

AMITY REGIONAL SCHOOL DISTRICT NO. 5

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

Dr. Charles Dumais
Superintendent of Schools

PLEASE POST

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AMITY REGIONAL BOARD OF EDUCATION

January 9, 2017

A regular meeting of the Amity Regional Board of Education will be held on Monday, January 9, 2017, 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, 2016 (Enclosure) pg . 3
4. Public Comment
5. Student Report – Ms. Ananya Kachru
6. Acceptance of Donations to Amity Regional High School Drama Program
7. Correspondence
8. Superintendent's Report
 - a. Personnel Report (Enclosure) pg . 7
 - b. Superintendent's Monthly Report (Enclosure) pg . 8
 - c. Other
9. Chairman's Report
 - a. Committee Reports
 1. ACES
 2. CABE
 3. Curriculum
 4. Facilities
 - a. Facilities Dept. Monthly Report, December, 2016 (Enclosure) pg . 13

5. Finance

- a. Discussion and Possible Action on Audited Financial Statements
 - 1. Review of Audited Financial Statements by Auditors pg . 14
 - 2. Discussion and Possible Action to Accept Annual Financial Statements
 - 3. Discussion and Possible Action to Return Funds to Member Towns pg . 105
- b. Timeline for Presentation and Discussion of Superintendent's 2017-2018 Recommended Budget pg . 106
- c. NESDEC Enrollment Report and Summary Graph pg . 107
- d. Discussion and Possible Action on Award of Contracts of \$35,000 or More pg . 123
- e. Discussion of Monthly Financial Statements pg . 125
- f. Director of Finance and Administration Approved Transfers Under \$3,000 pg . 151
- g. Other
 - 1. Bonding Update
 - 2. Fuel Cell Update

6. Policy

- a. First Read of the Following Policy Recommendations:
9125, 9126, 9130, 9131, 9132, 9132.4, 9133, 9140, 9150, 9160, 9200, 9220, 9221, 9222, 9230, 9260, 9270, 9273
- b. Second Read of the Following Policy Recommendations:
 - 1. 9123, 9124, 9127, 9132.2, 9132.3, 9132.41, 9132.5, 9212, 9240, 9250, 9271, 9272, 9311, 9312, 9313, 9314, 9321, 9322, 9325.3, 9330, 9340, 9360, 9400
 - 2. 9132.6

7. Personnel

10. Items for the Next Agenda

11. Adjournment



Charles Dumais, Ed.D.
Superintendent of Schools

CD/kfw

pc: Town Clerks:

Bethany
Orange
Woodbridge

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Working to "enable every Amity student to become a lifelong learner and a literate, caring, creative and effective world citizen." District Mission statement

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

MINUTES

BOARD MEMBERS PRESENT: Chairman William Blake, Mr. John Belfonti, Mr. Christopher Browe, Ms. Patricia Cardozo, Ms. Sue Cohen, Mr. Steven DeMaio, Ms. Amy Esposito, Mr. Thomas Hurley, Ms. Tracey Russo, Ms. Sheila McCreven, Mr. James Stirling and Ms. Diane Urbano.

BOARD MEMBERS ABSENT: Ms. Robyn Berke.

Staff members present: : Dr. Charles Dumais, Ms. Theresa Lumas, Mr. Scott Cleary, Ms. Kathleen Fuller-Cutler, Ms. Lisa Lassen, Ms. Anna Mahon, Dr. E. Marie McPadden, Ms. Mary Raiola and Mr. Peter Silva.

Also present: Other members of the public.

A regular meeting of the Amity Regional Board of Education (BOE) was held on Monday, December 12, 2016 at 6:30 pm in the cafeteria at Amity Regional High School.

1. Call to Order: Chairman William Blake called the meeting to order at 6:35 pm.

2. Pledge of Allegiance was recited by those present.

3. Recognition of National Merit Scholar Program semifinalists and commended students.

Dr. Dumais introduced Ms. Mahon to introduce the 19 commended students and the 6 semifinalists and award them their certificates. The commended students are: Emily Bacal, Suvasini Balaji, Alicia Chen, Henry Connor, Theodore Hague, Katherine Handler, James He, Sara Jadbabaie, Mather Kirschbaum, Zhi Kan Li, Kelsey McCormack, Alekya Menta, Julia, Nadlemann, Jacob Okolo, Sarah Saxe, AnnaCatherine Slanski, Jacqueline Snow, Nicholas Yoo and Andrew Zhang. The semifinalists are: Jimmy Bi, Zizhu Chen, Jethin Gowda, Jingzhao Liang, Clare Staib-Kaufman and Ray Tian.

The Mr. Blake congratulated the students and their families on this excellent achievement. He called for a short recess to allow the students and their families to depart at 6:43 pm

The Board meeting was called back to order at 6:47 pm

4. Approval of minutes.

A. Regular BOE meeting, November 14, 2016 (enclosure)

Motion by Ms. Esposito, 2nd by Mr. Hurley to approve the minutes as submitted.

Ms. Cohen stated there was one correction, typographical error, “contrast” should be “contract” on page 3 of the minutes.

Vote unanimous to approve the minutes as corrected with one abstention (Ms. Urbano)

Motion carried

Minutes corrected and resubmitted

5. Public Comment - none

6. Student Report

Ms. Ananya Kachru gave an update on events at Amity High School, Amity Middle School Bethany Campus and Amity Middle School Orange Campus over the past month, as well as informing the Board of upcoming events.

7. Presentation by the Technology Department – Shaun DeRosa (attachment #1)

Mr. DeRosa presented to the Board an overview of the Technology Department's current duties and responsibilities along with new items that are under discussion for future inclusion in the Department. Discussion and questions followed regarding Mr. DeRosa's presentation.

8. Assessment Data Presentation – Dr. E. Marie McPadden (attachment #2)

Dr. McPadden presented data from student testing from the District schools as well as the BOWA Districts. These results are extremely helpful in determining student growth over time and to see how students are performing to the standards as well as informing the curriculum. There was discussion and questions followed which were answered by Dr. McPadden, Ms. Lassen and Mr. Silva.

9. Correspondence – none.

10. Superintendent's Report

A. Personnel Report – (enclosure)

Dr. Dumais noted that there is one resignation that is effective in the middle of the year due to a spouse relocation.

B. Superintendent's monthly report (enclosure)

Dr. Dumais highlighted items in his monthly report: Ms. Mahon recently attended the national conference for Blue Ribbon Schools to speak about what Amity has done since being named a Blue Ribbon School; instructional rounds are continuing to go well with the teams doing an excellent job assessing instructional practice and making improvements; Powerschool analytics and assessments make it possible to create assessments that are tied specifically to standards and this is something that all the BOWS schools are considering using; Amity recently hosted a breakfast for area clergy to discuss how to best support students; Amity Youth survey was recently completed. Ten students opted out and about 50 students missed the survey at the high school due to absence and/or field trips on that day.

C. Other

11. Chairman's Report -

A. Committee Reports

1. ACES – Ms. Cohen stated that at the last meeting a strategic design plan was presented. Also discussed were the many risk factors that affect students such as the increasing politicization of education, declining enrollment statewide, budget pressure, increased number of immigrants, poverty, social issues, national trend toward school choice, personalization of learning and aging infrastructure, and that are being targeted by the plan.

2. CAFE (attachment #3) - Ms. McCreven stated that seven Board members and Dr. Dumais attended the annual meeting. Delegates did pass the high-stakes resolution. Ms. McCreven attached her full report of the meeting to these minutes.

3. Curriculum – The Curriculum Committee met on December 8th. They discussed how to best forecast future needs in terms of textbooks and software for curriculum and inclusion in the budget. An inventory of current textbooks with age, condition and edition along with age of software licenses will be done to aid in developing a longer range plan for budgeting for these items to level out the budget for these items, avoiding peaks and troughs.

4. Facilities

A. Facilities Department monthly report, November 2016 (enclosure)

Dr. Dumais stated that the fuel cell will be up and running slightly ahead of schedule and that a ribbon-cutting will be scheduled soon after the New Year. There is no update on the microgrid project at this time.

5. Finance

A. Superintendent's 2017-2018 budget update

Dr. Dumais noted that the formal budget presentation will not happen until the new year and these figures represent where the administration is currently in the budget process. The administration is working with three categories: facilities projects that that could be done in the current budget, adjusting available funding without

modifying program, and items that affect program. A meeting was held last week with Moody's to plan the purchase of the bond.

Ms. Lumas noted that the initial budget requests came in at a 3.35% increase over last year's budget which is one of the lowest initial requests from administrators. After further cuts the increase stands now at 2.86%. There is also a recommended 0.5% increase to current 20% medical reserve fund with the long-term plan for the fund to be at 23%.

There were questions and discussion from Board regarding items in the report.

B. Discussion and possible action on a la carte pricing

Per Federal requirements, there are price increases in a la carte items as detailed in Ms. Lumas' memo.

