federal and state grants. Any loss or significant reduction in these grants could have an impact on the District's budget and program services.

All of these factors were considered in preparing the District's budget for fiscal year 2012.

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 Superintendent, 25 Newtown Road, Woodbridge, CT 06525.

Basic Financial Statements

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 2,817,499
Investments	571,604
Receivables:	
Grants and contracts	488,195
Other	7,720
Inventories	29,856
Grants and contracts receivable, long-term portion	381,958
Deferred bond issuance costs, net	586,143
Net pension asset	24,446
Capital assets:	
Non-depreciable	4,186,566
Depreciable, net	103,446,485
Total assets	<u>112,540,472</u>
LIABILITIES	
Accounts payable and accrued liabilities	670,610
Accrued interest	786,547
Unearned revenue	36,141
Noncurrent liabilities:	
Due within one year:	
Bonds payable	3,730,000
Voluntary retirement incentive	120,000
Compensated absences	197,000
Termination benefits	256,000
Due in more than one year:	
Bonds payable	46,326,590
Voluntary retirement incentive	240,000
Compensated absences	865,141
Termination benefits	777,445
Net OPEB obligation	218,041
Total liabilities	<u>54,223,515</u>
NET ASSETS	
Invested in capital assets, net of related debt	57,576,461
Unrestricted	740,496
Total net assets	<u>\$ 58,316,957</u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities
	Expenses	Charges for Services	Operating- Grants and Contributions	Capital Grants and Contributions
Instruction:				
General instruction	\$ 25,391,123	\$ 273,408	\$ 4,316,901	\$ -
Total instruction	<u>25,391,123</u>	<u>273,408</u>	<u>4,316,901</u>	<u>-</u>
Support services:				
Support services - students	3,365,184	710,855	159,686	-
Improvement of instruction	494,940	-	-	-
Media	710,531	-	-	-
General administration	4,467,196	28,762	13,110	-
Buildings and grounds	4,821,264	65,125	-	9,669
Transportation	1,558,103	-	121,825	-
Student activities	1,399,106	22,054	50,490	5,591
Total support services	<u>16,816,324</u>	<u>826,796</u>	<u>345,111</u>	<u>15,260</u>
Interest and fiscal charges	2,069,089	-	-	-
	<u>\$ 44,276,536</u>	<u>\$ 1,100,204</u>	<u>\$ 4,662,012</u>	<u>\$ 15,260</u>
General revenues:				
Assessments to member towns				40,645,362
Unrestricted investment gains				119,110
Miscellaneous				61,603
Total general revenues				<u>40,826,075</u>
Change in net assets				2,327,015
Net assets - beginning				55,989,942
Net assets - ending				<u>\$ 58,316,957</u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Capital Projects Fund	Reserve Fund for Capital and Nonrecurring	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,942,558	\$ 262,837	\$ 203,191	\$ 408,913	\$ 2,817,499
Investments	571,604	-	-	-	571,604
Receivables:					
Intergovernmental	-	-	-	12,045	12,045
Other	5,538	-	-	2,182	7,720
Due from other funds	12,376	-	531,268	10,005	553,649
Inventories	-	-	-	29,856	29,856
Total assets	<u>\$ 2,532,076</u>	<u>\$ 262,837</u>	<u>\$ 734,459</u>	<u>\$ 463,001</u>	<u>\$ 3,992,373</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 448,690	\$ -	\$ -	\$ 100,167	\$ 548,857
Accrued liabilities	121,753	-	-	-	121,753
Due to other funds	532,515	-	-	21,134	553,649
Unearned/deferred revenue	-	-	-	36,141	36,141
Total liabilities	<u>1,102,958</u>	<u>-</u>	<u>-</u>	<u>157,442</u>	<u>1,260,400</u>
Fund Balances:					
Nonspendable:					
Inventories	-	-	-	29,856	29,856
Committed to:					
Employees' sick leave and severance benefits	584,339	-	-	-	584,339
Early retiree reinsurance program	64,034	-	-	-	64,034
Debt service	-	262,000	-	-	262,000
Capital purposes	-	837	734,459	-	735,296
Other purposes	-	-	-	275,703	275,703
Assigned to:					
Use in subsequent year's budget	675,000	-	-	-	675,000
Other purposes	105,745	-	-	-	105,745
Total fund balances	<u>1,429,118</u>	<u>262,837</u>	<u>734,459</u>	<u>305,559</u>	<u>2,731,973</u>
Total liabilities and fund balances	<u>\$ 2,532,076</u>	<u>\$ 262,837</u>	<u>\$ 734,459</u>	<u>\$ 463,001</u>	<u>\$ 3,992,373</u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances for governmental funds \$ 2,731,973

Total net assets reported for governmental activities in the statement of net assets 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	\$ 4,186,566	
Buildings and improvements	110,977,991	
Improvements other than buildings	279,051	
Furniture and equipment	3,690,064	
Less: accumulated depreciation and amortization	<u>(11,500,621)</u>	
Total capital assets, net		107,633,051

School construction grants receivable from the State of Connecticut are not susceptible to accrual and are therefore not reported in the governmental funds. 858,108

Bond issuance costs are recorded as expenditures in the governmental funds. However, these costs are deferred and amortized over the life of the related debt in the statement of net assets.

Bond issuance costs	796,702	
Less: accumulated amortization	<u>(210,559)</u>	
Total bond issuance costs, net		586,143

The pension assets resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds. 24,446

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 assets. Those liabilities consist of:

Long-term debt:		
Bonds payable	(49,300,000)	
Unamortized premium	(2,568,524)	
Deferred amount on refundings	1,811,934	
Accrued interest payable	(786,547)	
Other long-term liabilities:		
Compensated absences	(1,062,141)	
Early retirement incentive	(360,000)	
Termination benefits	(1,033,445)	
Net OPEB obligation	<u>(218,041)</u>	
Total long-term liabilities		<u>(53,516,764)</u>

Net assets of governmental activities \$ 58,316,957

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	General Fund	Capital Projects Fund	Reserve Fund for Capital and Nonrecurring	Other Governmental Funds	Total Governmental Funds
REVENUES					
Assessments to member towns	\$ 40,645,362	\$ -	\$ -	\$ -	\$ 40,645,362
Intergovernmental	4,148,889	-	-	981,027	5,129,916
Charges for services	125,236	-	-	940,278	1,065,514
Interest income	18,643	790	-	-	19,433
Net appreciation in fair value of investments	94,569	-	-	-	94,569
Contributions	-	-	5,591	20,207	25,798
Other revenues	101,401	-	-	-	101,401
Total revenues	45,134,100	790	5,591	1,941,512	47,081,993
EXPENDITURES					
Current:					
General instruction	20,805,492	-	-	907,891	21,713,383
Support services:					
Support services - student	2,050,462	-	-	831,756	2,882,218
Improvement of instruction	377,317	-	-	50,649	427,966
Media	605,667	-	-	-	605,667
General administration	3,735,580	-	-	30,983	3,766,563
Transportation	1,557,588	-	-	515	1,558,103
Employee benefits	5,324,753	-	-	-	5,324,753
Student activities	1,218,731	-	-	-	1,218,731
Buildings and grounds	3,124,779	-	-	-	3,124,779
Capital outlays	257,742	-	16,000	49,689	323,431
Debt service:					
Principal payments	3,775,000	-	-	-	3,775,000
Interest and fiscal charges	2,014,534	-	-	-	2,014,534
Debt issuance costs	133,944	-	-	-	133,944
Total expenditures	44,981,589	-	16,000	1,871,483	46,869,072
Excess (deficiency) of revenues over expenditures	152,511	790	(10,409)	70,029	212,921
OTHER FINANCING SOURCES (USES)					
Proceeds from refunding bonds issued	8,245,000	-	-	-	8,245,000
Premium on refunding bonds issued	91,565	-	-	-	91,565
Payment to refunded bonds escrow agent	(8,202,621)	-	-	-	(8,202,621)
Transfers in	255,000	-	728,868	-	983,868
Transfers out	(728,868)	(255,000)	-	-	(983,868)
Total other financing sources (uses)	(339,924)	(255,000)	728,868	-	133,944
Net changes in fund balances	(187,413)	(254,210)	718,459	70,029	346,865
Fund balances - beginning, as originally reported	909,665	517,047	16,000	942,396	2,385,108
Adjustment (see Note 12)	706,866	-	-	(706,866)	-
Fund balances - beginning, as adjusted	1,616,531	517,047	16,000	235,530	2,385,108
Fund balances - ending	\$ 1,429,118	\$ 262,837	\$ 734,459	\$ 305,559	\$ 2,731,973

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Net change in fund balances for governmental funds \$ 346,865

Total change in net assets 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	\$ 10,685	
Depreciation and amortization expense	<u>(1,587,803)</u>	
Net adjustment		(1,577,118)

The statement of activities reports losses arising from the disposal of existing capital assets. Conversely, governmental funds do not report any gain or loss on disposal of capital assets. This amount represents the loss on disposal of capital assets. (35,578)

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the governmental funds when the cash is received by the District. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net assets. (478,442)

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 assets. Also, governmental funds report the effect of issuance costs, 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:		
Deferred amount on refunding	82,621	
Premium on bonds issued	(91,565)	
Refunding bonds payable	(8,245,000)	
Principal repayments:		
Payment to refunded bonds escrow agent	8,120,000	
Bonds payable	<u>3,775,000</u>	
Net adjustment		3,641,056

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2011

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	\$ 193,777	
Termination benefits	255,463	
Early retirement incentive	120,000	
Accrued interest	16,247	
Net pension asset	(356)	
Net OPEB obligation	(218,041)	
Bond issuance costs	133,944	
Amortization of bond issuance costs	(100,290)	
Amortization of bond premiums	193,556	
Amortization of deferred amount on refundings	(164,068)	
	<u>\$ 430,232</u>	
Change in net assets of governmental activities		<u><u>\$ 2,327,015</u></u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
REVENUES				
Assessments to member towns	\$ 40,645,362	\$ 40,645,362	\$ 40,645,362	\$ -
Intergovernmental	912,875	912,875	1,330,229	417,354
Charges for services	87,160	87,160	125,236	38,076
Interest income	10,000	10,000	2,509	(7,491)
Other revenues	47,000	47,000	63,461	16,461
Total revenues	<u>41,702,397</u>	<u>41,702,397</u>	<u>42,166,797</u>	<u>464,400</u>
EXPENDITURES				
Current:				
Salaries	22,452,191	21,954,237	21,952,932	(1,305)
Employee benefits	4,991,381	5,051,562	5,039,066	(12,496)
Instruction	523,704	534,818	508,090	(26,728)
Pupil transport	2,415,382	2,104,978	2,060,501	(44,477)
Tuition	2,201,648	2,185,135	2,185,134	(1)
Purchased services	1,146,559	1,171,900	1,096,406	(75,494)
Rental and other services	566,674	571,166	549,178	(21,988)
Buildings and grounds	874,480	1,016,438	1,003,441	(12,997)
Utilities	1,229,454	1,084,116	1,077,261	(6,855)
Property and liability insurance	160,370	160,370	152,144	(8,226)
Travel and memberships	113,063	109,227	90,903	(18,324)
Contingency	150,000	6,327	-	(6,327)
Capital outlays	142,957	304,506	287,245	(17,261)
Debt service				
Principal	3,775,000	3,775,000	3,775,000	-
Interest	2,014,534	2,014,534	2,014,534	-
Total expenditures	<u>42,757,397</u>	<u>42,044,314</u>	<u>41,791,835</u>	<u>(252,479)</u>
Excess (deficiency) of revenues over expenditures	(1,055,000)	(341,917)	374,962	716,879
OTHER FINANCING SOURCES				
Appropriation of fund balance	800,000	800,000	-	(800,000)
Cancellation of prior year's encumbrances	-	-	37,940	37,940
Transfers in	255,000	255,000	255,000	-
Transfers out	-	(713,083)	(728,868)	(15,785)
Total other financing uses	<u>1,055,000</u>	<u>341,917</u>	<u>(435,928)</u>	<u>(777,845)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(60,966)</u>	<u>\$ (60,966)</u>
Fund balance - beginning			800,000	
Fund balance - ending			<u>\$ 739,034</u>	

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Pension and Other Post-Employment Benefits Trust Funds	Private- Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 106,292	\$ 163,993	\$ 299,354
Investments:			
Certificates of deposit	-	16,913	-
Bond mutual funds	1,338,553	-	-
Equity mutual funds	5,505,037	-	-
Due from other funds	-	-	-
Total assets	<u>6,949,882</u>	<u>180,906</u>	<u>\$ 299,354</u>
LIABILITIES			
Due to others	-	-	299,354
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 299,354</u>
NET ASSETS			
Held in trust for pension benefits, other post-employment benefits and other purposes	<u>\$ 6,949,882</u>	<u>\$ 180,906</u>	

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Pension and Other Post-Employment Benefit Trust Funds	Private- Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 899,194	\$ -
Employee	67,261	-
Other	-	35,081
Total contributions	<u>966,455</u>	<u>35,081</u>
Investment earnings:		
Interest and dividends	161,529	634
Net increase in the fair value of investments	<u>1,059,022</u>	<u>-</u>
Total investment earnings	<u>1,220,551</u>	<u>634</u>
Total additions	<u>2,187,006</u>	<u>35,715</u>
DEDUCTIONS		
Benefit payments	1,015,038	-
Administrative expenses	6,352	-
Scholarships awarded	-	43,115
Total deductions	<u>1,021,390</u>	<u>43,115</u>
Change in net assets	1,165,616	(7,400)
Net assets - beginning	<u>5,784,266</u>	<u>188,306</u>
Net assets - ending	<u>\$ 6,949,882</u>	<u>\$ 180,906</u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Amity Regional School District No. 5 (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 was formed in 1953 for the purpose of providing secondary school education to the residents of the towns of Orange, Woodbridge and Bethany, Connecticut. It consists of one senior high school and two middle schools.

The District is governed by a Regional Board of Education consisting of thirteen members selected by the three towns it serves. The members of the Board serve for four-year terms. In addition, the District has a Superintendent of Schools and a Director of Finance and Administration, selected by the Board of Education, who manage the day-to-day affairs of the District.

The District's operating and debt service expenses are paid by the member towns in proportion to the number of attending pupils. The approximate current year (2010/2011) assessment percentages are: Bethany, 21 percent; Orange, 48 percent; and Woodbridge, 31 percent.

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 assets 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 District has no business-type activities.

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. 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 member 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 and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

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 and reported in another fund.

Capital Projects Fund - This fund is used to account for the financial revenues to be used for major capital asset construction and purchases.

Reserve Fund for Capital and Nonrecurring - This fund accounts for financial revenues used for the financing of the planning, construction, reconstruction or acquisition of any specific capital improvement or the acquisition of specific equipment.

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

Pension Trust Fund - This fund is used to account for the activities of the Amity Regional School District No. 5 Pension Plan, which accumulates resources for pension benefit payments to qualified employees.

Other Post-Employment Benefits Trust Fund - This fund is used to account for the accumulation of resources to pay retiree medical benefits.

Private Purpose Trust Fund - This fund is used to account for resources legally held in trust for scholarships. All resources of the fund, including any earnings on invested resources, may be used for student scholarships. There is no requirement that any portion be preserved as capital.

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 monies held on-behalf of students.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide and Fiduciary Fund Financial Statements

The government-wide and fiduciary fund financial statements (excluding agency funds, which have no measurement focus) 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 provider have been met.

Accounting and financial reporting for governmental activities is based on all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements:

- a. Financial Accounting Standards Board ("FASB") Statements and Interpretations
- b. Accounting Principles Board Opinions
- c. Accounting Research Bulletins of the Committee on Accounting Procedure

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

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

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (*Continued*)

Governmental Fund Financial Statements

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 susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected 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 period. Revenues from member Towns, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the District. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

ASSETS, LIABILITIES AND FUND EQUITY

Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents totaled \$1,557,040 and consisted of investments in the State Treasurer's Short Term Investment Fund and certain money market accounts.

Investments

In accordance with GASB No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the District presents all investments at fair value.

The fair value of investments traded on public markets is determined using quoted market prices. The District invests in Short Term Investment Funds (STIF), which is an investment pool managed by the State Treasurer's Office. The fair value of the District's position in the pool is the same as the value of the pool shares.

Inventories

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. Inventories are recorded as expenditures when consumed rather than when purchased.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND FUND EQUITY (Continued)

Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of 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:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20 - 75
Improvements other than building	10 - 20
Furniture and equipment	5 - 40

Unearned/Deferred Revenue

In the government-wide and governmental fund financial statements, this liability represents resources that have been received but not yet earned. In the governmental fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

Compensated Absences

Certain employees are granted vacation and sick leave based upon length of employment. A maximum of five days vacation may be carried over only with the approval of the Superintendent. Sick days can also be accumulated up to certain limits and paid upon death, retirement or termination using a prescribed formula.

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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ASSETS, LIABILITIES AND FUND EQUITY (Continued)

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, 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 reported as deferred charges.

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.

Fund Equity

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

Invested in capital assets, net of related debt - 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 assets - This category consists of net assets 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 assets - This category consists of net assets which do not meet the definition of the two preceding categories.

During the year ended June 30, 2011, the District implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which established criteria for classifying fund balances into specifically defined classifications for all governments that report governmental funds. 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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Equity (Continued)

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by Connecticut General Statutes and include the Superintendent and Director of Finance and Administration.

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.

The District does not have a formal policy over the use of fund balance. In accordance with GASB Statement No. 54, the District will use restricted resources first, then unrestricted resources as they are 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 fund financial statements, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

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

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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 2 - BUDGETARY INFORMATION

The District adheres to the following procedures in establishing the budgetary data reported in the financial statements:

- The District legally adopts an annual budget for the General Fund pursuant to Connecticut General Statutes Section 10-51. Formal budgetary integration is employed by the District as a management control device during the year for the General Fund.
- Prior to January, each department head or other agency as designated by the Superintendent submits budget requests accompanied by detailed estimates of expenditures to be made and, where appropriate, revenues to be collected during the ensuing fiscal year.
- Annually, prior to the annual meeting of the Board, a public budget meeting is held for the purpose of presenting and voting upon a regional school budget.
- 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 Section 10-51, and notify the respective member Town's 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 program level. Transfers from one budget line to another may be made by the Director of Finance and Administration with the approval of the Superintendent, Finance Committee and Board of Education.
- The Board does not have the authority to expend beyond the total budget appropriation without District meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Project Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

No additional appropriations were authorized during the year ended June 30, 2011.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 2 - 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, 2011:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Change in Fund Balance</u>
Budgetary basis	\$ 42,166,797	\$ 41,791,835	\$ (435,928)	\$ (60,966)
"On-behalf" payments - State Teachers Retirement Fund (see Note 8)	2,818,660	2,818,660	-	-
Noncash financing sources (uses) not recognized for budgetary purposes:				
Proceeds from refunding bonds issued	-	-	8,245,000	8,245,000
Premium on refunding bonds issued	-	-	91,565	91,565
Payment to refunded bonds escrow agent including certain bond issuance costs of \$133,944 recorded as an expenditure and other financing source not recorded for budgetary purposes	-	133,944	(8,202,621)	(8,336,565)
Encumbrances outstanding:				
June 30, 2010	-	109,665	-	(109,665)
June 30, 2011	-	(105,745)	-	105,745
Cancellation of prior year encumbrances	37,940	-	(37,940)	-
Revenues and expenditures pertaining to other District funds not recognized for budgetary purposes due to perspective differences:				
Reserve Fund for Employees' Sick Leave and Severance Benefits	110,703	233,230	-	(122,527)
GAAP basis	<u>\$ 45,134,100</u>	<u>\$ 44,981,589</u>	<u>\$ (339,924)</u>	<u>\$ (187,413)</u>

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS - CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the District will not be able to recover its cash deposits or will not be able to recover collateral securities that are in the possession of an outside party. The District limits its exposure to custodial credit risk through a formal written policy that requires, among other things, that the District monitor the financial condition of its financial institutions on a quarterly basis. As of June 30, 2011, \$2,492,093 of the District's bank balance of \$2,742,310 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,242,884
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name	249,209
	<u>\$ 2,492,093</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

CASH DEPOSITS – 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.

Investments in the Short Term Investment Fund and certain money market mutual funds totaling \$1,557,040 are included in cash and cash equivalents in the accompanying statement of net assets. For purposes of disclosure under GASB Statement No. 40, such amounts are considered investments and are included in the disclosure of investments.

A reconciliation of the District's cash deposits as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Cash and cash equivalents	\$ 2,817,499
Less: cash equivalents considered investments for GASB Statement No. 40 disclosure	<u>1,335,745</u>
	<u>1,481,754</u>

Statement of fiduciary net assets:

Cash and cash equivalents	569,639
Less: cash equivalents considered investments for GASB Statement No. 40 disclosure	<u>221,295</u>
	<u>348,344</u>
	<u>\$ 1,830,098</u>

INVESTMENTS

As of June 30, 2011, the District's investments consist of the following:

Investment type	Fair Value	Investment Maturities (In Years)		
		Less Than 1	1 to 5	6 to 10
Debt Securities:				
Short Term Investment Fund	\$ 1,431,220	\$ 1,431,220	\$ -	\$ -
Bond mutual funds	1,632,527	1,501,003	131,524	-
Money market mutual funds	129,755	129,755	-	-
Certificates of deposit	16,913	16,913	-	-
	<u>3,210,415</u>	<u>\$ 3,078,891</u>	<u>\$ 131,524</u>	<u>\$ -</u>
Other investments:				
Equity mutual funds	<u>5,778,732</u>			
Total	<u>\$ 8,989,147</u>			

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Because the Short Term Investment Fund, money market mutual funds and the certificates of deposit had weighted average maturities of less than 90 days, they were presented as investments with maturities of less than one year.

A reconciliation of the District's investments as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Investments	\$ 571,604
Add: cash equivalents considered investments for GASB Statement No. 40 disclosure	<u>1,335,745</u>
	<u>1,907,349</u>

Statement of fiduciary net assets:

Investments	6,860,503
Add: cash equivalents considered investments for GASB Statement No. 40 disclosure	<u>221,295</u>
	<u>7,081,798</u>
	<u>\$ 8,989,147</u>

Interest Rate Risk

The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Connecticut state statutes permit the District to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of pension funds do not specify permitted investments. Therefore, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

Credit Risk (Continued)

The District's investments in debt securities, whose ratings are required to be disclosed in accordance with GASB No. 40, were rated by Standard & Poor's as follows at June 30, 2011:

Debt Securities	Fair Value	AAA	AA	A	Unrated
Short Term Investment Fund	\$ 1,431,220	\$ 1,431,220	\$ -	\$ -	\$ -
Bond mutual funds	1,632,527	-	357,287	1,275,240	-
Money market mutual funds	129,755	-	-	-	129,755
Certificates of deposit	16,913	-	-	-	16,913
	<u>\$ 3,210,415</u>	<u>\$ 1,431,220</u>	<u>\$ 357,287</u>	<u>\$ 1,275,240</u>	<u>\$ 146,668</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investments were not exposed to custodial credit risk as of June 30, 2011.

Concentrations of Credit Risk

The District places no limit on the amount of investment in any one issuer. The District's investments were not exposed to concentrations of credit risk as of June 30, 2011. 15.9% of the District's investments are in STIF which is an external investment pool that is considered to be diversified by nature.

Pension trust fund investments may be invested in fixed income, equities and cash. The target asset allocation is 35% fixed income and 65% equities. There are also minimum and maximum target levels defined. Professional money managers are employed to manage the assets allocated to them. The Board of Education, as trustee of the pension plan, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

The Other Post-Employment Benefits Trust Fund (OPEB) investments may be invested in fixed income, equities and cash. The target asset allocation is 40% fixed income and 60% equities. There are also minimum and maximum target levels defined. Professional money managers are employed to manage the assets allocated to them. The Board of Education, as trustee of the OPEB trust, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

The General Fund investments, which are committed to employees' sick leave and severance benefits, may be invested in fixed income, equities and cash. The target asset allocation is 50% fixed income and 50% equities. There are also minimum and maximum target levels defined. Professional money managers are employed to manage the assets allocated to them. The Board of Education, as trustee of the OPEB trust, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 4,186,566	\$ -	\$ -	\$ 4,186,566
Total capital assets, not being depreciated	<u>4,186,566</u>	<u>-</u>	<u>-</u>	<u>4,186,566</u>
Capital assets, being depreciated:				
Buildings and improvements	110,977,991	-	-	110,977,991
Improvements other than buildings	279,051	-	-	279,051
Furniture and equipment	3,737,656	10,685	58,277	3,690,064
Total capital assets, being depreciated	<u>114,994,698</u>	<u>10,685</u>	<u>58,277</u>	<u>114,947,106</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	8,623,826	1,399,554	-	10,023,380
Improvements other than buildings	242,691	6,261	-	248,952
Furniture and equipment	1,069,000	181,988	22,699	1,228,289
Total accumulated depreciation and amortization	<u>9,935,517</u>	<u>1,587,803</u>	<u>22,699</u>	<u>11,500,621</u>
Total capital assets, being depreciated, net	<u>105,059,181</u>	<u>(1,577,118)</u>	<u>35,578</u>	<u>103,446,485</u>
Governmental activities capital assets, net	<u>\$ 109,245,747</u>	<u>\$(1,577,118)</u>	<u>\$ 35,578</u>	<u>\$ 107,633,051</u>

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

Governmental Activities:

Support services:

Support services - students	\$ 17,748
General instruction	159,812
General administration	3,122
Buildings and grounds	<u>1,407,121</u>
Total depreciation and amortization expense	<u>\$ 1,587,803</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Governmental Funds	\$ 12,376
Reserve Fund for Capital and Nonrecurring	General Fund	531,268
Other Governmental Funds	General Fund	1,247
	Other Governmental Funds	8,758
		<u>10,005</u>
		<u>\$ 553,649</u>

The above balances resulted from the time lag between the dates that (1) transactions are recorded in the accounting system and (2) payments between funds are made.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Capital Projects Fund	\$ 255,000
Reserve Fund for Capital and Nonrecurring	General Fund	728,868
		<u>\$ 983,868</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 7 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 52,950,000	\$ 8,245,000	\$ 11,895,000	\$ 49,300,000	\$ 3,730,000
Unamortized amounts:					
Premiums	2,670,515	91,565	(193,556)	2,568,524	-
Deferred amount on refundings	(1,893,381)	(82,621)	164,068	(1,811,934)	-
Total bonds payable	53,727,134	8,253,944	11,924,488	50,056,590	3,730,000
Other liabilities:					
Net OPEB obligation	-	218,041	-	218,041	-
Termination benefits	1,288,908	-	255,463	1,033,445	256,000
Compensated absences	1,255,918	3,321	197,098	1,062,141	197,000
Voluntary retirement incentive	480,000	-	120,000	360,000	120,000
	<u>\$ 56,751,960</u>	<u>\$ 8,475,306</u>	<u>\$ 12,497,049</u>	<u>\$ 52,730,217</u>	<u>\$ 4,303,000</u>

Bonds payable and other liabilities have typically been liquidated in the General Fund.

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the District shall not exceed four and a half times base receipts, as defined in the Statute, or \$182,904,129 as of June 30, 2011. The District did not exceed the statutory debt limitation as of June 30, 2011.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 7 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS

A summary of general obligation bonds outstanding at June 30, 2011 is as follows:

Purpose of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities			
Bonds Payable			
General obligation refunding bonds issued 11/1/98, original amount of \$8,550,000	3/2012	3.40% - 5.00%	\$ 605,000
School improvement bonds issued 11/30/05, original amount of \$16,000,000	7/2011	3.65% - 6.00%	700,000
School improvement bonds issued 11/30/06, original amount of \$10,000,000	7/2026	3.75% - 5.75%	425,000
School improvement bonds issued 11/15/08, original amount of \$5,720,000	7/2023	3.00% - 4.20%	3,735,000
General obligation refunding bonds issued 5/13/09, original amount of \$27,480,000	8/2024	2.00% - 5.00%	26,895,000
General obligation refunding bonds issued 3/23/10, original amount of \$8,695,000	7/2025	3.00% - 4.00%	8,695,000
General obligation refunding bonds issued 11/3/10, original amount of \$8,245,000	7/2026	2.00% - 4.00%	8,245,000
			<u>\$ 49,300,000</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 7 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS (Continued)

Annual debt service requirements to maturity at June 30, 2011 are as follows:

Year ending June 30:	General Obligation Bonds		
	Principal	Interest	Total
2012	\$ 3,730,000	\$ 1,832,444	\$ 5,562,444
2013	3,685,000	1,679,858	5,364,858
2014	3,220,000	1,603,901	4,823,901
2015	3,130,000	1,518,758	4,648,758
2016	3,200,000	1,395,483	4,595,483
2017-2021	16,755,000	4,873,508	21,628,508
2022-2026	14,960,000	1,403,401	16,363,401
2027	620,000	10,850	630,850
	<u>\$ 49,300,000</u>	<u>\$ 14,318,203</u>	<u>\$ 63,618,203</u>

School Bond Reimbursements

The State of Connecticut reimburses the District for eligible school bond principal and interest costs. The amount of principal and interest reimbursement for the year ended June 30, 2011 was \$477,631 and \$10,479, respectively. Additional reimbursements of principal and interest aggregating \$858,108 and \$9,611, respectively, are expected to be received through the applicable bonds' maturity dates.

Debt Refunding

During the year ended June 30, 2011, the District issued \$8,245,000 of general obligation bonds with an average interest rate of 2.83% to advance refund \$8,120,000 of general obligation bonds with an average interest rate of 4.2%. The District advance refunded these bonds to reduce its total debt service payments over the next 15 years by \$614,021 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$506,117. The reacquisition price exceeded the carrying amount of the old debt by \$82,621. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

The proceeds of the refunding bonds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide for all future payments on the refunded bonds. Thus, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets.

TERMINATION BENEFITS

The District provides severance payments to teachers and department coordinators upon retirement, death or severe illness and to administrators upon retirement or the elimination of a position. To qualify for benefits, the employee must achieve age 55 with 20 years of service for early retirement, 25 years of service, or age 60 with 10 years of service. The District funds the severance cost for the 70 eligible participants. All benefit amounts were frozen as of June 30, 1994. The benefits will be paid in future years as incurred from the General Fund. During the fiscal year ended June 30, 2011, \$255,463 was paid for these benefits.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 7 - LONG-TERM LIABILITIES (Continued)

VOLUNTARY RETIREMENT INCENTIVE

In January 2010, the District initiated a voluntary retirement program to members of the teachers bargaining unit. The members must have completed at least 20 years of credited service in the Connecticut Teacher's Retirement System, and have been employed by the District for at least 15 consecutive years. Each member who enrolls in this program will receive a total payout of \$40,000, payable in increments of \$10,000 over the next 4 years. The total number of retirees who have accepted the terms of the voluntary retirement incentive program at June 30, 2011 is 12.

These payments will be funded on an annual basis by General Fund appropriations. The remaining payments to be made to members in the voluntary retirement incentive program at June 30, 2011 total \$360,000. A summary of future maturities under the voluntary retirement incentive program as of June 30, 2011 is as follows:

Year ending	
June 30:	
2012	\$ 120,000
2013	120,000
2014	120,000
	<u>\$ 360,000</u>

NOTE 8 - PENSION PLANS

DEFINED BENEFIT PLAN

Plan Description

The District maintains a single-employer, defined benefit pension plan: the Amity Regional School District No. 5 Pension Plan (the "Retirement Plan"). The Retirement Plan covers substantially all District employees other than teachers. The Retirement Plan does not issue stand-alone financial statements and is part of the District's financial reporting entity. As such, the Retirement Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

Summary of Significant Accounting Policies

The Retirement Plan is accounted for using the accrual basis of accounting. Contributions are recognized in the period in which the contributions are due. Employer contributions to the Retirement Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Retirement Plan.

Investments are recorded at fair value. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the District, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Administrative costs are funded through investment earnings of the Retirement Plan.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Plan Membership

Membership of the Retirement Plan consisted of the following at July 1, 2010, the date of the most recent actuarial valuation:

Retirees and beneficiaries receiving benefits	45
Terminated employees entitled to benefits but not yet receiving them	4
Active plan members	62
	<u>111</u>

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of Education. The District's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rates for normal costs for all plans were actuarially determined.

For the year ended June 30, 2011, employer contributions to the Retirement Plan were \$525,437 and represented approximately 18% of covered payroll. District employees are required to contribute 2.25% of their earnings to the Retirement Plan.