C. Discussion of monthly financial statements

D. Director of Finance and Administration approved transfers under \$3,000

E. Discussion and Possible Action on new funding requests

Ms. Lumas detailed the proposed software purchase of AESOP and Veritime software at a cost of \$9,000 to improve efficiency in terms of substitute teachers hiring and tracking with an eye toward cost savings. There will be an annual fee of \$15,000 which is in the current budget.

After questions and discussion, it was decided to send this proposal to the Curriculum Committee for further review and consideration. Mr. Stirling noted that the Finance Committee voted in favor of this funds transfer.

F. Other

1. Bonding update

2. Information on cost savings related to building maintainer

Cost savings are detailed in the enclosure from Mr. Saisa.

3. Follow up on the contract to procure natural gas

After a meeting and further analysis it was decided not to lock into a contract.

4. Update on financial audit

Ms. Lumas stated that the final document was signed today and the formal report will be presented at the January meeting.

Mr. Stirling noted that the town financial committees will be offering feedback from their respective towns at the next Finance Committee meeting, thereby contributing to the continuing process of getting budget information early in the process.

6. Policy

A. First read of unchanged and new policy recommendations: 9000, 9010, 9123, 9124, 9127, 9132.2, 9132.3, 9142.41, 9132.5, 9212, 9240, 9250, 9271, 9272, 9311, 9312, 9313, 9314, 9321, 9322, 9325.3, 9330, 9340, 9360 and 9400.

B. First read of edited policy recommendations: 9020, 9110, 9120, 9121, 9122, 9132.6 (enclosures)

Mr. Stirling stated that the consensus of the Finance Committee members is not to support the changes in policy 9132.6, feeling they are not necessary, even though the Policy Committee voted in favor of the changes.

Mr. Hurley stated that the Policy Committee is meeting again on the 19th and asked that Board members make their comments known to him before the meeting or attend the meeting.

Mr. Hurley reported that a new memorandum of understanding was sent to the Town of Woodbridge and this was sent back with further changes for consideration at the meeting on the 19th.

7. Personnel

Ms. Cohen stated that negotiations are ongoing.

12. Items for next agenda – please forward any items to Dr. Dumais or Mr. Blake.

13. Adjournment

Motion by Mr. Hurley , 2nd by Mr. Browe to adjourn at 9:00 pm.

Vote unanimous

Motion carried

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

Thomas Hurley, Secretary

Attachments(3)

Presentation, Technology Department, Mr. Shaun DeRosa

Presentation, Assessment Data, Dr. E. Marie McPadden

Report, Ms. McCreven, CAFE

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



Charles S. Dumais, Ed.D.
 Superintendent of Schools

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 fax: 203.397.4864

January 9, 2017

To: Members of the Board of Education
From: Charles Dumais, Ed.D., Superintendent of Schools
Re: Personnel Report

+ NEW HIRES-CERTIFIED:

- Amity Reg. High School – Woodbridge: NONE
- Amity Reg. Middle School – Bethany: NONE
- Amity Reg. Middle School – Orange: NONE

+ NEW HIRES-SUBSTITUTES: NONE

+ NEW HIRES-CLASSIFIED: NONE

+ NEW HIRES-COACHES: NONE

+ LEAVE(S) OF ABSENCE: NONE

+ RESIGNATION(S):

- **Nancy Bennett-Morgenstern:** Assistant Girls Cross Country Coach – ARHS
- **Pat Doheny:** Assistant Co-Ed Outdoor Track Coach – ARHS
- **Sarah Wyant:** Assistant Varsity Softball Coach – ARHS
- **Loren Vorrarse-Purcell:** Varsity Softball Coach – ARHS

+ RETIREMENT(S): NONE

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge, Connecticut 06525



Charles S. Dumais, Ed.D.
 Superintendent of Schools

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 203.392.2106

Superintendent's Report – January 2017

Continuously improve instruction, cultivate creativity, and enhance student engagement and performance.

Enhance the efficient and effective use of resources.

Foster a supportive climate for students and adults.

Instruction

High School Reimagined. A team including a teacher, administrator, and students from Amity Regional High School joined 19 Connecticut high schools on December 6, 2016, at the Connecticut State Legislative Office Building to present, discuss, and debate legislative resolutions that each school submitted. Students presented their individual school's resolution on the House Floor. Amity's resolution was among the top 6 being brought back to be considered for proposing to the legislature. The resolution is as follows: *Be it resolved that districts are provided flexibility when designing the school day, week, year and structure of the classroom to meet the learning needs of each student on his or her path to mastering standards. Be it further resolved that the length of the school year, currently defined as one hundred and eighty days of actual school sessions and nine hundred hours of actual school work, be amended so that students who can document, and show learning from experiential learning opportunities are awarded hours for those experiences.*

AmityTalks and Listens Speaker Series. The student-created speaker series held the first session of *AmityTalks and Listens* of the school year. Four students and a teacher shared talks about how they have “made it happen” by overcoming adversity, leaning in to their vulnerability, and exploring uncomfortable topics.

Professional Development. Friday, January 13, 2017, is an early release professional development day. All certified staff, nurses, and paraeducators will participate in either sexual abuse awareness education (State mandated; nearly half of our staff has completed this training in an earlier session) or student concussion education (provided by Dr. Karen Laugel).

Curriculum Articulation. In-district meetings for January will include World Language and Reading. BOWA meetings for January include Social Studies, Science, and STEM. The BOE Curriculum Committee is scheduled to meet January 19, 2017. The District Wellness and Health and Safety Committees are scheduled to meet on January 18, 2017. The District Technology Committee is scheduled to meet on January 26, 2017.

Teaching Educator and Mentoring Program. Amity teachers working under the Initial Educator Certificate are required to participate in the Teaching Educator and Mentoring Program (TEAM). This past December, *all* Amity teachers who are currently in TEAM successfully passed their required reflection papers.

Scientifically Research-Based Intervention. Training for implementing newly revised Scientifically Research-Based Intervention (SRBI) forms for grades 7-12 was provided to District SRBI Committee members in December. The committee is scheduled to meet on January 25, 2017, to review the feedback following the training. Training for teachers is being planned in the implementation of the new forms.

Instructional Rounds. Teams at each school continue to engage in Instructional Rounds. We are developing the capacity of staff to engage in critical conversations about instruction as we prepare to involve *all* faculty members in the Instructional Rounds process next year. I am participating in the debrief sessions at each school to ensure that the discussion protocol is implemented with fidelity and consistency.

AMSO Social Studies Position. Nearly fifty applications have been received for the recently vacated social studies teaching position at Amity Middle School Orange. We hope to have a full-time replacement in place by the end of the second quarter.

Middle School Winter Concerts. More than 65% of our middle school students (both campuses) performed in this year's winter concerts!

Science Olympiad. Amity Middle School Bethany students Jonathan Fischman, Andy Kim, and Arnav Paliwal had a first place performance in Optics at the December 10, 2016 Mock Science Olympiad.

World Language. Amity Regional High School world language national honor society students visited the middle schools to engage the students in activities that highlight the world language opportunities available at the high school.

Conference Presentations. Amity teachers Tom Norton, Rob Fragione, and Keith Smolinski will be presenting at the 36th Annual Middle Level Conference on March 30 and 31, 2017 in Providence, Rhode Island.

Family Math. The Amity Regional School District is hosting an elementary family math event on January 9, 2017. The event, with participants from Bethany, Orange, and Woodbridge, will feature national presenter Greg Tang.

Student Athletes Recognized. Kathleen Walsh (Volleyball) and Emily Criscuolo (Cross Country) were named SCC Athletes of the Year for their respective sports. Kathleen Handler (Cross Country) and James He (Soccer) were named SCC Scholar Athletes for the fall season.

Coaches Recognized. Seth Davis (Volleyball) and Todd Rainey (Swimming & Diving) were named SCC Coach of the Year in their respective sports.

Learning Management System. The District Technology Committee recognizes the potential benefits of a single platform for a Learning Management System (LMS). As part of the process for identifying and evaluating a single platform that will best serve Amity constituents, PowerSchool Learning (formerly Haiku) is being piloted with staff at all schools. This LMS communicates directly with PowerSchool.

Discover Video. We are expanding the functionality and content of the video sharing system that was installed as part of the PEGPETIA grant. The final two servers in the middle schools have been installed and deployed. Additional content, such as morning video announcements at the high school, is being developed and uploaded.

Transition Program. Students in our high school transition classes had a very successful fundraiser this holiday season. They planned, shopped for, baked, and sold over 140 dozen holiday cookies!

IEP Training. All Amity school counselors, special education teachers, and school psychologists met to address the outcomes of the recent Connecticut State Transition Workshop in order to increase understanding of the transition area of the IEP. A “Core Transition Skills Chart,” developed by our staff, will help facilitate planning for students.

Resources

Navigate. All relevant school data has been uploaded into the system. The Director of Facilities is coordinating additional training for security staff on the effective use of this emergency management system. Security infrastructure elements are being evaluated and adjusted to provide the most useful data for operation of the system during an emergency.