Benefit Provisions

The Retirement Plan provides for retirement income for all eligible employees. The Retirement Plan covers substantially all noncertified Board of Education employees. The monthly retirement benefit is calculated at 2.5% of the average of the annual salaries during the highest five consecutive calendar years of employment multiplied by years of service. Participants are 100% vested after 10 years of continuous service if their contributions remain in the fund. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

Concentrations

The following investments represent five percent or more of the Retirement Plan's net assets:

Equity Mutual Funds:	Fair Value
Russell 1000 Growth Index Fund	\$ 919,471
Russell 1000 Value Index Fund	915,020
MSCI EAFE Index Fund	869,324
S&P 500 Index Fund	619,593
Russell 2000 Index Fund	314,060
Russell Midcap Index Fund	319,382
Pimco Total Return Institutional Shares	1,012,538
Fixed Income Bond Fund	951,497

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Funded Status and Funding Progress

The funded status of the Retirement Plan as of July 1, 2010, the most recent actuarial valuation date, is as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ 5,900,101	\$ 8,785,802	\$ 2,885,701	67.2%	\$ 2,882,452	100.1%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Actuarial calculations reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

Valuation date	July 1, 2010
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Remaining amortization period	20
Asset valuation method	5 Year Smoothed Market Value
Actuarial assumptions (includes inflation rate):	
Investment rate of return	8.00%
Projected salary increases	4.00%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

Annual Pension Cost and Net Pension Asset

The changes in the net pension asset were as follows:

Annual required contribution	\$ 525,437
Interest on net pension obligation	(1,984)
Adjustment to annual required contribution	2,340
Annual pension cost	525,793
Contributions made	525,437
Decrease in net pension asset	(356)
Net pension asset, beginning of year	24,802
Net pension asset, end of year	<u>\$ 24,446</u>

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset	Actual Contributions
2009	\$ 431,021	99.9%	\$ 25,163	\$ 430,655
2010	466,765	99.9%	24,802	466,404
2011	525,793	99.9%	24,446	525,437

PLAN FINANCIAL STATEMENTS

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF PLAN NET ASSETS
JUNE 30, 2011

ASSETS

Cash and cash equivalents	\$ 82,717
Investments, at fair value:	
Bond mutual funds	951,497
Equity mutual funds	4,969,388
Total assets	<u>6,003,602</u>

NET ASSETS

Held in trust for pension benefits (see schedule of funding progress on page 50)	<u>\$ 6,003,602</u>
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AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - PENSION PLANS (Continued)

DEFINED BENEFIT PLAN (Continued)

PLAN FINANCIAL STATEMENTS (Continued)

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

ADDITIONS

Contributions:

Employer	\$ 525,437
Employee	<u>67,261</u>
Total contributions	<u>592,698</u>

Investment earnings:

Interest and dividends	138,724
Net increase in the fair value of investments	<u>951,820</u>
Total investment gains	<u>1,090,544</u>
Total additions	<u>1,683,242</u>

DEDUCTIONS

Benefit payments	641,281
Administrative expenses	<u>6,352</u>
Total deductions	<u>647,633</u>

Change in net assets	1,035,609
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NET ASSETS HELD IN TRUST FOR PENSION BENEFITS

Beginning of year	<u>4,967,993</u>
End of year	<u><u>\$ 6,003,602</u></u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - PENSION PLANS (Continued)

TEACHERS' RETIREMENT SYSTEM

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board.

Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The District does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual District basis. For the year ended June 30, 2011, District teachers contributed \$1,285,238 to the plan and covered payroll for the year was \$17,727,421.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the District has reported "on-behalf" payments of \$2,818,660 made by the State of Connecticut into the plan as intergovernmental revenues and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The District administers a single-employer post retirement healthcare plan, the Amity Regional School District No. 5 Other Post-Employment Benefits (OPEB) Plan (the "Plan"), to provide medical and dental benefits for eligible retirees and their spouses. The Plan does not issue stand-alone financial statements and is part of the District's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as an OPEB trust fund.

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. District contributions are recognized when due and when the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when they are due and payable in accordance with terms of the Plan.

Investments are recorded at fair value. Short-term investments are reported at cost, which approximates fair value. Fair value of other securities is determined by the most recent bid and asked prices as obtained from dealers that make markets in such securities. Investments for which market quotations are not readily available are valued at their fair values as determined by the custodian under the direction of the District, with the assistance of a valuation service. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Membership

As of July 1, 2010, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	320
Retirees and beneficiaries receiving benefits	87
	<u>407</u>

Funding Policy

Contribution requirements of the District are established in the Plan document and may be amended by the Board of Education. For the year ended June 30, 2011, the District contributed \$373,757.

Benefit Provisions

The Plan provides for medical and dental benefits for all eligible retirees and their spouses. The Plan covers substantially all Board of Education employees. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from investment earnings.

Concentrations

The following investments represent five percent or more of Plan net assets as of June 30, 2011:

Equity Mutual Funds:	Fair Value
S&P 500 Index Fund	\$ 305,362
MSCI EAFE Index Fund	134,653
Russell 2000 Index Fund	95,634
Bond Mutual Funds:	
Fixed Income Barclays Aggregate Bond Fund	192,219
Fixed Income Barclays Tips Bond Fund	194,837

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2010, the date of the most recent actuarial valuation, was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ 816,273	\$ 7,284,716	\$ 6,468,443	11.2%	\$ 21,952,934	29.5%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, immediately following the notes to the financial statements (RSI) presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time in relation to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the District and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the District and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the District and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date:	July 1, 2010
Actuarial cost method:	Projected Unit Credit Actuarial Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	30 years, closed
Asset valuation method:	Market value
Actuarial assumptions:	
Investment rate of return	7.50%
Healthcare cost trend rate:	
Initial	8.00%
Ultimate	5.00%

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 43. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

Annual required contribution	\$ 591,798
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	591,798
Contributions made	373,757
Increase in net OPEB obligation	218,041
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u>\$ 218,041</u>

Three-Year Trend Information

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2009 - 2011 is as follows:

Year Ended June 30	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 546,294	\$ 546,294	100.0%	\$ -
2010	610,582	610,582	100.0%	-
2011	591,798	373,757	63.2%	(218,041)

Plan Financial Statements

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF PLAN NET ASSETS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
JUNE 30, 2011

ASSETS

Cash and cash equivalents	\$ 23,575
Investments:	
Bond mutual funds	387,056
Equity mutual funds	535,649
Total assets	<u>946,280</u>

NET ASSETS

Held in trust for other post-employment benefits (see schedule of funding progress on page 50)	<u>\$ 946,280</u>
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AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 9 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Financial Statements (Continued)

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CHANGES IN PLAN NET ASSETS
OTHER POST-EMPLOYMENT BENEFITS TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2011

ADDITIONS

Contributions:

Employer	<u>\$ 373,757</u>
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Investment earnings:

Interest	22,805
Net increase in the fair value of investments	<u>107,202</u>
Total investment earnings	<u>130,007</u>
Total additions	<u>503,764</u>

DEDUCTIONS

Benefit payments	<u>373,757</u>
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Change in net assets	130,007
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**NET ASSETS HELD IN TRUST FOR OTHER
POST-EMPLOYMENT BENEFITS**

Beginning of year	<u>816,273</u>
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End of year	<u><u>\$ 946,280</u></u>
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NOTE 10 - 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. During 2011, 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.

NOTE 11 - CONTINGENCIES

There are several lawsuits pending against the District. The outcome and eventual liability to the District, if any, in these cases are 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.

As of June 30, 2011, the District has recorded \$105,745 in encumbrances, which have been classified as assigned fund balance in the District's General Fund.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 12 - ADJUSTMENTS

In February 2009, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("Statement No. 54"). Statement No. 54 clarified the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. The application of Statement No. 54 was effective for the District as of July 1, 2010. Based on the interpretations of certain terms within the definition of the special revenue fund type provided for in Statement No. 54, the District has determined that certain activities previously reported in special revenue funds are required to be reported in other fund types. Accordingly, fund balance reclassifications made by the District have resulted in an increase in the beginning fund balance of the General Fund in the amount of \$706,866 and a corresponding decrease in the beginning fund balance of the District's Other Governmental Funds in order to conform to the provisions of Statement No. 54.

Required Supplementary Information

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULES OF FUNDING PROGRESS
JUNE 30, 2011

Amity Regional School District No. 5 Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2005	\$5,386,232	\$ 6,838,041	\$ 1,451,809	78.8%	\$ 1,917,066	75.7%
July 1, 2006	5,434,609	7,229,530	1,794,921	75.2%	2,229,650	80.5%
July 1, 2007	5,757,685	7,571,800	1,814,115	76.0%	2,459,254	73.8%
July 1, 2008	6,041,607	7,994,030	1,952,423	75.6%	2,600,786	75.1%
July 1, 2009	5,980,194	8,348,865	2,368,671	71.6%	2,694,774	87.9%
July 1, 2010	5,900,101	8,785,802	2,885,701	67.2%	2,882,452	100.1%

Amity Regional School District No. 5 Other Post-Employment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2007	\$ -	\$ 6,792,551	\$ 6,792,551	0.0%	N/A	N/A
July 1, 2008	233,341	7,628,727	7,395,386	3.1%	21,157,109	35.0%
July 1, 2009	482,294	7,326,447	6,844,153	6.6%	21,585,845	31.7%
July 1, 2010	816,273	7,284,716	6,468,443	11.2%	21,952,934	29.5%

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULES OF EMPLOYER CONTRIBUTIONS
JUNE 30, 2011

Amity Regional School District No. 5 Pension Plan

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2006	\$ 308,430	\$ 308,430	100%
2007	343,198	369,098	108%
2008	398,397	398,397	100%
2009	430,655	430,655	100%
2010	466,404	466,404	100%
2011	525,437	525,437	100%

Amity Regional School District No. 5 Other Post-Employment Benefits Plan

Year Ended June 30	Annual Required Contributions	Actual Contributions	Percentage Contributed
2008	\$ 530,946	\$ 530,946	100%
2009	546,294	546,294	100%
2010	610,582	610,582	100%
2011	591,798	373,757	63%

Combining and Individual Fund Statements and Schedules

General Fund

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Original and Final Budget	Actual	Variance With Final Budget Over (Under)
DISTRICT TOWNS			
Bethany	\$ 8,607,468	\$ 8,607,468	\$ -
Orange	19,302,889	19,302,889	-
Woodbridge	12,735,005	12,735,005	-
Total district towns	<u>40,645,362</u>	<u>40,645,362</u>	<u>-</u>
INTERGOVERNMENTAL			
Adult education	2,598	3,170	572
Transportation income	117,605	121,375	3,770
Special education	293,405	653,539	360,134
Building renovation	499,267	488,111	(11,156)
Early Retirement Reinsurance Program	-	64,034	64,034
Total intergovernmental	<u>912,875</u>	<u>1,330,229</u>	<u>417,354</u>
CHARGES FOR SERVICES			
Parking income	37,200	30,435	(6,765)
Athletics	18,000	22,054	4,054
Tuition revenue	31,960	72,747	40,787
Total charges for services	<u>87,160</u>	<u>125,236</u>	<u>38,076</u>
INTEREST INCOME	<u>10,000</u>	<u>2,509</u>	<u>(7,491)</u>
OTHER REVENUES			
Rental income	27,000	34,690	7,690
Miscellaneous	20,000	28,771	8,771
Total other revenues	<u>47,000</u>	<u>63,461</u>	<u>16,461</u>
Total revenues	41,702,397	42,166,797	464,400
OTHER FINANCING SOURCES			
Appropriation of fund balance	800,000	-	(800,000)
Cancellation of prior year's encumbrances	-	37,940	37,940
Transfers in	255,000	255,000	-
Total other financing sources	<u>1,055,000</u>	<u>292,940</u>	<u>(762,060)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 42,757,397</u>	<u>\$ 42,459,737</u>	<u>\$ (297,660)</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget Over (Under)
SALARIES				
Certified	\$ 19,094,309	\$ 18,621,671	\$ 18,621,650	\$ (21)
Classified	3,357,882	3,332,566	3,331,282	(1,284)
Total salaries	22,452,191	21,954,237	21,952,932	(1,305)
EMPLOYEE BENEFITS				
Medicare	269,757	283,692	283,691	(1)
FICA	220,489	220,489	214,362	(6,127)
Workers' compensation	182,730	112,508	112,508	-
Blue Cross dental	257,887	257,059	257,059	-
Medical insurance	2,771,158	2,881,555	2,881,555	-
Life insurance	42,170	42,490	42,150	(340)
Disability insurance	9,580	9,951	9,773	(178)
Pension plan - classified	525,437	525,437	525,437	-
Retirement sick leave - certified	119,117	133,554	133,554	-
Retirement sick leave - classified	26,602	12,165	12,165	-
Severance pay - certified	162,905	162,905	162,905	-
Unemployment compensation	36,000	36,000	30,150	(5,850)
OPEB trust	367,549	373,757	373,757	-
Total employee benefits	4,991,381	5,051,562	5,039,066	(12,496)
INSTRUCTION				
Instructional program improvement	11,200	8,595	7,510	(1,085)
Instructional supplies	369,046	377,065	356,040	(21,025)
Textbooks	118,533	124,010	120,543	(3,467)
Library books & periodicals	24,925	25,148	23,997	(1,151)
Total instruction	523,704	534,818	508,090	(26,728)
PUPIL TRANSPORT				
Pupil transportation	2,280,300	1,970,338	1,934,035	(36,303)
Transportation supplies	135,082	134,640	126,466	(8,174)
Total pupil transport	2,415,382	2,104,978	2,060,501	(44,477)
TUITION	2,201,648	2,185,135	2,185,134	(1)
PURCHASED SERVICES				
Data processing	61,746	66,546	64,297	(2,249)
Other professional & technical services	913,714	953,381	890,141	(63,240)
Communications	85,124	84,843	79,989	(4,854)
Other purchased services	85,975	67,130	61,979	(5,151)
Total purchased services	1,146,559	1,171,900	1,096,406	(75,494)
RENTAL AND OTHER SERVICES				
Rentals - land, building, equipment	86,460	79,514	68,932	(10,582)
Other supplies	480,214	491,652	480,246	(11,406)
Total rental and other services	566,674	571,166	549,178	(21,988)

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts			Variance With
	Original	Final	Actual	Final Budget
				Over (Under)
BUILDINGS AND GROUNDS				
Repairs, maintenance and cleaning	\$ 702,273	\$ 844,167	\$ 832,855	\$ (11,312)
Maintenance and custodial supplies	172,207	172,271	170,586	(1,685)
Total buildings and grounds	874,480	1,016,438	1,003,441	(12,997)
UTILITIES				
Utilities, excluding heat	950,125	852,936	846,082	(6,854)
Oil used for heating	279,329	231,180	231,179	(1)
Total utilities	1,229,454	1,084,116	1,077,261	(6,855)
PROPERTY AND LIABILITY INSURANCE	160,370	160,370	152,144	(8,226)
TRAVEL AND MEMBERSHIPS				
Staff travel	20,237	19,218	13,488	(5,730)
Travel - conferences	23,051	20,698	16,036	(4,662)
Dues and fees	69,775	69,311	61,379	(7,932)
Total travel and memberships	113,063	109,227	90,903	(18,324)
CONTINGENCY	150,000	6,327	-	(6,327)
CAPITAL OUTLAYS				
Equipment - new	48,327	102,483	87,590	(14,893)
Equipment - replacement	80,230	171,029	170,406	(623)
Improvements to sites	3,200	3,200	3,200	-
Improvements to buildings	11,200	27,794	26,049	(1,745)
Total capital outlays	142,957	304,506	287,245	(17,261)
DEBT SERVICE				
Principal	3,775,000	3,775,000	3,775,000	-
Interest	2,014,534	2,014,534	2,014,534	-
Total debt service	5,789,534	5,789,534	5,789,534	-
Total expenditures	42,757,397	42,044,314	41,791,835	(252,479)
OTHER FINANCING USES				
Transfers out	-	713,083	728,868	15,785
Total other financing uses	-	713,083	728,868	15,785
TOTAL EXPENDITURES AND OTHER FINANCING USES	\$ 42,757,397	\$ 42,757,397	\$ 42,520,703	\$ (236,694)

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Town of Orange</u>	<u>Town of Woodbridge</u>	<u>Town of Bethany</u>	<u>Total</u>
Total cash collections for the year ended June 30, 2011:	<u>\$ 19,302,889</u>	<u>\$ 12,735,005</u>	<u>\$ 8,607,468</u>	<u>\$ 40,645,362</u>
				<u>District</u>
Debt limitation: 4-1/2 times base				<u>\$ 182,904,129</u>
Indebtedness:				
Bonds payable				49,300,000
Less: school building grants to be provided by the State of Connecticut				858,108
Total indebtedness				<u>48,441,892</u>
Debt limitation in excess of outstanding and authorized debt				<u>\$ 134,462,237</u>
Total capacity of borrowing (4-1/2 times base)				\$ 182,904,129
Total present indebtedness				<u>48,441,892</u>
Margin for additional borrowing				<u>\$ 134,462,237</u>

Combining Statements

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Grants Fund	Cafeteria Fund	Continuing Education Fund	School Operating Fund	Reserve Fund for Employees' Sick Leave and Severance Benefits	
ASSETS						
Cash and cash equivalents	\$ 59,733	\$ 194,696	\$ 98,981	\$ 55,503	\$ -	\$ 408,913
Receivables:						
Intergovernmental	1,746	10,299	-	-	-	12,045
Other	-	2,182	-	-	-	2,182
Due from other funds	10,005	-	-	-	-	10,005
Inventories	-	29,856	-	-	-	29,856
Total assets	<u>\$ 71,484</u>	<u>\$ 237,033</u>	<u>\$ 98,981</u>	<u>\$ 55,503</u>	<u>\$ -</u>	<u>\$ 463,001</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 38,107	\$ 58,122	\$ 3,938	\$ -	\$ -	\$ 100,167
Due to other funds	12,376	8,758	-	-	-	21,134
Unearned/deferred revenue	21,001	15,140	-	-	-	36,141
Total liabilities	<u>71,484</u>	<u>82,020</u>	<u>3,938</u>	<u>-</u>	<u>-</u>	<u>157,442</u>
Fund Balances:						
Nonspendable:						
Inventories	-	29,856	-	-	-	29,856
Committed to other purposes	-	125,157	95,043	55,503	-	275,703
Total fund balances	<u>-</u>	<u>155,013</u>	<u>95,043</u>	<u>55,503</u>	<u>-</u>	<u>305,559</u>
Total liabilities and fund balances	<u>\$ 71,484</u>	<u>\$ 237,033</u>	<u>\$ 98,981</u>	<u>\$ 55,503</u>	<u>\$ -</u>	<u>\$ 463,001</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					Reserve Fund for Employees'	Total Nonmajor Governmental Funds
	Education Grants Fund	Cafeteria Fund	Continuing Education Fund	School Operating Fund	Sick Leave and Severance Benefits		
REVENUES							
Intergovernmental	\$ 885,760	\$ 95,267	\$ -	\$ -	\$ -	\$	\$ 981,027
Charges for services	-	710,855	200,661	28,762	-	-	940,278
Contributions	7,097	-	-	13,110	-	-	20,207
Total revenues	892,857	806,122	200,661	41,872	-	-	1,941,512
EXPENDITURES							
Current:							
General instruction	727,809	-	180,082	-	-	-	907,891
Support services:							
Support services - student	64,419	764,706	-	2,631	-	-	831,756
Improvement of instruction	50,490	-	-	159	-	-	50,649
General administration	-	-	-	30,983	-	-	30,983
Transportation	450	-	-	65	-	-	515
Capital outlays	49,689	-	-	-	-	-	49,689
Total expenditures	892,857	764,706	180,082	33,838	-	-	1,871,483
Excess (deficiency) of revenues over expenditures	-	41,416	20,579	8,034	-	-	70,029
Fund balances - beginning, as originally reported	-	113,597	74,464	47,469	706,866	706,866	942,396
Adjustment (see Note 12)	-	-	-	-	(706,866)	(706,866)	(706,866)
Fund balances - beginning, as adjusted	-	113,597	74,464	47,469	-	-	235,530
Fund balances - ending	-	\$ 155,013	\$ 95,043	\$ 55,503	\$ -	\$ -	\$ 305,559

Fiduciary Funds

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
JUNE 30, 2011

	Amity Regional School District No. 5 Pension Plan	Amity Regional School District No. 5 Other Post-Employment Benefits Plan	Total
ASSETS			
Cash and cash equivalents	\$ 82,717	\$ 23,575	\$ 106,292
Investments:			
Bond mutual funds	951,497	387,056	1,338,553
Equity mutual funds	4,969,388	535,649	5,505,037
Total assets	<u>6,003,602</u>	<u>946,280</u>	<u>6,949,882</u>
NET ASSETS			
Held in trust for pension benefits and other post-employment benefits	<u>\$ 6,003,602</u>	<u>\$ 946,280</u>	<u>\$ 6,949,882</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION AND OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Amity Regional School District No. 5 Pension Plan	Amity Regional School District No. 5 Other Post-Employment Benefits Plan	Total
ADDITIONS			
Contributions:			
Employer contributions	\$ 525,437	\$ 373,757	\$ 899,194
Employee contributions	67,261	-	67,261
Total contributions	<u>592,698</u>	<u>373,757</u>	<u>966,455</u>
Investment earnings:			
Interest and dividends	138,724	22,805	161,529
Net increase in the fair value of investments	<u>951,820</u>	<u>107,202</u>	<u>1,059,022</u>
Total investment earnings	<u>1,090,544</u>	<u>130,007</u>	<u>1,220,551</u>
Total additions	<u>1,683,242</u>	<u>503,764</u>	<u>2,187,006</u>
DEDUCTIONS			
Benefit payments	641,281	373,757	1,015,038
Administrative expenses	6,352	-	6,352
Total deductions	<u>647,633</u>	<u>373,757</u>	<u>1,021,390</u>
Change in net assets	1,035,609	130,007	1,165,616
Net assets held in trust for pension benefits and other post-employment benefits:			
Beginning	<u>4,967,993</u>	<u>816,273</u>	<u>5,784,266</u>
Ending	<u>\$ 6,003,602</u>	<u>\$ 946,280</u>	<u>\$ 6,949,882</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF CHANGES IN FIDUCIARY
ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
ASSETS				
Cash and cash equivalents:				
Student activities	\$ 317,156	\$ 650,602	\$ 668,403	\$ 299,354
Due from other funds:				
Student activities	3,657	-	3,657	-
Total assets	<u>\$ 320,813</u>	<u>\$ 650,602</u>	<u>\$ 672,060</u>	<u>\$ 299,354</u>
 LIABILITIES				
Due to others:				
Student activities	<u>\$ 320,813</u>	<u>\$ 650,602</u>	<u>\$ 672,060</u>	<u>\$ 299,354</u>

**AMITY REGIONAL SCHOOL DISTRICT
NO. 5**

**Federal and State
Single Audit Reports**

**For The Year Ended
June 30, 2011**



**AMITY REGIONAL SCHOOL DISTRICT NO. 5
FEDERAL AND STATE SINGLE AUDIT REPORTS
FOR THE YEAR ENDED JUNE 30, 2011**

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Internal Control and Compliance Report

**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
Amity Regional School District No. 5
Woodbridge, Connecticut

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5 (the "District") as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 19, 2011. 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.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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*.

This report is intended solely for the information and use of the Board of Education and management of the District, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CCR LLP

Glastonbury, Connecticut
December 19, 2011

Federal Single Audit Section

***Federal Internal
Control and
Compliance
Report***

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-
133, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Education of
Amity Regional School District No. 5
Woodbridge, Connecticut

COMPLIANCE

We have audited the compliance of Amity Regional School District No. 5 (the "District") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on the District's major federal program for the year ended June 30, 2011. The District's major federal program is identified in the summary of auditors' results section of the accompanying schedule of federal findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2011.

INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 19, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Education and management of the District, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CCR LLP

Glastonbury, Connecticut
December 19, 2011

*Schedule of
Expenditures
of Federal
Awards*

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

<u>Federal Grantor; Pass-Through Grantor; Program Title</u>	<u>Grant Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
U. S. DEPARTMENT OF EDUCATION			
Passed through the State of Connecticut			
Department of Education:			
Special Education - Grants to States	12060-SDE64370-20977	84.027	\$ 423,991
Special Education - Grants to States, Recovery Act	12060-SDE64370-29011	84.391	184,253
			<u>608,244</u>
Title I Grants to Local Educational Agencies	12060-SDE64370-20679	84.010	64,419
Career and Technical Education	12060-SDE64370-20742	84.048	40,104
Improving Teacher Quality	12060-SDE64370-20858	84.367	33,484
Education Jobs Fund	12060-SDE64370-22405	84.410	9,722
Safe and Drug Free Schools and Communities	12060-SDE64370-20873	84.186	3,054
Education Technology State Grants, Recovery Act	12060-SDE64370-29063	84.386	738
Passed through Area Cooperative			
Educational Services:			
English Language Acquisition Grants	-	84.365	1,032
Total U.S. Department of Education			<u>760,797</u>
U. S. DEPARTMENT OF AGRICULTURE			
Direct:			
National School Lunch - Commodities	-	10.555	34,104
Passed through the State of Connecticut			
Department of Education:			
National School Lunch - Cash	12060-SDE64370-20560	10.555	55,456
Total U.S. Department of Agriculture			<u>89,560</u>
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Direct:			
Early Retiree Reinsurance Program	-	93.546	64,034
Total U.S. Department of Health and Human Services			<u>64,034</u>
TOTAL FEDERAL AWARDS			<u>\$ 914,391</u>

The accompanying notes are an integral part of this schedule.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

NOTE A - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of Amity Regional School District No. 5 conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

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.

NOTE B - OTHER FEDERAL ASSISTANCE

Non-cash assistance totaled \$34,104 for the year ended June 30, 2011 and consisted of donated USDA commodities. Such financial assistance is included in the schedule of expenditures of federal awards under CFDA number 10.555 and represents the market value of such commodities received during the year.

No other federal assistance was received in the form of loans, loan guarantees or insurance.

*Federal
Findings and
Questioned
Costs*

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

SECTION I – SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- ☐ Material weakness(es) identified?
☐ Significant deficiency(ies) identified?

_____ Yes ✓ No
_____ Yes ✓ None reported

Noncompliance material to financial statements noted?

_____ Yes ✓ No

FEDERAL AWARDS

Internal control over major programs:

- ☐ Material weakness(es) identified?
☐ Significant deficiency(ies) identified?

_____ Yes ✓ No
_____ Yes ✓ None reported

Type of auditors' report issued on compliance for major programs:

Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?

_____ Yes ✓ No

Identification of major programs:

<u>CFDA Number</u>	<u>Name of Federal Program</u>
84.027 / 84.391	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?

✓ Yes _____ No

SECTION II – FINANCIAL STATEMENT FINDINGS

No findings are reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings are reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

There were no federal findings or questioned costs reported in the District's prior year federal single audit.

State Single Audit Section

*State Internal
Control and
Compliance
Report*

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM, ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE
AUDIT ACT, AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL
ASSISTANCE**

To the Board of Education of
Amity Regional School District No. 5
Woodbridge, Connecticut

COMPLIANCE

We have audited the compliance of Amity Regional School District No. 5 (the "District") with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management *Compliance Supplement to the State Single Audit Act* that could have a direct and material effect on the District's major state program for the year ended June 30, 2011. The District's major state program is identified in the summary of auditors' results section of the accompanying schedule of state findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major state program is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the requirements referred to above that could have a direct and material effect on its major state program for the year ended June 30, 2011.

INTERNAL CONTROL OVER COMPLIANCE

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to state programs. In planning and performing our audit, we considered the District's internal control over compliance with the requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of and for the year ended June 30, 2011, and have issued our report thereon dated December 19, 2011, which contained unqualified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of state financial assistance is presented for the purposes of additional analysis as required by the State Single Audit Act, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

This report is intended solely for the information and use of the Board of Education and management of the District, the Office of Policy and Management and state awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

CCR LLP

Glastonbury, Connecticut
December 19, 2011

*Schedule of
Expenditures of
State Financial
Assistance*

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011

<u>State Grantor; Pass-Through Grantor; Program Title</u>	<u>State Grant Program Core-CT Number</u>	<u>Expenditures</u>
NON-EXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Interdistrict Cooperative	11000-SDE64370-17045	\$ 86,483
Open Choice	11000-SDE64370-17053	35,000
Magnet Schools	11000-SDE64370-17057	21,080
Child Nutrition - State Match	11000-SDE64370-16211	5,707
Adult Education	11000-SDE64370-17030	3,170
Passed through Area Cooperative Educational Services:		
Interdistrict Cooperative - Sister Schools Program	11000-SDE64370-17045	3,480
Total Department of Education		<u>154,920</u>
Total State Financial Assistance Before Exempt Programs		<u>154,920</u>
EXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct:		
Excess Cost - Student Based	11000-SDE64370-17047	653,539
School Construction - Principal	13010-SDE64370-40901	477,631
Transportation of School Children	11000-SDE64370-17027	98,912
School Construction - Interest	13009-SDE64370-40896	10,480
Transportation of School Children - Non Public	11000-SDE64370-17049	1,383
Total Exempt Programs		<u>1,241,945</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u><u>\$ 1,396,865</u></u>

The accompanying note is an integral part of this schedule.

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTE TO SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2011**

Various departments and agencies of the State of Connecticut have provided financial assistance to Amity Regional School District No. 5 (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 A - 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 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. Information included in the schedule of expenditures of state financial assistance is presented in accordance with regulations established by the State of Connecticut, Office of Policy and Management.

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.

In accordance with regulations established by the State of Connecticut, Office of Policy and Management (Section 4-236-22), 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. These financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

*Schedule of
State Findings
and Questioned
Costs*

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

I. SUMMARY OF AUDITORS' RESULTS

FINANCIAL STATEMENTS

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

- ☐ Material weakness(es) identified?
- ☐ Significant deficiency(ies) identified?

_____ Yes ✓ No
 _____ Yes ✓ None
 reported

Noncompliance material to financial statements noted?

_____ Yes ✓ No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

- ☐ Material weakness(es) identified?
- ☐ Significant deficiency(ies) identified?

_____ Yes ✓ No
 _____ Yes ✓ None
 reported

Type of auditors' report issued on compliance for major programs:

Unqualified

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:

State Grantor and Program	State Grant Program Core-CT Number	Expenditures
Department of Education Interdistrict Cooperative Grants	11000-SDE64370-17045	\$89,963

Dollar threshold used to distinguish between Type A and Type B programs: \$100,000

II. FINANCIAL STATEMENT FINDINGS

No matters were reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

**AMITY REGIONAL SCHOOL DISTRICT
NO. 5**

**COMMUNICATION WITH THOSE
CHARGED WITH GOVERNANCE
IN CONNECTION WITH THE 2011 AUDIT**



Certified Public Accountants & Business Advisors

To the Board of Education of
Amity Regional School District No. 5

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No.5 (the "District") for the year ended June 30, 2011. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, Government Auditing Standards, OMB Circular A-133 and the State Single Audit Act, as well as certain information related to the planned scope and timing of our audit. We have communicated such information to you in our letter dated February 9, 2011. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2011, except for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. GASB Statement No. 54 establishes criteria for classifying fund balances into specifically defined classifications for all governments that report governmental funds. The implementation of GASB Statement No. 54 resulted in the reclassification of certain funds as discussed more fully in Note 12 to the financial statements. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

- Depreciation and amortization expense (estimated lives) - The District assigns estimated lives to its capital assets, which has an impact on depreciation and amortization expense recorded in the District's financial statements.

Significant Audit Findings (Continued)

Qualitative Aspects of Accounting Practices (Continued)

- Net pension asset – In connection with the District's defined benefit pension plan, participating employees are promised pension and other benefits based upon a predetermined benefit formula that considers each participating employee's years of service, salary level, and other factors. Funding for these benefits is provided through actuarially determined annual required contributions ("ARC") made to the plan by the District. The net pension asset represents the cumulative effect of current and past over funding of the ARC.
- Net OPEB obligation – In connection with the District's offer of other post-employment benefits ("OPEB"), participating retirees are given access to insurance rates offered to the District's active employees. Funding for these benefits is provided through actuarially determined annual required contributions ("ARC") made to the plan by the District. The net OPEB obligation represents the cumulative effect of past underfunding of the ARC.

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 19, 2011.

Significant Audit Findings (Continued)

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

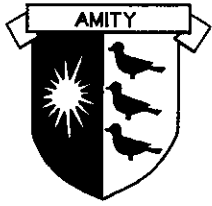
Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

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

CCR LLP

Glastonbury, Connecticut
December 19, 2011



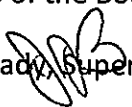
AMITY REGIONAL SCHOOL DISTRICT NO. 5
BETHANY • ORANGE • WOODBRIDGE

John J. Brady, Ed. D.
Superintendent of Schools

January 5, 2012

25 Newton Road
Woodbridge, CT 06525
john.brady@reg5.k12.ct.us
Phone: (203) 392-2106
Fax: (203) 397-4864

To: Members of the Board of Education

From: John J. Brady, Superintendent 

RE: Community Fund Raising for Turf Field

The concept of converting the existing grass football field to a multi-sport turf field has been discussed at various times over the past 10 years. For one reason or another, Amity has not been able to initiate the project. In most instances, reasons were primarily financial, and in one instance, the discussions were halted due to a potential of health risks to athletes.

The health concerns have been resolved, but the financial issues persist. Now, two individuals, Jeff Kwolek and Les Burns, have come forward to the Facilities Committee to offer to spearhead a funding raising campaign with the goal of funding a turf field at Amity Regional High School.

Turf fields have multiple advantages over grass playing fields. In addition to football, soccer, field hockey and lacrosse can use the field. This would be a great benefit to Amity, which is one of only two schools in the SCC that does not have a turf field. It provides for much more flexible scheduling since games may be played immediately following or even during rain when safe to do so. The existing grass field becomes a mud field in wet conditions. Additionally, there are safety benefits to a turf field with less orthopedic injuries reported, for example.

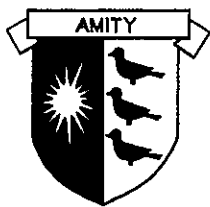
The Facilities Committee agreed to recommend to the Board acceptance of funds raised from community fund raising and to use such funds to install an artificial turf field. The Committee was clear that Amity could not commit financial resources to this effort at this time.

In order for Mr. Kwolek and Mr. Burns to move forward to form a committee and get the fund raising underway, they need official support of the Board.

Recommendation:

Support community fund raising activities and accept funds raised from such activities for the sole purpose of construction and installation of a turf athletic field at Amity Regional High School.