Substitute Management System Evaluation. The Finance Department has recently completed a financial review of the use of Aesop and Veritime for managing substitute requests, assignments, communication, and evaluation. The results will be presented to the Amity Board of Education Curriculum Committee.

Student Financial Obligations. Missing textbooks obligations, broken or damaged equipment reimbursement, and other fees amount to tens of thousands of dollars annually. In the past, the obligations were communicated annually. We are now posting high school obligations quarterly (with the hope that they will be paid sooner) through MyPaymentsPlus. Middle School obligations will be posted annually.

Recycling. The Amity Regional High School Environmental Club met with custodians and administrators this fall to discuss the various protocols in place regarding recyclable materials.

Communication. Schools, departments, teams, teachers, coaches, administrators, and clubs are taking advantage of free communication tools like Facebook and Twitter.

RFID Doors and Copiers. Four exterior doors are currently wired and operational, while four more are scheduled to be completed by the end of January. New copiers have been installed across the District and access is controlled by staff RFID badges. All copiers have “Follow Me” printing technology which allows users to print on any connected machine in any building,

Climate

Eighth To Ninth Grade Transition. Eighth grade Amity students visited Amity Regional High School on December 9, 2016, to begin the high school orientation process and to watch the ARHS fall play, Thornton Wilder’s *Our Town*. Students toured the school and heard (from students and staff) about some of the wonderful opportunities that await them as freshman.

Vegetarian Day. The Amity Regional High School Environmental Club teamed up with Chartwells in December to host a “Vegetarian Day.” Thursday, December 8, 2016, Environmental Club members helped the cafeteria staff serve lunch. The menu featured a choice of Vegetarian Taco Bar, Vegetarian Nacho Bar, and Vegetarian Quesadilla.

Homework. In an effort to recognize the need for mindful rest and relaxation, the Amity Regional High School administration encouraged teachers to modify expectations for assignments over the holiday break, including adjusting deadlines when possible so they did not immediately follow the holiday break. The administration pledged to limit email communication to teachers during the holiday break as well.

Collaboration On Social/Emotional Health. Many teachers have collaborated with counselors, the student assistance counselor, the school resource officer, and the school social worker to create lessons for students based around the social/emotional aspects of curriculum.

Opioids. In cooperation with the FBI, DEA, Justice Department, Yale, and Woodbridge Youth Services, Amity will host a Parent University on January 11, 2017 to explore opioid abuse. The documentary *Chasing the Dragon, the Life of an Opiate Addict* will be shown. It will be followed by a panel discussion of experts on the opioid crisis.

Charity. Students and staff across the District contributed time, toys, toiletries, money, and canned food to families and organizations that help the less fortunate during the Holiday Season.

Student Appreciation. The Amity Middle School Bethany PBIS Committee organized a breakfast for all students in December to recognize their efforts to support the tenets of the *Be Amity!* character development initiative.

Superintendent

Instructional Leadership. I visit each school on (at least) a weekly basis and make classroom observations a regular part of each trip. To date, I have visited more than *seventy-five* classrooms across all of the buildings.

AMSO Principal Search. Nearly thirty applications have been received for the Amity Middle School Orange Principal position. The posting closes on January 20, 2017. Application review, initial interview, second interview, site visit (if necessary), and presentation to the Amity Personnel Committee are scheduled to be completed by the beginning of March.

Central Office Reorganization. Prior to the Holiday Break, the first phase of carpet replacement in Central Office was completed and included some peripheral offices. The second phase will include the common area. The third and final phase will include the remaining peripheral offices. As part of the first phase, the Offices of the Superintendent and the Director of Curriculum and Professional Development have swapped locations.

Legislative Committee. The CAPSS Legislative Committee has drafted language on four priority pieces of legislation that we hope will be reconsidered. The changes include revisions to recently passed requirements for (1) alternative education for expelled students, (2) candidate/employee background checks, (3) student data privacy, and (4) participation in the school building advisory council. The CAPSS legislative agenda will be released shortly.



This report is a synopsis of many of the undertakings, efforts, and achievements toward our District Goals and Objectives. It does not represent a complete and comprehensive account of all that has happened in the past month. I would encourage you to contact me directly if you have questions about items that you read or that you anticipated reading. I would be glad to discuss them.

December, 2016

CLEAN

SAFE

HEALTHY

SCHOOLS

Amity Regional School District No. 5

Facilities Department Monthly Report

Completed Projects:

- The portion of the corridor flooring, that was installed during the summer of 2016 at Amity Regional High School, using three different dye lots was taken up and replaced by the contractor.
- Thirteen storm drains were vacuumed and water jetted to prevent drainage backups in the parking lots at Amity Regional High School.
- The heat exchanger that is affiliated with the fuel cell at Amity Regional High School is now fully operational and on-line.
- The lead tests for the domestic hot water loops at Amity Middle School, Orange Campus and Amity Regional High School were conducted and all tests came back far below the recommended water quality standards.
- We were due for the 5-year retesting for radon at both middle schools. All results came back below the action levels.

Projects in process:

- The HVAC upgrade project at Amity Middle School, Orange Campus, is in process. We are about 95% complete.
- A comprehensive energy efficiency project with lighting upgrades and installation of the heat exchanger associated with the fuel cell project was developed. All lighting products have arrived on campus and are in the process of being installed by in-house personnel. All exterior lighting is now done, all of the interior lighting at Amity Middle School, Bethany Campus, is done, all interior lighting except the gym at Amity Middle School, Orange Campus, is done, and 98% of the interior lighting at Amity Regional High School is done.
- The new carpet for the District Office was ordered. Phase one has been completed. Phase two is scheduled for January 6-8, 2017, and Phase three is scheduled for January 13-15, 2017.

Outstanding issues to be addressed:

- The supply air motor and housing on air handler 5 at Amity Regional High School suffered a catastrophic failure. The proper replacement housing and motor are being sought and will be installed by in-house personnel when it arrives. Our highly skilled personnel were able to cobble half of the remaining parts together and provide some ventilation and heat to the affected rooms while we are waiting for the replacement parts.

Amity Regional School
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AMITY REGIONAL SCHOOL DISTRICT NO. 5

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2016

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INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Amity Regional School District No. 5, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13, and the schedules on the District's pension plans and other post-retirement benefit plan on pages 57 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

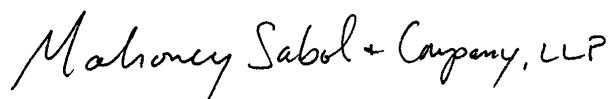
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual fund financial statements and schedules on pages 61 through 69 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 2, 2016, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Glastonbury, Connecticut
December 12, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

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, 2016.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$64,107,136 (net position). Included in this amount is a deficit in unrestricted net position of \$3,698,882. This deficit is caused by long-term liabilities for pension and other post-employment benefits that the District intends to fund overtime.
- The District's total net position for the year ended June 30, 2016 increased by \$1,926,486.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,400,067, an increase of \$251,039 in comparison with the prior year.
- The principal balance outstanding on the District's long-term bonded debt decreased by \$3,355,000 or 9.1% from \$36,725,000 as of June 30, 2015 to \$33,370,000 as of June 30, 2016. The decrease represents scheduled repayments made during the current fiscal year.
- At the close of the current fiscal year, the District has recorded a liability to return a balance of \$741,057 to its member towns.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

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

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

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (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 14 and 15 of this report.

Fund Financial Statements

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term 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 a number of 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 and the Reserve Fund for Capital and Nonrecurring, both 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 16 through 20 of this report.

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

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

The District maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21 through 23 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 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 through 56 of this report.

Required Supplementary Information

The schedule of net pension liability, schedule of contributions and investment returns, and schedules of funding progress and employer contributions for the District's benefit plans can be found on pages 57 through 60 of this report.

Other Information

Combining and individual fund statements and schedules can be found on pages 61 through 69 of this report.