JJB/pfc



AMITY REGIONAL SCHOOL DISTRICT NO. 5
BETHANY • ORANGE • WOODBRIDGE

John J. Brady, Ed. D.
Superintendent of Schools

25 Newton Road
Woodbridge, CT 06525
john.brady@reg5.k12.ct.us
Phone: (203) 392-2106
Fax: (203) 397-4864

January 3, 2012

To: Members of the Amity Finance Committee and Board of Education
From: John Brady, Superintendent
RE: Proposal to Amend Budget Calendar

Kevin Houlihan and James Leahy, Co-Chairs of the Orange Board of Finance met with Jamie Stirling and me to ask that the Amity Finance Committee and the Amity Board of Education consider an amendment to the approved budget calendar (attached) that would allow the Orange Board of Finance to take a vote on the Amity budget prior to the AFC taking a vote.

The Amity Finance Committee is scheduled to vote on Monday, January 23rd. Mr. Houlihan and Mr. Leahy would like to have their own Board vote on that night and then have the AFC vote at a subsequent meeting, perhaps at the AFCs next scheduled meeting on Monday, February 13th.

Jamie Stirling and I agreed to share this request with the AFC and Board for discussion and possible action.

2012-2013 BUDGET CALENDAR

June 27, 2011	Finance Director presents proposed 2012-2013 budget package of forms, instructions and budget calendar to Superintendent for his review
July 29, 2011	Finance Director sends draft 2012-2013 budget package of forms, instructions and budget calendar, as determined by Superintendent, to administrators for their review
August 19, 2011	Finance Manager closes 2010-2011 fiscal year
September 6, 2011	Finance Director proposes, and Superintendent decides, the methodology for determining the preliminary 2012-2013 budget for discretionary accounts
September 6, 2011	At the Principals / Central Office Administrators' meeting, Superintendent and administrators review the preliminary 2012-2013 budget calendar and upcoming budget process
September 9, 2011	Finance Manager prepares Next Year Budget Historical Comparison report with three years of historical data, current year actual to-date, and 2011-2012 budget for Finance Director
September 12, 2011	Superintendent presents preliminary 2012-2013 budget calendar to Amity Finance Committee and Amity Board of Education for discussion and possible changes
September 12, 2011- September 15, 2011	Finance Director prepares preliminary 2012-2013 budget for discretionary accounts based on historical data and other information
September 16, 2011	Finance Office inputs preliminary 2012-2013 budget for discretionary accounts as prepared by Finance Director to MUNIS Budget Module
September 19, 2011	Finance Manager prepares Next Year Budget Historical Comparison reports with three years of historical data, current year actual to-date, 2011-2012 budget, and preliminary 2012-2013 budget for each administrator and department head
September 20, 2011	At the Principals / Central Office Administrators' meeting, Finance Director distributes preliminary 2012-2013 budget reports and budget package of forms, instructions and budget calendar to administrators; Superintendent provides his spending guidelines for making budget requests
September 21, 2011- September 23, 2011	Administrators meet with staff to distribute the preliminary 2012-2013 budget, forms, instructions, calendar, and review Superintendent's spending guidelines and Board of Education Goals

Dated 9/26/11

2012-2013 BUDGET CALENDAR

November 14, 2011- Finance Office inputs salary and benefits accounts (excluding new
November 15, 2011 personnel requests); textbooks; new and replacement equipment; special education tuition and transportation; improvements to sites and grounds; and technology equipment and supplies

Budget requests on Form A-1 and new personnel requests on Form A-2 will NOT be entered at this time. These will be discussed at meetings with the Superintendent

November 15, 2011 Superintendent, Finance Director, Finance Manager and Technology Coordinator meet with Technology Committee and review five year capital improvement forecast for technology

November 16, 2011 Finance Manager distributes Next Year Budget Historical Comparison with preliminary 2012-2013 budget reports to administrators and department heads for their review

November 16, 2011 Finance Manager distributes list of requested new and replacement equipment to administrators for their review

November 16, 2011 Finance Manager distributes list of new personnel requests with estimated salary and benefits to administrators for their review

November 17, 2011 Superintendent, Finance Director, Finance Manager, Director of Curriculum and Staff Development, Curriculum Technology Facilitator, and Technology Coordinator will meet with the Curriculum Committee and review five year capital improvement forecast for technology

November 17, 2011 Superintendent, Finance Director, Finance Manager and Facilities Director meet with Facilities Committee and review five year capital improvement forecast for facilities

November 17, 2011- Administrators review their 2012-2013 budget reports, list of requested
November 18, 2011 new and replacement equipment, and list of new personnel requests for errors or omissions and submit changes, if any, or 'sign-off' as correct

November 21, 2011 Finance Office inputs any changes from administrators and distributes updated 2012-2013 budget reports, list of requested new and replacement equipment, and list of new personnel requests for errors or omissions and submit changes, if any, or 'sign-off' as correct

November 22, 2011 Administrators review their updated 2012-2013 budget reports, list of requested new and replacement equipment, and list of new personnel requests for errors or omissions and submit changes, if any, or 'sign-off' as correct

Dated 9/26/11

2012-2013 BUDGET CALENDAR

December 23, 2011	Finance Director provides Superintendent with preliminary 2012-2013 Budget excel spreadsheet with all of the approved revisions to-date
December 27, 2011- January 13, 2012	Superintendent, Finance Director and Finance Manager prepare budget booklet, including Assumptions and Observations, Three-Year Forecast, and Five Year Capital Improvement Forecasts
January 16, 2012	Superintendent's Budget is mailed to Amity Finance Committee and Board of Education Members
January 23, 2012	Superintendent presents his budget proposal to Amity Finance Committee. Additional budget workshop date(s) will be set, if needed. All Board of Education members are invited to attend (The Amity Finance Committee will need to vote on the budget at this meeting or a subsequent budget workshop meeting, as they deem appropriate)
January 25, 2012	Superintendent presents budget proposal to Board of Education
February 13, 2012	Board of Education takes action on the proposed budget
March 12, 2012	Amity Finance Committee and Board of Education revise the budget if new information makes this necessary
March (after BOE adopts budget)	Superintendent presents adopted Board of Education budget to Finance Committees of each member town – Dates to be determined
April 9, 2012 (Monday)	Public District Budget Hearing
May 7, 2012 (Monday)	Annual Public Budget Meeting to be adjourned to a referendum vote
May 8, 2012 (Tuesday)	Referendum

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525




John J. Brady, Ed.D.
Superintendent of Schools

john.brady@reg5.k12.ct.us
Phone: (203) 392-2106

November 14, 2010

To: Members of the Board of Education

From: John J. Brady  Superintendent

RE: Projected Enrollment through 2017-2018

Attached to this memorandum is a snapshot of projected enrollment over the next six – seven years. You will note a significant decline with impact throughout the district. For example, this analysis shows total enrollment at Bethany in 2017-2018 at 280 students down nearly 100 from the current 377. The high school declines by 225 students over the next seven years while the district as a whole loses 328 students. Obviously this trend calls for some careful consideration and planning so that Amity retains excellence in its programs and services through this period.

I want to caution the Board that this report is based simply upon moving students presently in grade at Amity and our sending districts forward. It does not include life birth data, nor does it include information on the number of 0-5 year olds in the towns. Additionally, economic factors which could have an impact on population shifts are not taken into account. For all these variables to be taken into account a comprehensive enrollment projection study would have to be conducted.

Because of the magnitude of these possible enrollment declines and their impact on Amity operations, I will be including in my 2012-2013 budget proposal funds to conduct a comprehensive enrollment projection study that the administration and Board can use for planning purposes. I do not feel action other than conducting this study and full analysis of the results is warranted at the present time.

C: File

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
AVERAGE DAILY MEMBERSHIP ENROLLMENT
(BASED ON OCTOBER 1, 2011 ENROLLMENT)**

FISCAL YEAR	ORANGE MIDDLE SCHOOL			BETHANY MIDDLE SCHOOL		
	GRADE 7	GRADE 8	TOTAL	GRADE 7	GRADE 8	TOTAL
11/12	180	209	389	179	198	377
12/13	189	182	371	182	180	362
13/14	189	191	380	200	183	383
14/15	190	191	381	160	201	361
15/16	177	192	369	163	161	324
16/17	191	179	370	155	164	319
17/18	165	193	358	124	156	280

	AMITY HIGH SCHOOL					TOTAL
	GRADE 9	GRADE 10	GRADE 11	GRADE 12	TOTAL	DISTRICT
11/12	416	423	395	449	1683	2,449
12/13	409	422	415	406	1652	2,385
13/14	364	415	414	426	1619	2,382
14/15	376	370	407	425	1578	2,320
15/16	394	382	362	418	1556	2,249
16/17	355	400	374	373	1502	2,191
17/18	345	361	392	385	1483	2,121
18/19	351	351	353	403	1458	

AMITY REGIONAL SCHOOL DISTRICT NO. 5
Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525



John J. Brady, Ed.D.
Superintendent of Schools

john.brady@reg5.k12.ct.us
phone: (203) 392-2106
Fax: (203) 397-4864

January 9, 2012

To: Members of the Board of Education
From: John J. Brady, Superintendent of Schools
Re: Personnel Report

New Hire(s):

Amity Reg. High School – Woodbridge

Constandino (Dino) Gizzi – Building Equipment Maintainer – Electrician (District)

Amity Reg. Middle Schools – Orange – None

Amity Reg. Middle School – Bethany – None

Coaches:

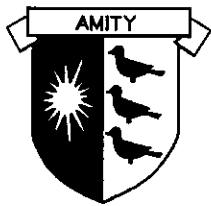
Amity Reg. High School – Woodbridge – None

Amity Reg. Middle Schools – Bethany / Orange - None

Resignation(s): None

Retirement(s): None

JJB/pfc



AMITY REGIONAL SCHOOL DISTRICT NO. 5

BETHANY • ORANGE • WOODBRIDGE

*John J. Brady, Ed. D.
Superintendent of Schools*

*25 Newton Road
Woodbridge, CT 06525
john.brady@reg5.k12.ct.us
Phone: (203) 392-2106
Fax: (203) 397-4864*

January 4, 2012

To: Members of the Amity Finance Committee and the Amity Board of Education

From: John Brady,  Superintendent

RE: Information on Budget Referendum Voting

At your January meeting I proposed discussing with the three First Selectmen the possibility of holding a District Meeting instead of a referendum vote on the 2012-2013 Amity budget. The concept was tabled and the following information was requested:

1. How do other regional districts vote on their budgets

Answer: All but one of the regional districts use referendum

2. What is the voting pattern in the three towns as a function of time?

Answer:

In Orange for 2011, 10.7% (55 of the total 586 votes cast) of the vote occurred at or before 9:00 am.

In Bethany for 2011, 13.5% (46 of the 339 votes cast) of the vote occurred at or before 9:00 am.

In Woodbridge for 2011, 11% (54 of the 487 votes cast) of the vote occurred at or before 9:00 am.

There is no information on the nature of who votes at what times.

The percentage of voters casting ballots in the 2011 Amity referendum was approximately 10% of registered voters in all three towns.

The vote counts for 2011 were as follows:

Woodbridge	yes 346	no 125
Orange	yes 305	no 283
Bethany	yes 219	no 134

Please see the attached chart for historical vote counts.

While the voter turnout for Amity's referendums has been low, conducting the vote at a District Meeting would almost certainly result in even lower participation. For that reason, I feel the District should continue use of referendum voting.

JJB/pfc

REFERENDUM RESULTS - By Year

TOWN	YEAR	YES	NO	TOTALS	%s	Yes Differ.
BETHANY	2006	261	238	499	0.523	23
ORANGE	2006	521	228	749	0.6956	293
WOODBIDGE	2006	<u>345</u>	<u>225</u>	<u>570</u>	0.6053	<u>120</u>
Tri-Town Totals		1127	691	1818	0.6199	436
BETHANY	2007	285	271	556	0.5126	14
ORANGE	2007	369	321	690	0.5348	48
WOODBIDGE	2007	<u>464</u>	<u>232</u>	<u>696</u>	0.6667	<u>232</u>
Tri-Town Totals		1118	824	1942	0.5757	294
BETHANY	2008	214	186	400	0.535	28
ORANGE	2008	388	244	632	0.6139	144
WOODBIDGE	2008	<u>366</u>	<u>181</u>	<u>547</u>	0.6691	<u>185</u>
Tri-Town Totals		968	611	1579	0.613	357
BETHANY	2009	284	157	441	0.644	127
ORANGE	2009	362	226	588	0.6156	136
WOODBIDGE	2009	<u>432</u>	<u>151</u>	<u>583</u>	0.741	<u>281</u>
Tri-Town Totals		1078	377	1612	0.6687	544
BETHANY	2010	234	113	347	0.6744	121
ORANGE	2010	400	204	604	0.6623	196
WOODBIDGE	2010	<u>364</u>	<u>119</u>	<u>483</u>	0.7536	<u>245</u>
Tri-Town Totals		998	436	1434	0.696	562
BETHANY	2011	219	134	353	0.6204	85
ORANGE	2011	305	283	588	0.5187	22
WOODBIDGE	2011	<u>346</u>	<u>125</u>	<u>471</u>	0.7346	<u>221</u>
Tri-Town Totals		870	542	1412	0.6161	328

REFERENDUM RESULTS - By Town

TOWN	YEAR	YES	NO	TOTALS	%'s	Yes Differ.
BETHANY	2006	261	238	499	0.523	23
	2007	285	271	556	0.5126	14
	2008	214	186	400	0.535	28
	2009	284	157	441	0.644	127
	2010	234	113	347	0.6744	121
	2011	219	134	353	0.6204	85
ORANGE	2006	521	228	749	0.6956	293
	2007	369	321	690	0.5348	48
	2008	388	244	632	0.6139	144
	2009	362	226	588	0.6156	136
	2010	400	204	604	0.6623	196
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WOODBIDGE	2006	345	225	570	0.6053	120
	2007	464	232	696	0.6667	232
	2008	366	181	547	0.6691	185
	2009	432	151	583	0.741	281
	2010	364	119	483	0.7536	245
	2011	346	125	471	0.7346	221

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525



John J. Brady, Ed.D.
Superintendent of Schools

john.brady@reg5.k12.ct.us
Phone: (203) 392-2106

November 30, 2011

To: Members of the Amity finance Committee and Members of the Board of Education

From: John J. Brady, Superintendent

Over the past three years, voter participation in the Amity budget referendum has been declining from a high of 1,612 in 2009 to a low of 1,412 in 2011. One selectman has requested that the Amity referendum be conducted from 12:00 noon to 8:00 p.m. due to low turnout and costs associated with having polling places open beginning at 6:00 am. I am concerned about this proposal since it may negatively impact parents who would normally vote early on their way to work.

An alternative that I would like the Board to consider would be to conduct a District Meeting for the budget vote. Regional districts are allowed to conduct a District Meeting for this purpose. The way a District meeting works would include a presentation of the budget to the voters gathered at Amity, a question and answer period with public comment and then an up or down vote on the budget. A district meeting would save each town money since they would not have to open and staff polling places and pay for ballots.

If the Board wishes to conduct a District Meeting it would be held on the first Monday in May which is May 7th this year. Before a final decision is made on this matter, it would be important to solicit input from the three First Selectmen.

If the Board is interested in pursuing the District meeting option, I would be happy to convene a meeting of the Selectmen.

Recommendation: Authorize the Superintendent to convene a meeting of the AFC and First selectmen to consider conducting a District Meeting for the 2012-2013 Amity budget vote.

PROPOSAL FOR NEW COURSE / UNIT OR COURSE MODIFICATION

To: Director of Curriculum and Staff Development Amity Regional School District No. 5	From: Charles Britton, Principal School: <u>Amity Senior High School</u>
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Proposed Title of New Course/Unit or Course Modification: Chinese V-E/AP Chinese V-H

Brief Description and Objectives of the Course/Unit or Course Modification:

The objective of this course is to improve students' speaking and writing proficiency in Chinese and/or help them earn college AP recognition and credit. The course aims to provide students with various opportunities to further develop their language skill within a cultural framework. This course is designed to be comparable to third or fourth semester college/university courses in Mandarin Chinese. Students are expected to be able to demonstrate their level of proficiency across the three communicative modes (Interpersonal, Interpretive, and Presentational) and the five goal areas (Communication, Cultures, Connections, Comparisons, and Communities) as outlined in the Standards for Foreign Language Learning in the 21st Century. The course will also engage students in an exploration of both contemporary and historical Chinese culture.

Department: World Languages

Grade Level: 12

Elective or Required? Elective

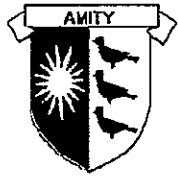
Length of Course: Year

RATIONALE

Why does Amity need this course/unit? What educational need(s) will it serve? How does this course/unit fit in with the school's mission and academic expectations?

There has been a growing need for our advanced Chinese students to further develop and challenge their language skills. Some students finish their study of Chinese IV as juniors and then do not have an opportunity to continue at an advanced level. A Chinese V class will allow those students to continue their study of Chinese at an advanced level. Since students can begin the study of Chinese in 7th grade, this course will also align our Chinese curriculum with other World Language courses and offer students an opportunity to develop their critical thinking skills and creativity.