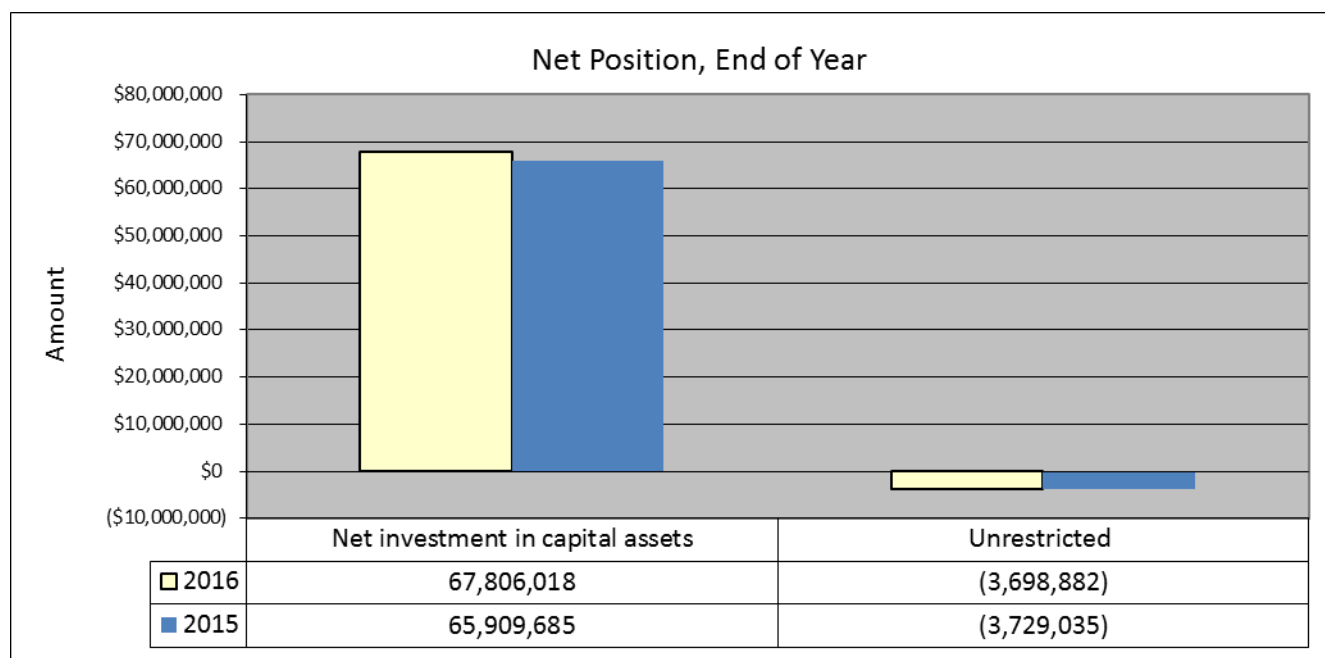
AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (Continued)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

Over time, net position may serve as one measure of a government's financial position. Total net position of the District totaled \$64,107,136 and \$62,180,650 as of June 30, 2016 and 2015, respectively, and are summarized as follows:

	2016	2015
Current and other assets	\$ 4,889,086	\$ 4,238,816
Capital assets, net	101,840,803	103,431,210
Total assets	<u>106,729,889</u>	<u>107,670,026</u>
Deferred outflows of resources	<u>3,015,423</u>	<u>2,561,368</u>
Long-term liabilities	42,383,929	45,673,377
Other liabilities	3,098,423	2,175,713
Total liabilities	<u>45,482,352</u>	<u>47,849,090</u>
Deferred inflows of resources	<u>155,824</u>	<u>201,654</u>
Net position:		
Net investment in capital assets	67,806,018	65,909,685
Unrestricted	<u>(3,698,882)</u>	<u>(3,729,035)</u>
Total net position	<u><u>\$ 64,107,136</u></u>	<u><u>\$ 62,180,650</u></u>



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)

The District's net position primarily reflects 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.

Change in Net Position

Changes in net position for the years ended June 30, 2016 and 2015 are as follows.

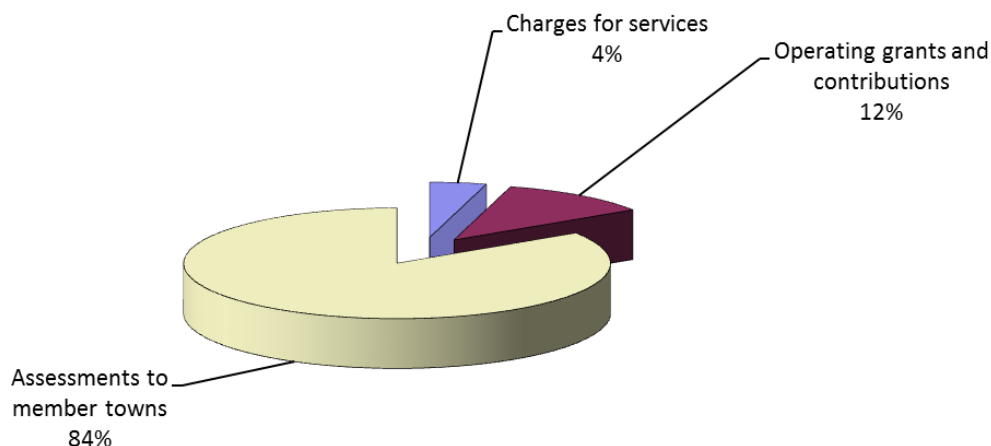
	<u>2016</u>	<u>2015</u>
Revenues		
Program revenues:		
Charges for services	\$ 2,267,653	\$ 2,481,462
Operating grants and contributions	6,114,433	6,681,857
Capital grants and contributions	-	187,274
General revenues:		
Assessments to member towns	44,607,637	43,146,543
Unrestricted investment earnings	7,319	23,540
Total revenues	<u>52,997,042</u>	<u>52,520,676</u>
Program expenses:		
General instruction	31,020,836	32,629,541
Support services - students	3,855,681	3,778,890
Improvement of instruction	607,582	532,125
Media	744,873	776,329
General administration	4,982,655	5,011,707
Buildings and grounds	5,301,723	5,170,609
Transportation	1,673,867	1,738,848
Student activities	1,604,907	1,561,369
Interest expense	1,278,432	1,432,268
Total expenses	<u>51,070,556</u>	<u>52,631,686</u>
Change in net position	<u>\$ 1,926,486</u>	<u>\$ (111,010)</u>

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

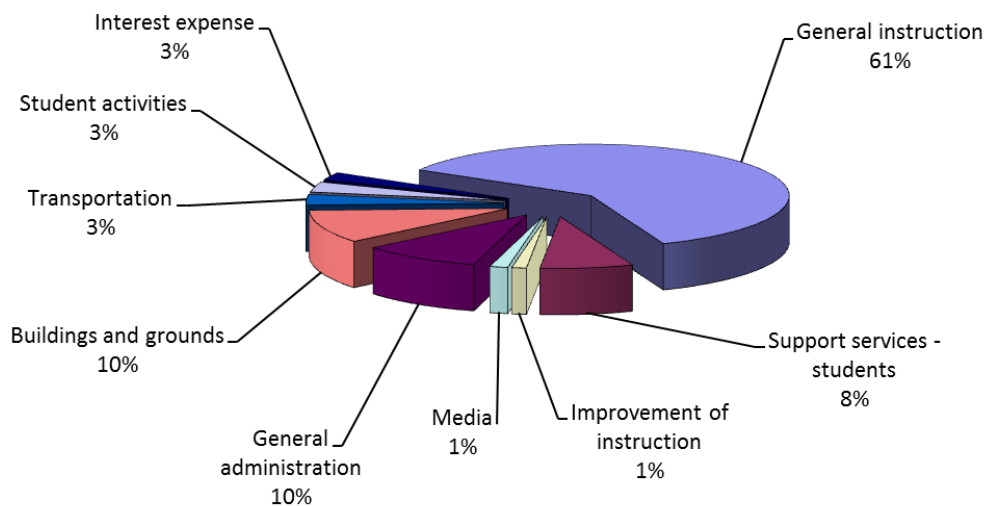
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)

**2016 Revenues by Source -
Governmental Activities**



**2016 Expenses by Function -
Governmental Activities**



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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Position (Continued)

Overall, the change in net position for fiscal year 2016 was \$2,037,496 higher than the change in net position for fiscal year 2015. Key elements of this increase are:

- A decrease in pension expense recognized of approximately \$873,000 primarily related to the deferral of actuarial losses resulting from changes of assumptions and differences between projected and actual earnings on pension plan investments. The deferral will be amortized as a component of pension expense in future years.
- A decrease of approximately \$1.3 million in losses recognized in the prior year relating to the disposal of capital assets from the District's capital assets.

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, committed and assigned 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 \$1,400,067, an increase of \$251,039 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 \$300,065 and has been assigned for specific purposes.

The fund balance of the General Fund decreased by \$16,993 during the current year.

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

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

Reserve Fund for Capital and Nonrecurring

The Reserve Fund for Capital and Nonrecurring has a fund balance of \$887,844 at year end. This represents an increase in fund balance of \$327,233 compared to the prior year. This increase was due to current year transfers in from the General Fund offset by capital outlays.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were no differences in total appropriations between the original budget and the final budget. Transfers between budget line items occurred throughout the year with the Board of Education's approval. Overall, there was a decrease in budgetary fund balance of \$150,000. Revenues were approximately \$770,023 lower than anticipated due to the return of \$741,057 to the member towns. Expenditures were approximately \$771,380 lower than anticipated due to increased budgetary monitoring and savings.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of June 30, 2016 totaled \$101,840,803 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, 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 \$1,590,407 or 1.5%. This was primarily due to depreciation expense of \$1,880,786 offset by capital acquisitions of \$299,905.

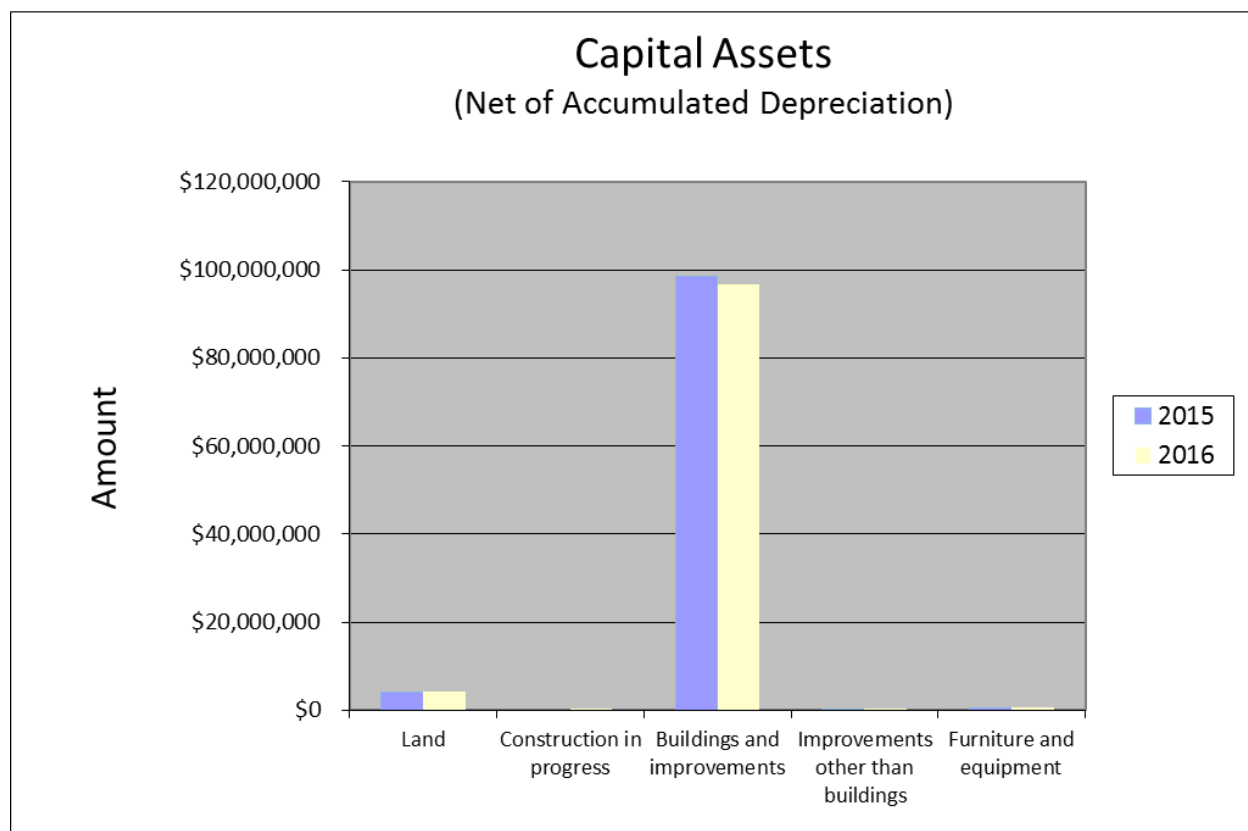
The following table is a two year comparison of the District's investment in capital assets, net of accumulated depreciation and amortization:

	2016	2015
Land	\$ 4,186,566	\$ 4,186,566
Construction in progress	64,044	-
Buildings and improvements	96,822,722	98,541,673
Improvements other than buildings	189,488	157,441
Furniture and equipment	577,983	545,530
Totals	<u>\$ 101,840,803</u>	<u>\$ 103,431,210</u>

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)



Additional information on the District's capital assets can be found in Note 5 of this report.

Long-term Debt

At the end of the current fiscal year, the District had total bonded debt outstanding of \$33,370,000, all of which is backed by the full faith and credit of the District and its member towns of Bethany, Orange, and Woodbridge. Total long-term debt decreased by \$3,355,000 or 9.1% due to current year debt service repayments.

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

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

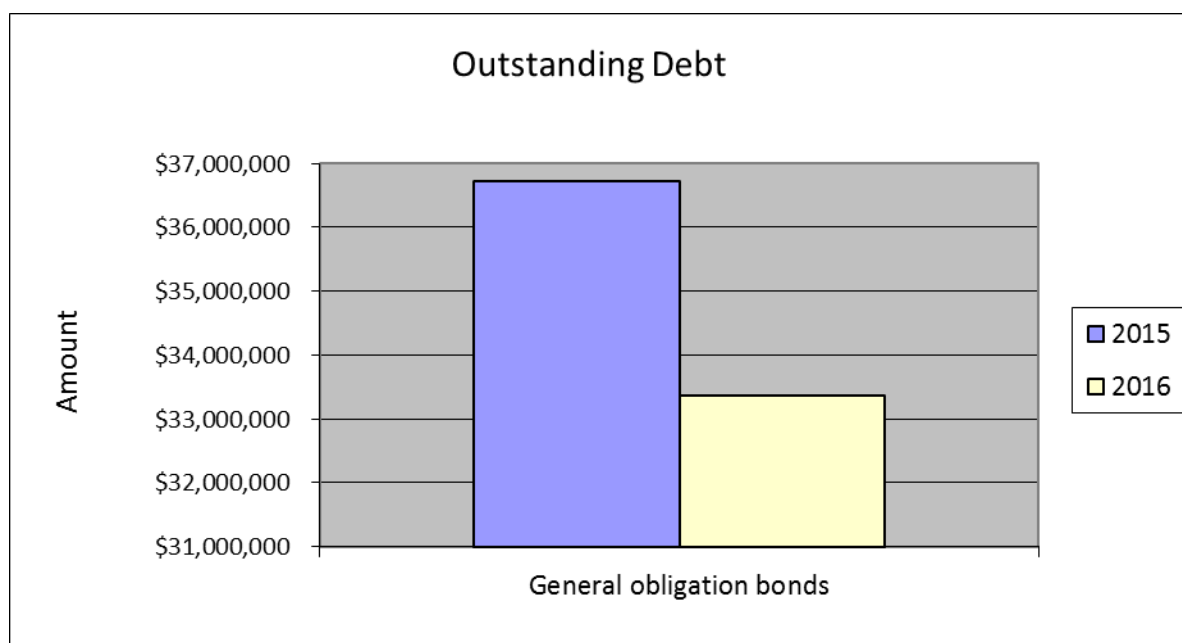
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt (Continued)

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 \$200,734,367 which is significantly in excess of the District's outstanding general obligation debt.

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

	2016	2015
General obligation bonds	\$ 33,370,000	\$ 36,725,000



Additional information on the District's long-term debt can be found in Note 8 of this report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED (*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 unfunded and under-funded State and Federal mandates increased significantly for fiscal year 2016 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 2017. The District's fiscal year 2017 General Fund budget was approved on May 3, 2016. The fiscal year 2017 budget contemplated expenditures of \$47,835,699, an increase of \$933,357, or 2.0%, over the original fiscal year 2016 budgeted expenditures.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Superintendent, 25 Newtown Road, Woodbridge, CT 06525.

BASIC FINANCIAL STATEMENTS

AMITY REGIONAL SCHOOL DISTRICT NO. 5

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 4,794,984
Receivables:	
Grants and contracts	29,199
Other	40,026
Inventory	18,515
Grants and contracts receivable, long-term portion	6,362
Capital assets:	
Non-depreciable	4,250,610
Depreciable, net	97,590,193
Total assets	<u>106,729,889</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	1,348,415
Deferred pension expense	1,667,008
	<u>3,015,423</u>
LIABILITIES	
Accounts payable and accrued liabilities	1,338,001
Accrued interest	539,211
Unearned revenue	78,008
Claims payable	402,146
Due to member towns	741,057
Noncurrent liabilities:	
Due within one year	3,780,118
Due in more than one year	38,603,811
Total liabilities	<u>45,482,352</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred pension benefit	<u>155,824</u>
NET POSITION	
Net investment in capital assets	67,806,018
Unrestricted deficit	(3,698,882)
Total net position	<u>\$ 64,107,136</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position- Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Instruction:					
General instruction	\$ 31,020,836	\$ 1,025,229	\$ 5,689,771	\$ -	\$ (24,305,836)
Support services:					
Support services - students	3,855,681	801,685	129,170	-	(2,924,826)
Improvement of instruction	607,582	15,177	121,465	-	(470,940)
Media	744,873	28,026	-	-	(716,847)
General administration	4,982,655	214,013	-	-	(4,768,642)
Buildings and grounds	5,301,723	120,420	-	-	(5,181,303)
Transportation	1,673,867	-	174,027	-	(1,499,840)
Student activities	1,604,907	63,103	-	-	(1,541,804)
Total support services	18,771,288	1,242,424	424,662	-	(17,104,202)
Interest expense	1,278,432	-	-	-	(1,278,432)
	<u>\$ 51,070,556</u>	<u>\$ 2,267,653</u>	<u>\$ 6,114,433</u>	<u>\$ -</u>	<u>(42,688,470)</u>
General revenues:					
Assessments to member towns					44,607,637
Unrestricted investment earnings					7,319
Total general revenues					<u>44,614,956</u>
Change in net position					1,926,486
Net position - beginning					<u>62,180,650</u>
Net position - ending					<u>\$ 64,107,136</u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2016