Will this course/unit replace an existing course/unit? No



AMITY REGIONAL SCHOOL DISTRICT NO. 5

BETHANY * ORANGE * WOODBRIDGE

*John J. Brady, Ed.D.
Superintendent of Schools*

*25 Newton Road
Woodbridge, CT 06525
john.brady@reg5.k12.ct.us
Phone: (203) 392-2106
Fax: (203) 397-4864*

To: Amity Board of Education and Amity Finance Committee Members

From: Dr. John J. Brady, Superintendent of Schools

Re: Redesignate Funds from the Capital & Nonrecurring Expenditures Account
for Specified Capital Projects

Date: January 5, 2012

Over the past several months, I have been working with my administrative team to put together my 2012-2013 budget proposal, which I will present to you in the next couple of weeks. At this point, I can say several highly needed facilities and technology items were removed from my budget proposal out of the necessity to bring the operating expenditures increase 'down' to 2.1 percent. The impact to the member towns' allocations will be significant for Orange, as 46 percent of their increase is directly related to a shift in the student population. With my budget proposal, Orange's allocation would be up about \$1.1 million; Bethany's allocation would be higher by approximately \$300 thousand; and Woodbridge's allocation would decrease around \$200 thousand.

My emphasis has always been to make sure we continue to provide the high-level of education expected by the Amity community while keeping in mind the tough economic situation. I strongly believe that some of the items I removed from my budget proposal are highly needed and should not be deferred. In light of the 'pulls and tugs' of bringing forward an educationally sound budget which the Amity community can support, I have found a way to pay for the items I have described below. I am recommending the Board re-appropriate funds in the Reserve Fund for Capital and Nonrecurring Expenditures, which are currently assigned to the Amity High School roof restoration project. The District's financial investment advisor informed me that the additional cost over 10 years of bonding \$350,000 (i.e., difference between bonding the full \$1,400,000 and \$1,050,000 and using the \$350,000 in the capital reserve) would be about \$38,500. The current bond interest rate is 2 percent.

The Facilities Committee met on January 4th with two of its members present and could not come to a consensus on my recommendation. Therefore, I am bringing this to the full Board for your consideration.

I am recommending we use \$344,000 now designated for the Amity High School roof restoration project, as follows:

1. Natural gas conversion at high school \$120,000
We have an opportunity to convert our kitchen equipment and HVAC equipment from propane and fuel oil to natural gas. The estimated cost of conversion will be paid back in energy savings after the first year. This project would require that the Town of Woodbridge and Woodbridge Elementary School also commit to do this. Woodbridge's approval appears on-track. The Woodbridge Board of Selectmen will take this up at its February 8th meeting. The long-term potential energy savings would be significant.
2. Resod crown of football field at high school \$ 15,000
The football field went through a very wet season and the crown of the field has been destroyed. Re-sodding the crown of the football field is necessary to restore a safe playing surface for next year.
3. Asphalt sealing and repairs and sidewalk repairs at high school \$ 27,000
There are several areas of deteriorating concrete and asphalt that must be repaired to ensure people have safe surfaces to traverse.
4. New visitor bleachers for Stadium Field \$ 74,000
The visitor bleachers at the football stadium do not meet present code and need to be replaced with bleachers that provide a safe, code-compliant venue for our spectators. If approved, we would plan to bid this immediately.
5. Replacement of 105 computers \$ 84,000
These computer systems are out of warranty and the cost to repair or upgrade these systems is generally more than half of the cost to replace them. The obsolete computers have become slow and non-responsive and in some cases do not support the requirements for our updated software. This will include the replacement of two computer labs, one at each middle school.
6. Replacement of 3 servers \$ 24,000
These servers have reached their end-of-life and the hard drives are at or near capacity.
- Total Redesignation of Funds \$344,000**

Redesignate Funds from the Capital & Nonrecurring Expenditures Account
for Specified Capital Projects
January 5, 2012
Page 3

The remaining funds of \$13,793.63 would be used for diagnostic testing to prepare for the roof restoration project.

I recommend the following motion: **Move that funds currently designated for the Amity High School roof restoration project be re-designated for natural gas conversation at high school at \$120,000, resod crown of football field at high school at \$15,000, asphalt sealing and repairs and sidewalk repairs at high school at \$27,000, new visitor bleachers for Stadium Field at \$74,000, replacement of 105 computers at \$84,000, and replacement of 3 servers at \$24,000.**

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2011-2012**

LINE	CATEGORY	COLUMN 1 2010-2011 ACTUAL	COLUMN 2 2011-2012 BUDGET	COLUMN 3 NOV '11 FORECAST	COLUMN 4 CHANGE INCR./(DECR.)	COLUMN 5 DEC '11 FORECAST	COLUMN 6 VARIANCE OVER/(UNDER)	COL 7 FAV UNF
1	MEMBER TOWN ALLOCATIONS	40,645,362	41,199,830	41,199,830	0	41,199,830	0	FAV
2	OTHER REVENUE	252,290	196,397	211,064	(5,237)	205,827	9,430	FAV
3	OTHER STATE GRANTS	653,539	552,122	552,122	46,887	599,009	46,887	FAV
4	MISCELLANEOUS INCOME	1,182,495	982,148	1,019,625	(3,593)	1,016,032	33,884	FAV
5	BUILDING RENOVATION GRANTS	488,111	478,124	478,124	0	478,124	0	FAV
6	TOTAL REVENUES	43,221,797	43,408,621	43,460,765	38,057	43,498,822	90,201	FAV
7	SALARIES	21,952,932	22,831,870	22,809,901	2,329	22,812,230	(19,640)	FAV
8	BENEFITS	5,039,066	5,371,399	5,435,161	24,436	5,459,597	88,198	UNF
9	PURCHASED SERVICES	5,444,161	6,050,445	5,848,474	(486)	5,847,988	(202,457)	FAV
10	DEBT SERVICE	5,789,534	5,562,444	5,562,444	0	5,562,444	0	FAV
11	SUPPLIES (INCLUDING UTILITIES)	3,187,994	3,158,195	3,066,672	(5,500)	3,061,172	(97,023)	FAV
12	EQUIPMENT	257,996	108,196	127,953	0	127,953	19,757	UNF
13	IMPROVEMENTS / CONTINGENCY	29,249	207,000	127,175	0	127,175	(79,825)	FAV
14	DUES AND FEES	90,903	119,072	119,072	0	119,072	0	FAV
15	TRANSFER ACCOUNT	728,868	0	0	0	0	0	FAV
16	ESTIMATED UNSPENT BUDGETS	0	0	0	0	0	0	FAV
17	TOTAL EXPENDITURES	42,520,703	43,408,621	43,096,852	20,779	43,117,631	(290,990)	FAV
18	SUBTOTAL	701,094	0	363,913	17,278	381,191	381,191	FAV
19	PLUS: CANCELLATION OF PRIOR YEAR'S ENCUMBRANCES	37,940						
20	<u>DESIGNATED FOR SUBSEQUENT YEAR'S BUDGET:</u>							
21	LESS: OPERATING EXPENSES	(675,000)						
22	LESS: ASSIGNED TO 2011-2012 BUDGET	(64,034)						
23	NET BALANCE / (DEFICIT)	0	0	363,913	17,278	381,191	381,191	FAV

Column 7: FAV= Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2011-2012

LINE	CATEGORY	COLUMN 1 2010-2011 ACTUAL	COLUMN 2 2011-2012 BUDGET	COLUMN 3 NOV '11 FORECAST	COLUMN 4 CHANGE INCR./(DECR.)	COLUMN 5 DEC '11 FORECAST	COLUMN 6 VARIANCE OVER/(UNDER)	COL 7 FAV UNF
1	BETHANY ALLOCATION	8,607,468	8,439,785	8,439,785	0	8,439,785	0	FAV
2	ORANGE ALLOCATION	19,302,889	19,944,426	19,944,426	0	19,944,426	0	FAV
3	WOODBRIIDGE ALLOCATION	12,735,005	12,815,619	12,815,619	0	12,815,619	0	FAV
4	MEMBER TOWN ALLOCATIONS	40,645,362	41,199,830	41,199,830	0	41,199,830	0	FAV
5	ADULT EDUCATION	3,170	3,130	3,307	(67)	3,240	110	FAV
6	PARKING INCOME	30,435	31,745	30,435	0	30,435	(1,310)	UNF
7	INVESTMENT INCOME	2,509	7,500	2,500	0	2,500	(5,000)	UNF
8	ATHLETICS	22,054	20,000	20,000	0	20,000	0	FAV
9	TUITION REVENUE	72,747	62,072	79,152	0	79,152	17,080	FAV
10	TRANSPORTATION INCOME	121,375	71,950	75,670	(5,170)	70,500	(1,450)	UNF
11	TRANSPORTATION BOWA AGREEMENT	0	0	0	0	0	0	FAV
12	OTHER REVENUE	252,290	196,397	211,064	(5,237)	205,827	9,430	FAV
13	BESB GRANT	0	0	0	0	0	0	FAV
14	SPECIAL EDUCATION GRANTS	653,539	552,122	552,122	46,887	599,009	46,887	FAV
15	OTHER STATE GRANTS	653,539	552,122	552,122	46,887	599,009	46,887	FAV
16	RENTAL INCOME	34,690	29,000	29,000	(3,593)	25,407	(3,593)	UNF
17	CAPITAL RESERVE	0	0	0	0	0	0	FAV
18	CONSTRUCTION SINKING DEBT FUND	255,000	262,000	262,000	0	262,000	0	FAV
19	DESIGNATED FROM PRIOR YEAR	800,000	675,000	675,000	0	675,000	0	FAV
20	EARLY RETIREE REINSURANCE PROGRAM	64,034	0	0	0	0	0	FAV
21	OTHER REVENUE	28,771	16,148	53,625	0	53,625	37,477	FAV
22	TRANSFER IN	0	0	0	0	0	0	FAV
23	MISCELLANEOUS INCOME	1,182,495	982,148	1,019,625	(3,593)	1,016,032	33,884	FAV
24	BUILDING RENOVATION GRANTS	488,111	478,124	478,124	0	478,124	0	FAV
25	TOTAL REVENUES	43,221,797	43,408,621	43,460,765	38,057	43,498,822	90,201	FAV

Column 7: FAV= Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2011-2012

LINE	CATEGORY	COLUMN 1 2010-2011 ACTUAL	COLUMN 2 2011-2012 BUDGET	COLUMN 3 NOV '11 FORECAST	COLUMN 4 CHANGE INCR./(DECR.)	COLUMN 5 DEC '11 FORECAST	COLUMN 6 VARIANCE OVER/(UNDER)	COL 7 FAV UNF
1	5111-CERTIFIED SALARIES	18,621,650	19,352,371	19,310,246	(910)	19,309,336	(43,035)	FAV
2	5112-CLASSIFIED SALARIES	3,331,282	3,479,499	3,499,655	3,239	3,502,894	23,395	UNF
3	SALARIES	21,952,932	22,831,870	22,809,901	2,329	22,812,230	(19,640)	FAV
4	5200-MEDICARE - ER	283,691	280,907	294,784	31	294,815	13,908	UNF
5	5210-FICA - ER	214,362	223,673	222,744	23	222,767	(906)	FAV
6	5220-WORKERS' COMPENSATION	112,508	127,340	119,070	0	119,070	(8,270)	FAV
7	5231-BLUE CROSS DENTAL	257,059	229,450	255,837	2,035	257,872	28,422	UNF
8	5251-MEDICAL INSURANCE	2,881,555	3,199,158	3,203,258	22,330	3,225,588	26,430	UNF
9	5860-OPEB TRUST	373,757	376,753	376,753	0	376,753	0	FAV
10	5260-LIFE INSURANCE	42,150	43,838	45,479	17	45,496	1,658	UNF
11	5275-DISABILITY INSURANCE	9,773	10,103	9,555	0	9,555	(548)	FAV
12	5280-PENSION PLAN - CLASSIFIED	525,437	599,032	599,032	0	599,032	0	FAV
13	5282-RETIREMENT SICK LEAVE - CERT	133,554	113,827	113,827	0	113,827	0	FAV
14	5283-RETIREMENT SICK LEAVE - CLASS	12,165	24,093	24,093	0	24,093	0	FAV
15	5284-SEVERANCE PAY - CERTIFIED	162,905	131,225	131,225	0	131,225	0	FAV
16	5290-UNEMPLOYMENT COMPENSATION	30,150	12,000	39,504	0	39,504	27,504	UNF
17	BENEFITS	5,039,066	5,371,399	5,435,161	24,436	5,459,597	88,198	UNF
18	5322-INSTRUCTIONAL PROG IMPROVEMENT	7,510	10,683	10,683	0	10,683	0	FAV
19	5327-DATA PROCESSING	64,297	60,458	60,958	0	60,958	500	UNF
20	5330-OTHER PROFESSIONAL & TECHNICAL SRVC	890,141	916,434	962,169	1,014	963,183	46,749	UNF
21	5440-RENTALS - LAND, BLDG, EQUIPMENT	68,932	64,359	64,359	0	64,359	0	FAV
22	5510-PUPIL TRANSPORTATION	1,934,035	2,291,704	2,211,501	0	2,211,501	(80,203)	FAV
23	5521-GENERAL LIABILITY INSURANCE	152,144	173,133	155,689	0	155,689	(17,444)	FAV
24	5550-COMMUNICATIONS: TEL, POST, ETC.	79,989	74,026	74,026	(1,500)	72,526	(1,500)	FAV
25	5560-TUITION EXPENSE	2,185,134	2,380,616	2,230,057	0	2,230,057	(150,559)	FAV
26	5590-OTHER PURCHASED SERVICES	61,979	79,032	79,032	0	79,032	0	FAV
27	PURCHASED SERVICES	5,444,161	6,050,445	5,848,474	(486)	5,847,988	(202,457)	FAV

Column 7: FAV= Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2011-2012**

LINE	CATEGORY	COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COLUMN 7
		2010-2011 ACTUAL	2011-2012 BUDGET	NOV '11 FORECAST	CHANGE INCR./(DECR.)	DEC '11 FORECAST	VARIANCE OVER/(UNDER)	FAV UNF
28	5830-INTEREST	2,014,534	1,832,444	1,832,444	0	1,832,444	0	FAV
29	5910-REDEMPTION OF PRINCIPAL	3,775,000	3,730,000	3,730,000	0	3,730,000	0	FAV
30	DEBT SERVICE	5,789,534	5,562,444	5,562,444	0	5,562,444	0	FAV
31	5410-UTILITIES, EXCLUDING HEAT	846,082	922,583	843,167	0	843,167	(79,416)	FAV
32	5420-REPAIRS, MAINTENANCE & CLEANING	832,855	667,994	667,994	0	667,994	0	FAV
33	5611-INSTRUCTIONAL SUPPLIES	356,040	337,893	337,893	(5,500)	332,393	(5,500)	FAV
34	5613-MAINTENANCE/CUSTODIAL SUPPLIES	170,586	172,207	172,207	0	172,207	0	FAV
35	5620-OIL USED FOR HEATING	231,179	329,994	330,636	0	330,636	642	UNF
36	5627-TRANSPORTATION SUPPLIES	126,466	159,127	159,127	0	159,127	0	FAV
37	5641-TEXTBOOKS	120,543	72,379	72,379	0	72,379	0	FAV
38	5642-LIBRARY BOOKS & PERIODICALS	23,997	23,925	23,925	0	23,925	0	FAV
39	5690-OTHER SUPPLIES	480,246	472,093	459,344	0	459,344	(12,749)	FAV
40	SUPPLIES (INCLUDING UTILITIES)	3,187,994	3,158,195	3,066,672	(5,500)	3,061,172	(97,023)	FAV
41	5730-EQUIPMENT - NEW	87,590	42,423	49,530	0	49,530	7,107	UNF
42	5731-EQUIPMENT - REPLACEMENT	170,406	65,773	78,423	0	78,423	12,650	UNF
43	EQUIPMENT	257,996	108,196	127,953	0	127,953	19,757	UNF
44	5715-IMPROVEMENTS TO BUILDING	26,049	9,000	9,000	0	9,000	0	FAV
45	5720-IMPROVEMENTS TO SITES	3,200	48,000	48,000	0	48,000	0	FAV
46	5850-CONTINGENCY	0	150,000	150,000	0	150,000	0	FAV
46A	TRSF. FROM CONTINGENCY TO OTHER ACCTS.	0	0	(79,825)	0	(79,825)	(79,825)	FAV
47	5855-CAPITAL RESERVE	0	0	0	0	0	0	FAV
48	IMPROVEMENTS / CONTINGENCY	29,249	207,000	127,175	0	127,175	(79,825)	FAV
49	5580-STAFF TRAVEL	13,488	19,546	19,546	0	19,546	0	FAV
50	5581-TRAVEL - CONFERENCES	16,036	16,449	16,449	0	16,449	0	FAV
51	5810-DUES & FEES	61,379	83,077	83,077	0	83,077	0	FAV
52	DUES AND FEES	90,903	119,072	119,072	0	119,072	0	FAV
53	5856-TRANSFER ACCOUNT	728,868	0	0	0	0	0	FAV
54	ESTIMATED UNSPENT BUDGETS	0	0	0	0	0	0	FAV
55	TOTAL EXPENDITURES	42,520,703	43,408,621	43,096,852	20,779	43,117,631	(290,990)	FAV

Column 7: FAV= Favorable Variance
Revenues: At or OVER budget
Expenditures: At or UNDER budget

**AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES & EXPENDITURES BY CATEGORY
FINANCIAL ANALYSIS
FOR THE FISCAL YEAR 2011-2012**

DECEMBER 2011

OVERALL

NOTE: The following documentation standards are provided:

- ✓ New comments are noted in boldface, italic print; and
- ✓ Each reference to a line number is accompanied by the page number of the excel spreadsheet.

2010-2011 ACTUAL

Post-closing adjustments reduced expenditures by **\$15,785.22 FAV** due to unspent encumbrances. These additional funds were transferred to Reserve Fund for Capital and Nonrecurring Expenditures and designated for the Amity High School roof restoration project. The Amity Finance Committee and Amity Board of Education had authorized the use of any unused balance for this purpose.

The cancellation of prior year's encumbrances added **\$37,940**, as shown on page 1, column 1, line 19.

The Adopted 2011-2012 Budget designates **\$675,000** of unspent funds on page 1, column 1, line 21, and **\$64,034** from the Early Retiree Reinsurance Program (ERRP) under the Federal Affordable Care Act on page 1, column 1, line 22.

The net balance is **\$0** on page 1, column 1, line 23. No funds will be returned to the Member Towns.

2011-2012 FORECAST

The projected net balance of revenues and expenditures for this fiscal year is ***\$381,191 FAV under budget (previously \$363,913 FAV under budget)***, which appears on page 1, column 6, line 23.

REVENUES BY CATEGORY

The projected yearend balance of revenues is ***\$90,201 FAV over budget (previously \$52,144 FAV over budget)***, which appears on page 2, column 6, line 25.

LINE 5 on Page 2: ADULT EDUCATION:

The forecast is based on the current State award.

LINE 6 on Page 2: PARKING INCOME:

The forecast assumes the same revenue as received in 2010-2011.

LINE 7 on Page 2: INVESTMENT INCOME:

The budget assumes an interest rate of 1.00 percent. The average interest rates by month for the State Treasurer's Investment Fund (STIF) are shown below:

Average Interest Rates by Month

<u>Month</u>	<u>Rate</u>
June	0.21%
July	0.18%
August	0.17%
September	0.18%
October	0.32%
November	0.16%
<i>December</i>	<i>0.16%</i>

Actual interest income earned in 2010-2011 is \$2,508.66. Based on the current low interest rates, the forecast of interest income is \$2,500. The budget is \$7,500.

LINE 9 on Page 2: TUITION REVENUE:

Six tuition students are anticipated compared to the budget of four tuition students.

LINE 10 on Page 2: TRANSPORTATION INCOME:

The forecast is based on the most current information from the State.

LINE 14 on page 2: SPECIAL EDUCATION GRANTS:

The forecast is based on the most current information from the State.

LINE 16 on Page 2: RENTAL INCOME:

The forecast is based on a historical analysis and year-to-date receipts.

LINE 21 on Page 2: OTHER REVENUE:

The forecast includes an incentive award of \$25,725 FAV from Connecticut Energy Efficiency Fund (CEEFF) for installing a solar-based water heating system with a tankless back-up for the Field House. The forecast includes \$6,000 FAV reimbursement from FEMA related to the January snow storm and \$4,000 FAV from a legal settlement with a company who illegally sold items with the Amity logo. Other miscellaneous revenues received to-date is included in the forecast.

EXPENDITURES BY CATEGORY

The projected yearend balance of expenditures is *\$290,990 FAV under budget (previously \$311,769 FAV under budget)*, which appears on page 4, column 6, line 55.

LINE 1 on Page 3: 5111-CERTIFIED SALARIES:

'Turnover savings' from replacing teachers, who retired or resigned, and the savings from hiring lower costing certified substitutes for teachers on a leave-of-absence, were approximately \$84,000 FAV over the budgeted savings. This is partially offset by the higher pay to some teachers due to degree changes, which is about \$38,000 UNF higher than budgeted. Long-term coverage expense was increased by \$2,527 UNF over the previous forecast. *An additional \$7,000 FAV in savings is projected based on a long-term leave-of-absence. The forecast includes a budget transfer request of \$7,000 UNF to pay two bench subs \$70 per day each for 50 days to allow us to maintain the tutoring which we are using as part of RTI programming and CAPT prep remediation efforts. The forecast was updated based on the current staffing.*

LINE 2 on Page 3: 5112-CLASSIFIED SALARIES:

Estimated overtime was increased by \$3,028 UNF from the prior forecast. *The forecast was updated based on current staffing.*

LINE 4 on Page 3: 5200-MEDICARE – ER:

The forecast for this account is based on projected salaries.

LINE 5 on Page 3: 5210-FICA – ER:

The forecast for this account is based on projected salaries.

LINE 6 on Page 3: 5220-WORKERS' COMPENSATION:

Workers' compensation insurance budget was based on information from our carrier in December 2010. Due to the District's excellent accident loss ratio over the past five years, the actual bid from Trident Insurance of \$117,440 was under budget by \$900 FAV. The audit premium is budgeted at \$9,000. The audit premium was \$1,630, or under budget by \$7,370 FAV.

LINE 7 on Page 3: 5231-BLUE CROSS DENTAL:

The forecast is based on current staffing.

LINE 8 on Page 3: 5251-MEDICAL INSURANCE:

The forecast is based on current staffing.

LINE 10 on Page 3: 5260-LIFE INSURANCE:

The forecast for this account is based on the current staffing.

LINE 11 on Page 3: 5275-DISABILITY INSURANCE:

The forecast for this account is based on the current staffing.

LINE 16 on Page 3: 5290-UNEMPLOYMENT COMPENSATION:

The District received an invoice for \$17,504.00 from the State of Connecticut Department of Labor for the month ending September 30, 2011. A budget transfer of \$17,504 UNF was approved to pay for this. The forecast assumes an additional \$10,000 UNF will be incurred during the remainder of the fiscal year.

LINE 19 on Page 3: DATA PROCESSING:

A fee of \$500 UNF was paid to change the signatures for Accounts Payable and Payroll checks due to the change of the Board Treasurer.

LINE 20 on Page 3: OTHER PROFESSIONAL & TECHNICAL SERVICES:

The Health and Welfare Benefits Consultants were selected from several bidders. Marsh & McLennan Agency was awarded the bid for \$25,000. The 2011-2012 budget for this service is \$40,000, or a favorable variance of \$15,000 FAV. The forecast includes \$20,735 UNF to pay for a Speech and Language Pathologist substitute to cover for a teacher on a leave-of-absence. Legal expenditures are anticipated to be \$20,000 UNF over budget due to the upcoming negotiations in the spring with the secretaries, paraprofessionals, custodians and nurses unions. *The forecast includes \$15,000 UNF (previously \$20,000 UNF) for consulting services to assist the Board of Education in the selection of a new Superintendent of Schools. In addition, a final payment to Day Pitney LLP of \$6,014 UNF needs to be made for professional services rendered in connection with the IRS audit of \$20,000,000 General Obligation Bonds and \$8,190,000 Bond Anticipation Notes. The IRS has notified us of a "No-Change Determination" after completing their examination of our bonds.*

LINE 22 on Page 3: 5510-PUPIL TRANSPORTATION:

The forecast projects special education transportation to be \$80,203 FAV under budget (previously \$80,203 FAV under budget).

LINE 23 on Page 3: 5521-GENERAL LIABILITY INSURANCE:

The budget was based on an estimate provided by our insurance carrier for liability-automobile-property (LAP) insurance in December 2010. The LAP insurance was \$142,060, or \$16,073 FAV under budget. Student Accident Insurance premium was \$10,629, or \$1,371 FAV under budget. The forecast assumes 'LAP reimbursements' will be the same as the budget of \$3,000.

LINE 24 on Page 3: 5550-COMMUNICATIONS: TELEPHONE, POSTAGE:

The forecast includes a budget transfer request of \$1,500 FAV from this account to certified salaries to pay two bench subs \$70 per day each for 50 days to allow us to maintain the tutoring which we are using as part of RTI programming and CAPT prep remediation efforts.

LINE 25 on Page 3: 5560-TUITION EXPENSE:

These figures are subject to change on a monthly basis.

Tuition for the vo-ag schools is projected at **\$67,007 FAV under budget.**

	FY07-08 ACTUAL	FY08-09 ACTUAL	FY09-10 ACTUAL	FY10-11 ACTUAL	FY11-12 BUDGET	FY11-12 ENROLLED
Sound	5	9	9	7	7	6
Trumbull	1	1	2	4	4	3
Nonnewaug	2	4	5	5	6	3
Totals	8	14	16	16	17	12

Public (ACES) and private out-of-district placements are projected at **\$142,952 FAV under budget.**

	FY07-08 ACTUAL	FY08-09 ACTUAL	FY09-10 ACTUAL	FY10-11 ACTUAL	FY11-12 BUDGET	FY11-12 ENROLLED
Public SPED	8.25	9	7	6	7	5
Private SPED	18	21	20.5	21	22	25
Totals	26.25	30	27.5	27	29	30

Note: 0.5 is a part-time student.

The forecast includes 25 students at ACES Educational Center for the Arts. The projected tuition is **\$59,400 UNF over budget.**

LINE 31 on Page 4: 5410-UTILITIES, EXCLUDING HEAT:

Electricity usage is projected at 4,733,252 kilowatt hours based on a three-year average compared to a budgeted usage of 4,771,558 kilowatt hours. (Last fiscal year's usage was 4,656,641 kilowatt hours.) The forecasted price is \$0.181 per kilowatt hour compared to a budgeted price of \$0.1767 per kilowatt hour. The distribution side was increased by DPUC. (Last fiscal year's price was \$0.177 per kilowatt hour.) The Amity High School lighting retrofit project is forecasted to lower the kilowatt hour usage by 20 percent, or a savings (net of loan payment) of approximately **\$45,000 FAV under budget** (previously \$13,584 UNF over budget.)

The load shed numbers from participating in the program during last fiscal year is **\$23,916 FAV.**

Propane usage is estimated at 8,000 gallons at the budgeted price of \$3.00 per gallon. The budget is 11,000 gallons. (Last fiscal year's usage was 8,346 gallons.) We anticipate the new, more efficient Field House hot water system will lower our usage. This will be partially offset by the extra lunch wave at the high school due to the eight-period schedule. The projected savings for this fiscal year is **\$10,500 FAV.**

LINE 32 on page 4: 5420-REPAIRS, MAINTENANCE & CLEANING:

A lightning strike occurred on July 31, 2011 at Bethany Middle School. Multiple vendors were needed to repair extensive damage to the Building Management and Life Safety systems. We have been paying vendors out of the Bethany Middle School repair account. The insurance company paid \$44,955.55 (total cost of \$45,955.55 less \$1,000 deductible), which was credited to the expense account.

Total expenditures related to Tropical Storm Irene were \$7,182.49. Our insurance agent informed us that only \$1,155 for roof repairs qualifies for insurance coverage. With a \$1,000 deductible, we expect an insurance check for \$155. The insurance company paid \$731.00 related to wind damage caused by the storm, which has been credited to the expense account.

LINE 33 on Page 4: 5611-INSTRUCTIONAL SUPPLIES:

The forecast includes a budget transfer request of \$5,500 FAV from this account to certified salaries to pay two bench subs \$70 per day each for 50 days to allow us to maintain the tutoring which we are using as part of RTI programming and CAPT prep remediation efforts.

LINE 35 on Page 4: 5620-OIL USED FOR HEATING:

Fuel was purchased for the generator at Bethany Middle School during Tropical Storm Irene. The unbudgeted expense was \$398 UNF. Additional fuel was purchased for the generator at Bethany Middle School during the power outage. The unbudgeted expense was \$244 UNF. *The degree days to-date are 1,218 (previously 654) with a normal of 1,499 (previously 823).*

LINE 39 on Page 4: 5690-OTHER SUPPLIES:

The Microsoft licensing fee is \$12,749 FAV under budget.

LINE 40 on Page 4: 5730-EQUIPMENT-NEW:

Budget transfers under \$3,000 were approved in October to purchase an ADA compliant cafeteria table and some iPads / iPods.

LINE 42 on Page 4: 5731-EQUIPMENT-REPLACEMENT:

The forecast includes the purchase of a replacement server for \$12,650 UNF.

LINE 46 and LINE 46A on Page 4: 5850-CONTINGENCY:

The forecast assumes the entire Contingency Account of \$150,000 will be spent by year end. *The Contingency Account will have a balance of \$75,600.*

July (voted in June): \$67,411 UNF – Pay the full tuition for 27 students at ACES Educational Center for the Arts. All Superintendents of Schools were informed of the requirement to pay for the full tuition costs, less any applicable grants, for all students enrolled in the inter-district magnet school program. The ACES Governing Board has set the tuition at \$8,746.00. After subtracting the anticipated funding from each student from the CSDE Inter-district Magnet School grant, the remaining balance of tuition to be paid would be approximately \$3,793.00 per student. Boards of Education in Connecticut are required to pay tuition for the three-year average student enrollment, which is 27 students for Amity. We must pay \$102,411. The 2011-2012 Adopted Budget has \$35,000 for ECA tuition payments. Thus, we have a shortfall of \$67,411 is being covered by using the Contingency Account.

October: \$3,793 FAV - Actual enrollment is 26 students at ACES Educational Center for the Arts. A budget transfer of \$3,793 from Tuition to Contingency Account was approved.

December: \$15,000 UNF – *(The budget transfer request of \$20,000 was changed by the Amity Board of Education to \$15,000.)* A budget transfer was made to pay for consulting services to assist the Board of Education in the selection of a new Superintendent of Schools.

December: \$4,218 FAV – A budget transfer of \$4,218 from Tuition to Contingency Account was made based on the actual enrollment of 25 students at ACES Educational Center for the Arts and the actual tuition of \$3,776 per student.