	General Fund	Reserve Fund for Capital and Nonrecurring	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,621,792	\$ 560,679	\$ 302,052	\$ 3,484,523
Receivables:				
Intergovernmental	9,556	-	13,152	22,708
Other	25,523	-	-	25,523
Due from other funds	9,260	427,713	52,427	489,400
Inventory	-	-	18,515	18,515
Total assets	<u>\$ 2,666,131</u>	<u>\$ 988,392</u>	<u>\$ 386,146</u>	<u>\$ 4,040,669</u>
LIABILITIES				
Accounts payable	\$ 656,769	\$ 100,548	\$ 68,842	\$ 826,159
Accrued liabilities	511,842	-	-	511,842
Due to member towns	741,057	-	-	741,057
Due to other funds	456,398	-	56,243	512,641
Unearned revenue	-	-	48,903	48,903
Total liabilities	<u>2,366,066</u>	<u>100,548</u>	<u>173,988</u>	<u>2,640,602</u>
FUND BALANCES				
Nonspendable:				
Inventory	-	-	18,515	18,515
Committed to:				
Capital projects	-	887,844	-	887,844
Cafeteria operations	-	-	61,117	61,117
Other purposes	-	-	133,926	133,926
Assigned to:				
General instruction	40,598	-	-	40,598
Support services - student	17,909	-	-	17,909
Improvement of instruction	1,100	-	-	1,100
Media	1,126	-	-	1,126
General administration	8,887	-	-	8,887
Transportation	687	-	-	687
Employee benefits	3,374	-	-	3,374
Student activities	22,256	-	-	22,256
Buildings and grounds	128,248	-	-	128,248
Capital outlays	75,880	-	-	75,880
Unassigned	-	-	(1,400)	(1,400)
Total fund balances	<u>300,065</u>	<u>887,844</u>	<u>212,158</u>	<u>1,400,067</u>
Total liabilities and fund balances	<u>\$ 2,666,131</u>	<u>\$ 988,392</u>	<u>\$ 386,146</u>	<u>\$ 4,040,669</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 POSITION
JUNE 30, 2016

Total fund balances for governmental funds \$ 1,400,067

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

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

Land	\$ 4,186,566	
Construction in progress	64,044	
Buildings and improvements	114,664,320	
Improvements other than buildings	478,997	
Furniture and equipment	903,522	
Less: accumulated depreciation and amortization	<u>(18,456,646)</u>	
Total capital assets, net		101,840,803

School construction grants receivable from the State of Connecticut are not susceptible to accrual and are therefore not reported in the governmental funds. 12,853

Deferred inflows and outflows of resources resulting from changes in the components of the net pension liability are reported in the statement of net position. 1,511,184

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

Accrued interest payable	(539,211)	
Long-term debt:		
Bonds payable	(33,370,000)	
Unamortized premium	(1,836,071)	
Deferred charges on refundings	1,348,415	
Other long-term liabilities:		
Net OPEB obligation	(1,501,119)	
Net pension liability	(5,182,650)	
Capital lease obligations	(177,129)	
Net sick and severance liability	(305,232)	
Vacation accrual payable	<u>(11,728)</u>	
Total long-term liabilities		(41,574,725)

An internal service fund is used by the District to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.

916,954

Net position of governmental activities \$ 64,107,136

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, 2016

	General Fund	Reserve Fund for Capital and Nonrecurring	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Assessments to member towns	\$ 44,607,637	\$ -	\$ -	\$ 44,607,637
Intergovernmental	5,343,547	-	758,303	6,101,850
Charges for services	145,141	-	811,638	956,779
Interest income	3,432	-	-	3,432
Contributions	-	-	19,074	19,074
Other	39,158	3,887	-	43,045
Total revenues	<u>50,138,915</u>	<u>3,887</u>	<u>1,589,015</u>	<u>51,731,817</u>
EXPENDITURES				
Current:				
General instruction	24,963,693	-	553,478	25,517,171
Support services:				
Support services - student	2,259,895	-	882,622	3,142,517
Improvement of instruction	391,749	-	121,465	513,214
Media	570,616	-	-	570,616
General administration	4,042,153	-	87,311	4,129,464
Transportation	1,670,535	-	3,332	1,673,867
Employee benefits	6,197,111	-	-	6,197,111
Student activities	1,361,974	-	-	1,361,974
Buildings and grounds	3,057,522	-	-	3,057,522
Capital outlays	388,733	104,367	-	493,100
Debt service:				
Principal payments	3,426,657	-	-	3,426,657
Interest and fiscal charges	1,397,565	-	-	1,397,565
Total expenditures	<u>49,728,203</u>	<u>104,367</u>	<u>1,648,208</u>	<u>51,480,778</u>
Excess (deficiency) of revenues over expenditures	410,712	(100,480)	(59,193)	251,039
OTHER FINANCING SOURCES (USES)				
Transfers in	8	427,713	-	427,721
Transfers out	(427,713)	-	(8)	(427,721)
Total other financing sources (uses)	<u>(427,705)</u>	<u>427,713</u>	<u>(8)</u>	<u>-</u>
Net changes in fund balances	(16,993)	327,233	(59,201)	251,039
Fund balances - beginning (see Note 1)	<u>317,058</u>	<u>560,611</u>	<u>271,359</u>	<u>1,149,028</u>
Fund balances - ending	<u><u>\$ 300,065</u></u>	<u><u>\$ 887,844</u></u>	<u><u>\$ 212,158</u></u>	<u><u>\$ 1,400,067</u></u>

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, 2016

Net change in fund balances for governmental funds	\$	251,039
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Total change in net position reported for governmental activities in the statement of activities is different because:

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

Expenditures for capital assets	\$ 299,905		
Depreciation and amortization expense	(1,880,786)		
Net adjustment			(1,580,881)

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. (9,526)

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 position. (6,491)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension liability are amortized as a component of pension expense in the statement of activities. 646,267

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. However, neither transaction has any effect on net position. The effect of these differences in the treatment of long-term debt and related items is as follows:

Principal repayments:			
Bonds payable	3,355,000		
Loan payable	14,584		
Capital lease financing	57,073		
Net adjustment			3,426,657

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. Also, governmental funds recognize the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of such items is as follows:

Accrued interest	59,050		
Amortization of deferred amount on refunding	(146,381)		
Amortization of bond premiums	206,465		
Net OPEB obligation	(231,423)		
Net pension liability	(1,002,198)		
Net sick and severance liability	152,161		
Vacation accrual payable	12,790		
Net adjustment			(949,536)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of a certain internal service fund is reported with governmental activities. 148,957

Change in net position of governmental activities	\$	<u>1,926,486</u>
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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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Assessments to member towns	\$ 45,348,694	\$ 45,348,694	\$ 44,607,637	\$ (741,057)
Intergovernmental	1,242,183	1,242,183	1,186,951	(55,232)
Charges for services	135,485	135,485	145,141	9,656
Interest income	1,500	1,500	3,432	1,932
Other	24,480	24,480	39,158	14,678
Total revenues	46,752,342	46,752,342	45,982,319	(770,023)
EXPENDITURES				
Current:				
Salaries	24,522,504	24,236,820	24,127,008	(109,812)
Employee benefits	5,837,134	5,947,630	6,098,344	150,714
Instruction	540,575	522,857	530,196	7,339
Pupil transport	2,963,938	2,945,493	2,677,108	(268,385)
Tuition	3,323,310	3,181,897	3,137,962	(43,935)
Purchased services	1,379,521	1,393,951	1,249,642	(144,309)
Rental and other services	584,691	589,505	560,609	(28,896)
Buildings and grounds	909,660	901,756	914,363	12,607
Utilities	1,006,855	989,414	810,471	(178,943)
Property and liability insurance	205,831	202,807	199,448	(3,359)
Travel and memberships	145,680	143,051	126,518	(16,533)
Contingency	150,000	-	-	-
Capital outlays	588,855	518,391	515,609	(2,782)
Debt service:				
Principal	3,355,000	3,369,583	3,369,583	-
Interest	1,388,788	1,533,874	1,388,788	(145,086)
Total expenditures	46,902,342	46,477,029	45,705,649	(771,380)
Excess (deficiency) of revenues over expenditures	(150,000)	275,313	276,670	1,357
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	150,000	150,000	-	(150,000)
Cancellation of prior year's encumbrances	-	-	1,035	1,035
Transfers in	-	-	8	8
Transfers out	-	(425,313)	(427,713)	(2,400)
Total other financing sources (uses)	150,000	(275,313)	(426,670)	(151,357)
Net change in fund balance	\$ -	\$ -	(150,000)	\$ (150,000)
Fund balance - beginning			150,000	
Fund balance - ending			\$ -	