Amity Regional School District No. 5 - Budget Transfers 2011-2012

<u>MONTH/YR</u>	<u>JNL#</u>	<u>ACCOUNT NUMBER & DESCRIPTION</u>	<u>AMOUNT</u>	<u>DESCRIPTION</u>
2011-JUL	15	01-04-12-6117-5560 TUITION EXPENSE	67,411.00	ECA TUITION MAND
2011-JUL	15	01-05-15-0000-5850 CONTINGENCY	(67,411.00)	ECA TUITION MAND
2011-JUL	28	01-03-11-1010-5330 OTHER PROFESSIONAL	1,700.00	ALLSTATE&NE SOUND
2011-JUL	28	01-03-11-1010-5611 INSTRUCTIONAL SUPP	(1,700.00)	ALLSTATE&NE SOUND
2011-AUG	13	01-02-111014-5611 INSTRUCTIONAL SUPP	920.00	ADDITIONAL SUPPLIES NEEDED
2011-AUG	13	01-02-111014-5641 TEXTBOOKS	(920.00)	ADDITIONAL SUPPLIES NEEDED
2011-AUG	16	01-02-142219-5611 INSTRUCTIONAL SUPP	(78.00)	PRICE INCREASE
2011-AUG	16	01-02-111007-5611 INSTRUCTIONAL SUPP	78.00	PRICE INCREASE
2011-AUG	25	01-02-111014-5810 DUES&FEES	(94.00)	PRICE INCREASE
2011-AUG	25	01-02-111014-5611 INSTRUCTIONAL SUPP	94.00	PRICE INCREASE
2011-AUG	39	01-02111001-5611 INSTRUCTIONAL SUPP	(100.00)	SHIPPING CHARGE
2011-AUG	39	01-02-111001-5731 EQUIPMENT-REPLACE	150.00	SHIPPING CHARGE
2011-AUG	39	01-02-142219-5611 INSTRUCTIONAL SUPP	(50.00)	SHIPPING CHARGE
2011-AUG	57	01-03-111006-5611 INSTRUCTIONAL SUPP	(2,907.00)	INC ENROLLMENT
2011-AUG	57	01-03-111006-5641 TEXTBOOKS	2,907.00	INC ENROLLMENT
2011-AUG	161	01-01-132220-5330 OTHER PROFESSIONAL	500.00	AUTHOR VISIT FOR SCHOOL
2011-AUG	161	01-01-132220-5611 INSTRUCTIONAL SUPP	(500.00)	AUTHOR VISIT FOR SCHOOL
2011-AUG	118	01-05-142350-5690 OTHER SUPPLIES	1,423.00	APPS-PAGES,NOTES,KEYNOTE
2011-AUG	118	01-05-142320-5810 DUES &FEES	(1,423.00)	APPS-PAGES,NOTES,KEYNOTE
2011-AUG	136	01-05152512-5220 WORKERS COMPENS	(2,801.00)	CAPSS MEMBERSHIP
2011-AUG	136	01-05142310-5810 DUES&FEES	2,801.00	CAPSS MEMBERSHIP
2011-SEPT	65	01-01132400-5590 OTHER PURCHASED SVC	(116.00)	RETURN OF ITEMS SHIPPED
2011-SEPT	65	01-01132400-5420 REPAIRS, MAINTENANCE	116.00	RETURN OF ITEMS SHIPPED
2011-SEPT	65	01-01132400-5590 OTHER PURCHASED SVC	(315.00)	POSTAGE METER SHORTAGE
2011-SEPT	65	01-01132400-5550 COMMUNICATIONS	315.00	POSTAGE METER SHORTAGE
2011-SEPT	88	01-03111013-5611 INSTRUCTIONAL SUPP	(2,200.00)	ADDITIONAL TEXTS NEEDED
2011-SEPT	88	01-03111013-5641 TEXTBOOKS	2,200.00	ADDITIONAL TEXTS NEEDED
2011-SEPT	89	01-03132220-5611 INSTRUCTIONAL SUPP	(750.00)	PURCHASE WHITEBOARD
2011-SEPT	89	01-0313220-5690 OTHER SUPPLIES	750.00	PURCHASE WHITEBOARD
2011-SEPT	133	01-03111008-5611 INSTRUCTIONAL SUPP	(51.00)	TEXTBOOKS/INC ENROLL
2011-SEPT	133	01-03111008-5641 TEXTBOOKS	51.00	TEXTBOOKS/INC ENROLL
2011-SEPT	159	01-01142600-5620 OIL USED FOR HEATING	398.00	GENERATOR FUEL-HURRICANE
2011-SEPT	159	01-05152512-5220 WORKERS COMPENS	(398.00)	GENERATOR FUEL-HURRICANE
2011-SEPT	210	01-03111013-5611 INSTRUCTIONAL SUPP	(120.00)	INCR COST OF TEXTBOOK
2011-SEPT	210	01-03111013-5641 TEXTBOOKS	120.00	INCR COST OF TEXTBOOK
2011-SEPT	227	01-01111006-5611 INSTRUCTIONAL SUPP	(140.00)	LANGUAGE TEACHER WORKSHOP
2011-SEPT	227	01-01111006-5810 DUES&FEES	140.00	LANGUAGE TEACHER WORKSHOP
2011-SEPT	273	01-01132220-5611 INSTRUCTIONAL SUPP	(100.00)	AUTHOR VISIT
2011-SEPT	273	01-01132220-5330 OTHER PROFESSIONAL	100.00	AUTHOR VISIT
2011-OCT	2	01-01111011-5611 INSTRUCTIONAL SUPP	(155.00)	ATTEND CONFERENCE
2011-OCT	2	01-01132400-5581 TRAVEL-CONFERENCES	155.00	ATTEND CONFERENCE
2011-OCT	16	01-05142510-5521 GENERAL LIAB INSUR	(937.00)	APPLE CONFERENCE
2011-OCT	16	01-04121200-5581 TRAVEL-CONFERENCES	469.00	APPLE CONFERENCE
2011-OCT	16	01-05132212-5581 TRAVEL-CONFERENCES	468.00	APPLE CONFERENCE
2011-OCT	22	01-01111013-5611 INSTRUCTIONAL SUPP	(150.00)	APPLE CONFERENCE
2011-OCT	22	01-01132400-5581 TRAVEL-CONFERENCES	150.00	APPLE CONFERENCE
2011-OCT	26	01-04121200-5611 INSTRUCTIONAL SUPP	(210.00)	CONFERENCE FEE
2011-OCT	26	01-04132190-5581 TRAVEL-CONFERENCES	210.00	CONFERENCE FEE
2011-OCT	54	01-02111005-5611 INSTRUCTIONAL SUPP	(1,732.00)	PURCHASE IPAD/IPODS
2011-OCT	54	01-05142350-5730 EQUIPMENT-NEW	1,732.00	PURCHASE IPAD/IPODS
2011-OCT	56	01-05152512-5220 WORKERS COMPENS	(1,570.00)	CAFÉ TABLE,ADA
2011-OCT	56	01-03132400-5730 EQUIPMENT-NEW	1,570.00	CAFÉ TABLE,ADA
2011-OCT	130	01-04122150-5330 OTHER PROFESSIONAL	20,735.00	LOA FOR SPEECH TEACHER
2011-OCT	130	01-05151026-5111 CERTIFIED SALARIES	(20,735.00)	LOA FOR SPEECH TEACHER
2011-OCT	130	01-05150000-5850 CONTINGENCY	3,793.00	ECA ENROLLMENT
2011-OCT	130	01-04126117-5560 TUITION EXPENSE	(3,793.00)	ECA ENROLLMENT
2011-OCT	160	01-01111010-5440 RENTALS-LAND,BLDG,	(2,805.00)	PURCHASE STEP RISERS
2011-OCT	160	01-01111010-5730 EQUIPMENT - NEW	2,805.00	PURCHASE STEP RISERS
2011-OCT	165	01-01111010-5440 RENTALS-LAND,BLDG,	(421.00)	BUY TEXTBOOKS

2011-OCT	165	01-01111010-5641 TEXTBOOKS	421.00	BUY TEXTBOOKS
2011-OCT	167	01-02142600-5420 REPAIRS,MAINTENANCE	(483.50)	REPLACE BULBS OUTSIDE
2011-OCT	167	01-01142600-5420 REPAIRS,MAINTENANCE	483.50	REPLACE BULBS OUTSIDE
2011-OCT	196	01-02142600-5420 REPAIRS,MAINTENANCE	(550.00)	CONCRETE REPAIR
2011-OCT	196	01-01142600-5420 REPAIRS,MAINTENANCE	550.00	CONCRETE REPAIR
2011-OCT	208	01-02142600-5420 REPAIRS,MAINTENANCE	(1,071.00)	LIGHTNING DAMAGE
2011-OCT	208	01-01142600-5420 REPAIRS,MAINTENANCE	1,071.00	LIGHTNING DAMAGE
2011-NOV	38	01-02142600-5420 REPAIRS,MAINTENANCE	(350.00)	FIRE PUMP PIT FLOODED
2011-NOV	38	01-01142600-5420 REPAIRS,MAINTENANCE	350.00	FIRE PUMP PIT FLOODED
2011-NOV	64	01-02142600-5420 REPAIRS,MAINTENANCE	(310.00)	LIGHTNING DAMAGE
2011-NOV	64	01-01142600-5420 REPAIRS,MAINTENANCE	310.00	LIGHTNING DAMAGE
2011-NOV	106	01-05152512-5220 WORKERS COMPENS	(244.00)	GENERATOR FUEL-BETHANY
2011-NOV	106	01-01142600-5620 OIL USED FOR HEATING	244.00	GENERATOR FUEL-BETHANY
2011-NOV	111	01-03142600-5420 REPAIRS,MAINTENANCE	(13,000.00)	LIGHTNING DAMAGE
2011-NOV	111	01-01142600-5420 REPAIRS,MAINTENANCE	13,000.00	LIGHTNING DAMAGE
2011-NOV	117	01-02111006-5611 INSTRUCTIONAL SUPP	(500.00)	IPAD PURCHASE
2011-NOV	117	01-05142350-5730 EQUIPMENT-NEW	500.00	IPAD PURCHASE
2011-NOV	126	01-05142350-5730 EQUIPMENT-NEW	500.00	IPAD DIRECTOR FINANCE
2011-NOV	126	01-05142350-5330 OTHER PROFESSIONAL	(500.00)	IPAD DIRECTOR FINANCE
2011-DEC	3	01-03142600-5420 REPAIRS,MAINTENANCE	13,000.00	REVERSE NOV TSF
2011-DEC	3	01-01142600-5420 REPAIRS,MAINTENANCE	(13,000.00)	REVERSE NOV TSF
2011-DEC	68	01-05142310-5810 DUES&FEES	45.00	BOE CONF MEMBERS
2011-DEC	68	01-05142310-5690 OTHER SUPPLIES	(45.00)	BOE CONF MEMBERS
2011-DEC	81	01-05142350-5330 OTHER PROFESSIONAL	(500.00)	IPAD BACKUP
2011-DEC	81	01-05142350-5730 EQUIPMENT-NEW	500.00	IPAD BACKUP
2011-DEC	82	01-05142350-5330 OTHER PROFESSIONAL	(2,000.00)	AMAZON FIRE TRIAL
2011-DEC	82	01-05142350-5690 OTHER SUPPLIES	2,000.00	AMAZON FIRE TRIAL
2011-DEC	103	01-05152512-5290 UNEMPLOYMENT COMP	17,504.00	INCR UNEMPLOY COST
2011-DEC	103	01-03142600-5410 UTILITIES,EXCLUDING HEAT	(17,504.00)	INCR UNEMPLOY COST
2011-DEC	103	01-05142310-5330 OTHER PROFESSIONAL	15,000.00	SUPERINTEND SEARCH
2011-DEC	103	01-05150000-5850 CONTINGENCY	(15,000.00)	SUPERINTEND SEARCH
2011-DEC	103	01-05150000-5860 OPEB TRUST	4,218.00	ECA DECREASE
2011-DEC	103	01-04126117-5560 TUITION EXPENSE	(4,218.00)	ECA DECREASE

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525



Jack B. Levine
Director of Finance and Administration
jack.levine@reg5.k12.ct.us

Phone (203) 397-4813
Fax (203) 397-4864

To: Dr. John J. Brady, Superintendent of Schools
From: Jack B. Levine, Director of Finance and Administration
Re: Budget Transfers of \$3,000 or More for Fiscal Year 2011-2012
Date: January 4, 2012

I recommend the Amity Finance Committee and Board of Education approve the following budget transfer(s) of over \$3,000:

Bench Subs:

This budget request re-allocates funds to offset the cost of two bench subs for 50 days. These bench subs will be used to staff the Math CAPT Lab and Science CAPT Lab while the interns complete their student teaching. Staffing these labs with additional bench subs will allow us to maintain the tutoring which we are using as part of RTI programming and CAPT prep remediation efforts. This tutoring will be maintained during the critical January and February timeframe in the lead-up to the March CAPT administration.

#1 – Motion to make the following budget transfer of \$7,000 to pay two bench subs \$70 per day each for 50 days:

ACCOUNT NUMBER	ACCOUNT NAME	FROM	TO
03-11-1001-5611	Instructional Supplies	\$500	
03-11-1008-5611	Instructional Supplies	\$300	
03-11-1009-5611	Instructional Supplies	\$900	
03-11-1010-5611	Instructional Supplies	\$400	
03-11-1013-5611	Instructional Supplies	\$900	
03-11-1014-5611	Instructional Supplies	\$150	
03-13-2120-5611	Instructional Supplies	\$1,000	
03-14-2219-5611	Instructional Supplies	\$1,000	
03-13-2220-5611	Instructional Supplies	\$350	
03-11-2400-5550	Communications: Tel., Postage	\$1,500	
05-15-1026-5111	Certified Salaries		\$7,000

Professional Services due to Tax Audit:

A final payment to Day Pitney LLP of \$6,014 UNF needs to be made for professional services rendered in connection with the IRS audit of \$20,000,000 General Obligation Bonds and \$8,190,000 Bond Anticipation Notes. The IRS has notified us of a "No-Change Determination" after completing their examination of our bonds.

#2– Motion to make the following budget transfer of \$6,014 to pay Day Pitney LLP for professional services rendered in connection with an IRS audit of General Obligation Bonds and Bond Anticipation Notes:

ACCOUNT NUMBER	ACCOUNT NAME	FROM	TO
05-14-2510-5521	General Liability Insurance	\$6,014	
05-14-2310-5330	Other Professional & Tech. Svcs.		\$6,014

Attached are the minutes from the following Board of Education
Sub-Committee meetings:

Finance Committee

12/12/11

MINUTES

COMMITTEE MEMBERS PRESENT:

James Stirling, Janet Brunwin, Matthew Giglietti, Joseph Nuzzo

Also Present: John Brady, Jack Levine, Charles Britton, Pua Ford, Thomas Falcigno

A meeting of the Finance Committee was held in the Presentation Room of district offices, at 5:30 p.m. on Monday, December 12, 2011.

1. **Call to Order:** James Stirling called the meeting to order at 5:35 p.m.
2. **Pledge of Allegiance** was recited by those present.
3. **Discussion and Possible Action on Minutes**
 - a. Regular Meeting, November 14, 2011
Motion to approve the minutes as presented. (Matthew Giglietti, 2d Joseph Nuzzo).
Discussion: no corrections.
Vote in favor: Janet Brunwin, Matthew Giglietti, Joseph Nuzzo, James Stirling
Vote opposed: none
Abstain: none *Motion passed.*
4. **Public Comment:** Pua Ford, a Registrar of Voters in Bethany, suggested that if the meeting in Item 5 were approved, that the town clerks & registrars should be invited because they could make some suggestions to help reduce costs and still promote voter turnout and civic participation. She said that turnout in Bethany for the May 2011 referendum was 353 or a little over 9% of voters. Also, although absentee voting is available in a referendum, this is not so in a district meeting.
5. **Discussion of District Meeting vs. Referendum for 2012-2013 Budget Vote** (*memorandum dated 11/04/2011*)

John Brady described the informal conversations with the three First Selectmen where the suggestion was offered to shorten hours for an Amity budget referendum, in order to reduce the costs to the towns. Committee members asked about specific numbers—voter turnout at different hours, the margin of the vote; this information can be collected from registrars. It was noted that a district meeting would surely have a lower turnout than a referendum. Matt Giglietti believes that if a referendum is held, it should be 6 a.m. to 8 p.m. in order to give everyone the opportunity to vote. This item was tabled pending further information.
6. **Discussion and Possible Action on Parking Fee Proposal** (*memorandum dated 12/02/2011*)

The proposal comes from the high school Student Government, represented by Thomas Falcigno and supported by the administrators. Jamie Stirling asked it was possible for a student to purchase parking passes a quarter at a time; Jack Levine said this had been discussed but the current proposal is easier to put into effect.

Motion to recommend to the Amity Board of Education that the fee structure for student parking be changed so students are charged \$100 at the start of the academic year; \$75 at the beginning of the second marking period; \$50 at the beginning of the third marking period; and \$25 at the beginning of the fourth marking period. Fees will not be refunded to students for non-use of parking. Parking stickers issued to one student may not be transferred to a different student (Matthew Giglietti, 2d Janet Brunwin).

Discussion: none further.

Vote in favor unanimous.

Motion passed.

7. Discussion of Monthly Financial Statements

Jack reviewed the statement, referred to items to be addressed by transfers and funding requests.

8. Director of Finance and Administration Approved Transfers under \$3,000: The committee received the two-page list.

9. Discussion and Possible Action on Budget Transfers over \$3,000 (*memorandum dated 11/29/2011*)

- a. *Motion to make the following budget transfer of \$17,504 to pay the State of Connecticut Department of Labor for unemployment compensation expenses (Matthew Giglietti, 2d Janet Brunwin).*

Account Number	Account Name	From	To
03-14-2600-5410	Utilities, excluding Heat	\$ 17,504.	
05-15-2512-5290	Unemployment Compensation		\$ 17,504.

Discussion: Joe Nuzzo asked how this item was budgeted, Jack said \$12,000 was budgeted for the year but this number was always exceeded because of the increase in unemployment and the longer period that people are allowed to apply. This particular charge is unexpected; it stems from a voluntary termination in mid-year. The administration objected to this billing but in vain.

Vote in favor unanimous.

Motion passed.

10. Discussion and Possible Action on New Funding Requests (*memorandum dated 12/01/2011*)

- a. *Motion to make the following budget transfer of \$15,000 to pay for consulting services to assist the Board of Education in the selection of a new Superintendent of Schools (Joseph Nuzzo, 2d Janet Brunwin).*

Account Number	Account Name	From	To
05-15-0000-5850	Contingency Account	\$ 15,000.	
05-14-2310-5330	Other Profession & Technical Services		\$ 15,000.

Discussion: none.

Vote in favor unanimous.

Motion passed.

- b. *Motion to make the following budget transfer of 4,218 from the Tuition account to the Contingency account (Matthew Giglietti, 2d Janet Brunwin).*

Account Number	Account Name	From	To
04-12-6227-5650	Tuition	\$ 4,218.	
05-15-0000-5850	Contingency Account		\$ 4,218.

Discussion: none.

Vote in favor unanimous.

Motion passed.

11. Update on Financial Operations

- a. Update on Financial Audit

The audit report will be finished in January; Jack anticipates no problems. The auditor had conflict and could not attend this meeting.

12. Update on Negotiations – Executive Session

*Motion to go into Executive Session at 6:02 p.m. in order to discussion negotiations and to invite the Superintendent and Director of Finance and Administration to join the committee.
(Matthew Giglietti, 2d Janet Brunwin).*

Approval unanimous.

Motion passed.

The committee reentered public session at 6:12 p.m.

13. Adjourn

Motion to adjourn the meeting at 6:12 p.m. (Janet Brunwin, 2d Joseph Nuzzo).

Approval unanimous.

Motion passed; meeting adjourned.

Respectfully submitted,
Pua Ford, recording clerk pro tem