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2016

	Governmental Activities Internal Service Fund
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,310,461
Accounts receivable	14,503
Due from other funds	23,241
Total assets	<u>1,348,205</u>
LIABILITIES	
Current liabilities:	
Claims payable	402,146
Unearned revenue	29,105
Total liabilities	<u>431,251</u>
NET POSITION	
Unrestricted	916,954
Total net position	<u><u>\$ 916,954</u></u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Governmental Activities Internal Service Fund
OPERATING REVENUES	
Charges for services	\$ 5,114,915
Total operating revenues	<u>5,114,915</u>
OPERATING EXPENSES	
Claims incurred	4,315,434
Administrative and other	650,524
Total operating expenses	<u>4,965,958</u>
Change in net position	148,957
Net position - beginning	<u>767,997</u>
Net position - ending	<u><u>\$ 916,954</u></u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2016

	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from customers and users	\$ 5,648,042
Cash payments for claims incurred	(4,278,280)
Cash payments to contractors for administration	(650,524)
Net cash provided by operating activities	<u>719,238</u>
Net increase in cash and cash equivalents	719,238
Cash and cash equivalents, beginning of year	<u>591,223</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,310,461</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 148,957
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in accounts receivable	(14,503)
Decrease in due from other funds	538,155
Increase in claims payable	37,154
Increase in unearned revenue	9,475
Net cash provided by operating activities	<u><u>\$ 719,238</u></u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Pension, Other Post-Employment Benefit and Sick & Severance Trust Funds	Private- Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 102,932	\$ 181,120	\$ 342,160
Investments:			
Mutual funds	11,395,852	-	-
Contribution receivable	152,104	-	5,297
Total assets	<u>11,650,888</u>	<u>181,120</u>	<u>\$ 347,457</u>
LIABILITIES			
Accounts payable	-	200	-
Due to others	6,579	-	347,457
Total liabilities	<u>6,579</u>	<u>200</u>	<u>\$ 347,457</u>
NET POSITION			
Held in trust for pension benefits, other post-employment benefits and other purposes	<u>\$ 11,644,309</u>	<u>\$ 180,920</u>	

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Pension, Other Post-Employment Benefit and Sick & Severance Trust Funds	Private- Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 924,295	\$ -
Employee	80,951	-
Other	-	58,515
Total contributions	<u>1,005,246</u>	<u>58,515</u>
Investment earnings:		
Interest and dividends	244,001	886
Net change in the fair value of investments	<u>(30,482)</u>	<u>-</u>
Total investment earnings	<u>213,519</u>	<u>886</u>
Total additions	<u>1,218,765</u>	<u>59,401</u>
DEDUCTIONS		
Benefit payments	630,358	-
Administrative expenses	12,724	-
Scholarships	-	82,261
Total deductions	<u>643,082</u>	<u>82,261</u>
Change in net position	575,683	(22,860)
Net position - beginning	<u>11,068,626</u>	<u>203,780</u>
Net position - ending	<u><u>\$ 11,644,309</u></u>	<u><u>\$ 180,920</u></u>

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

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

History and Organization

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, hired 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 (2015/2016) assessment percentages are: Bethany, 21 percent; Orange, 49 percent; and Woodbridge, 30 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 position and the statement of activities display information about the District and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through payments from the member towns, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The 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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide and Fund Financial Statements (Continued)

Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

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.

Reserve Fund for Capital and Nonrecurring - This fund accounts for financial resources 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 fund types:

Internal Service Fund (proprietary) - This fund accounts for self-insurance activities that provide goods or services to other funds, departments, or agencies of the District on a cost-reimbursement basis. The District utilizes this fund to account for risk management activities relating to medical insurance.

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.

Sick and Severance Trust Fund - This fund is used to account for the accumulation of resources to pay sick and severance benefits to eligible employees.

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

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

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

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

Proprietary, pension and other post-employment benefit trusts, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund consist of charges for insurance premiums. Operating expenses of the District's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Implementation of Accounting Standards

Effective July 1, 2015, the District adopted the provision of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, and certain provisions of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. The adoption of these statements did not have a material effect on the District's financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications

The District has reclassified \$724,995 from the beginning fund balance of its General Fund into a Sick and Severance Trust Fund. The Sick and Severance Trust Fund is being reported as a separate trust fund within the fiduciary financial statements. The amount reclassified represents the resources accumulated and held in trust for the purpose of providing sick and severance payments to eligible employees. In addition, the beginning liability for sick and severance benefits previously reported in the government-wide statement of net position in the amount of \$1,182,389 has been presented net of the assets being held in trust in order to conform with the current year presentation (see Note 8).

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

Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are measured by the District at fair value (generally based on quoted market prices), except for investments in certain external investments pools as described below.

Investments in external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the District at the net asset value per share as determined by the pool.

Inventories

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.

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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

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

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

Unearned Revenue

The unearned revenue liability represents resources that have been received but not yet earned.

Deferred Outflows/Inflows of Resources

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

Deferred outflows of resources consists of deferred charges on refundings and deferred pension expenses reported in the government-wide statement of net position. Deferred charges on refundings are amortized to interest expense using the effective-interest method over the life of the related bonds. Deferred pension expenses are amortized as a component of pension expense on a systematic and rational basis.

Deferred inflows of resources consist of revenue that is considered unavailable under the modified accrual basis of accounting and deferred pension benefits. Unavailable revenue is reported in the governmental funds balance sheet and is recognized as an inflow of resources in the period that the amounts become available. Deferred pension benefits are reported in the government-wide statement of net position and are amortized as a component of pension expense on a systematic and rational basis.

Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the related bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Long-term Obligations (Continued)

In the governmental fund financial statements, bond premiums and discounts 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.

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 are payable 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.

Net Position/Fund Balance

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

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

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

Unrestricted net position - This component of net position is the net amount of the assets, liabilities, and deferred outflows and inflows of resources which do not meet the definition of the two preceding categories.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position/Fund Balance (Continued)

The District's governmental funds report the following fund balance categories:

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

Restricted - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

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

Assigned - Amounts are constrained by the District's intent to be used for specific purposes, but are not restricted or committed. 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.

Net Position Flow Assumption

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

In accordance with the District's policy, the District considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

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

In accordance with the District's policy, the District uses restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 the 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.

NOTE 2 - BUDGETARY INFORMATION

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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 2 - BUDGETARY INFORMATION (Continued)

Budgetary Information (Continued)

- 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 estimates the share of the net expenditures to be paid by each member town in accordance with Connecticut General Statutes Section 10-51, and notifies 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 Board of Education and member town 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, 2016.

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, 2016:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Change in Fund Balance</u>
Budgetary basis	\$ 45,982,319	\$ 45,705,649	\$ (426,670)	\$ (150,000)
"On-behalf" payments - State Teachers Retirement Fund (see Note 9)	4,156,596	4,156,596	-	-
Changes in encumbrances	-	(134,042)	(1,035)	133,007
GAAP basis	<u>\$ 50,138,915</u>	<u>\$ 49,728,203</u>	<u>\$ (427,705)</u>	<u>\$ (16,993)</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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, 2016, \$2,863,211 of the District's bank balance of \$3,375,537 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,576,890
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the District's name	286,321
	<u>\$ 2,863,211</u>

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.

A reconciliation of the District's cash deposits as of June 30, 2016 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 4,794,984
Less: cash equivalents considered investments for disclosure purposes	(1,948,184)
	<u>2,846,800</u>
Statement of fiduciary net position:	
Cash and cash equivalents	626,212
Less: cash equivalents considered investments for disclosure purposes	(249,572)
	<u>376,640</u>
	<u>\$ 3,223,440</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the District's investments as of June 30, 2016 is as follows:

Government-wide statement of net position:	
Cash equivalents considered investments for disclosure purposes	\$ 1,948,184
Statement of fiduciary net position:	
Investments	11,395,852
Add: cash equivalents considered investments for disclosure purposes	249,572
	<u>11,645,424</u>
	<u>\$ 13,593,608</u>

As of June 30, 2016, the District's investments consisted of the following:

Investment type	Valuation Basis	Credit Rating	Value	Investment Maturities (In Years) Less Than 1
Debt Securities:				
Government-wide statement of net position:				
Short Term Investment Fund (STIF)	Net asset value	AAA	\$ 1,948,184	\$ 1,948,184
Statement of fiduciary net position:				
Short Term Investment Fund (STIF)	Net asset value	AAA	146,640	146,640
Money market mutual funds	Net asset value	Unrated	102,932	102,932
			<u>2,197,756</u>	<u>\$ 2,197,756</u>
Other investments:				
Statement of fiduciary net position:				
Mutual funds	Fair Value		<u>11,395,852</u>	
Total			<u>\$ 13,593,608</u>	

Because investments in the Short-Term Investment Fund and the money market mutual funds have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

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.

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 are not exposed to custodial credit risk because they are either not evidenced by securities that exist in physical or book entry form or they are held by a reputable custodian in the name of the District.

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, 2016. As of June 30, 2016, more than 10 percent of the District's governmental activities investments are invested in the Short-term Investment Fund (100%). As of June 30, 2016, more than 10 percent of the Town's fiduciary investments are invested in the following:

Issuer	Investment	Value	% of Fiduciary Investments
Wells Fargo	Vanguard Total Bond Market Index Fund Admiral Shares	\$ 3,290,014	28%
Wells Fargo	Vanguard Value Index Fund Admiral Shares	1,363,915	12%
Wells Fargo	Vanguard Growth Index Fund Admiral Shares	1,363,280	12%
Wells Fargo	Vanguard DVLDP Markets Index Fund Admiral Shares	1,309,582	11%

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. Investment 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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentrations of Credit Risk (Continued)

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 restricted 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 sick and severance trust, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval.

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The District classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The District's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2016, by level within the fair value hierarchy are presented in the table below.

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	<u>\$ 11,395,852</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,395,852</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2016 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
Construction in progress	-	64,044	-	64,044
Total capital assets, not being depreciated	<u>4,186,566</u>	<u>64,044</u>	<u>-</u>	<u>4,250,610</u>
Capital assets, being depreciated:				
Buildings and improvements	114,573,077	91,243	-	114,664,320
Improvements other than buildings	430,397	48,600	-	478,997
Furniture and equipment	836,334	96,018	28,830	903,522
Total capital assets, being depreciated	<u>115,839,808</u>	<u>235,861</u>	<u>28,830</u>	<u>116,046,839</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	16,031,404	1,810,194	-	17,841,598
Improvements other than buildings	272,956	16,553	-	289,509
Furniture and equipment	290,804	54,039	19,304	325,539
Total accumulated depreciation and amortization	<u>16,595,164</u>	<u>1,880,786</u>	<u>19,304</u>	<u>18,456,646</u>
Total capital assets, being depreciated, net	<u>99,244,644</u>	<u>(1,644,925)</u>	<u>9,526</u>	<u>97,590,193</u>
Governmental activities capital assets, net	<u>\$ 103,431,210</u>	<u>\$ (1,580,881)</u>	<u>\$ 9,526</u>	<u>\$ 101,840,803</u>

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

Governmental Activities:	
General instruction	\$ 17,750
Support services:	
Support services - students	26,086
General administration	1,040
Buildings and grounds	1,835,910
Total depreciation and amortization expense	<u>\$ 1,880,786</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2016 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 9,260
Reserve Fund for Capital and Nonrecurring	General Fund	427,713
Internal Service Fund	Nonmajor Governmental Funds	23,241
Nonmajor Governmental Funds	Nonmajor Governmental Funds	23,742
	General Fund	28,685
		52,427
		<u>\$ 512,641</u>

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

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2016 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Nonmajor Governmental Funds	\$ 8
Reserve Fund for Capital and Nonrecurring	General Fund	427,713
		<u>\$ 427,721</u>

The above 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 FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 36,725,000	\$ -	\$ 3,355,000	\$ 33,370,000	\$ 3,460,000
Unamortized amounts:					
Premiums	2,042,536	-	(206,465)	1,836,071	-
Total bonds payable	38,767,536	-	3,148,535	35,206,071	3,460,000
Other liabilities:					
Loans payable	14,584	-	14,584	-	-
Capital leases	234,202	-	57,073	177,129	59,211
Net sick and severance liability	457,393	-	152,161	305,232	259,907
Vacation accrual payable	24,518	-	12,790	11,728	1,000
Net pension liability	4,180,452	1,002,198	-	5,182,650	-
Net OPEB obligation	1,269,696	231,423	-	1,501,119	-
	<u>\$ 44,948,381</u>	<u>\$ 1,233,621</u>	<u>\$ 3,385,143</u>	<u>\$ 42,383,929</u>	<u>\$ 3,780,118</u>

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

General Obligation Bonds

A summary of general obligation bonds outstanding at June 30, 2016 is as follows:

Purpose of Bonds	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities			
Bonds Payable			
General obligation refunding bonds issued 5/13/09, original amount of \$27,480,000	2024	2.00% - 5.00%	\$ 17,020,000
General obligation refunding bonds issued 3/23/10, original amount of \$8,695,000	2025	3.00% - 4.00%	7,790,000
General obligation refunding bonds issued 11/3/10, original amount of \$8,245,000	2026	2.00% - 4.00%	5,015,000
General obligation bonds issued 7/26/12, original amount of \$4,010,000	2023	2.00% - 4.00%	3,545,000
			<u>\$ 33,370,000</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

General Obligation Bonds (Continued)

Annual debt service requirements to maturity at June 30, 2016 are as follows:

Year ending June 30:	General Obligation Bonds		
	Principal	Interest	Total
2017	\$ 3,460,000	\$ 1,249,213	\$ 4,709,213
2018	3,585,000	1,116,513	4,701,513
2019	3,425,000	965,113	4,390,113
2020	3,510,000	805,563	4,315,563
2021	3,565,000	659,438	4,224,438
2022-2026	15,205,000	1,372,919	16,577,919
2027	620,000	10,850	630,850
	<u>\$ 33,370,000</u>	<u>\$ 6,179,609</u>	<u>\$ 39,549,609</u>

School Bond Reimbursements

The State of Connecticut reimburses the District for eligible school bond principal and interest costs. The amount of principal reimbursement for the year ended June 30, 2016 was \$6,491. Additional reimbursements of principal aggregating \$12,853 are expected to be received through the applicable bonds' maturity dates.

Legal Debt Limit

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 \$200,734,367 as of June 30, 2016. The District did not exceed the statutory debt limitation as of June 30, 2016.

Loans payable

The District executed three loan agreements totaling \$298,751 with a local utility provider to finance various energy conservation improvements to the District's buildings. These loans were zero interest loans and were fully repaid in January 2016.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases

A summary of assets acquired through capital leases in as follows as of June 30, 2016:

	Governmental Activities
Equipment	\$ 302,152
Less: accumulated amortization	94,402
	<u>\$ 207,750</u>

Amortization expense relative to leased properly under capital leases totaled \$43,786 for the year ended June 30, 2016 and is included in depreciation and amortization expense disclosed in Note 5.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2016 is as follows:

	Governmental Activities
Year Ending June 30:	
2017	\$ 65,850
2018	65,851
2019	58,202
Total minimum lease payments	189,903
Less: amount representing interest	12,774
Present value of minimum lease payments	<u>\$ 177,129</u>

Sick and Severance Benefits

The District provides sick and 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 normal retirement with 15 consecutive years of service. Benefits are also provided to those who qualify for early retirement: 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 72 eligible participants. All benefit amounts were frozen as of June 30, 1994.

In connection with the sick and severance benefits payable, the District has created a trust fund to accumulate resources for future projected payments. Current year sick and severance payments made to retirees totaled \$221,032 for the year ended June 30, 2016 and were paid from the General Fund budget. The components of the District's net sick and severance liability as of June 30, 2016, were as follows:

Total sick and severance liability	\$ 1,040,378
Assets held in Trust	735,146
District's net sick and severance liability	<u>\$ 305,232</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 8 - LONG-TERM OBLIGATIONS (Continued)

Sick and Severance Benefits (Continued)

The total sick and severance benefits liability for the District was determined by an actuarial valuation as of July 1, 2015. 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. Projections of benefits include the types of benefits in force at the valuation date. 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, 2015
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level Dollar
Remaining amortization period	
Teachers and Administrators	7 years, closed
Other participants	15 years, closed
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	6.5%
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to the valuation date with Scale MP-2015.
Sick Time Accrual	Maximum number of sick days per year
Salary increases	Varies from 3.0% to 8.0%
Retirement age	Ranges from 55 to 70

NOTE 9 - PENSION PLANS

Defined Benefit Plan

Plan Description

Plan administration - 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 is administered by the Board of Education.

Plan membership - Membership of the Retirement Plan consisted of the following at July 1, 2015, the date of the most recent actuarial valuation:

Retirees and beneficiaries receiving benefits	46
Terminated employees entitled to benefits but not yet receiving them	4
Active plan members	66
	116

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Plan Description (Continued)

Benefits provided - The Retirement Plan provides for retirement, death and disability benefits for all eligible employees. The Retirement Plan covers substantially all noncertified District 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. Plan members are eligible to retire at age 65 with 10 years of service or are eligible for early retirement at age 55 with 10 years of service. Participants are 100% vested after 10 years of continuous service if their contributions remain in the fund. Death benefits include the accrued benefit earned for participants who were eligible for normal retirement on or prior to the date of death, or participant contributions multiplied by the actuarial conversion factor for those participants who were not eligible for normal retirement benefits on or prior to the date of death. Disability retirement benefits, which include the accrued benefit as of the date of disability, are available for participants who are 40 years in age and have completed 5 years of service.

Contributions - 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, 2016, employer contributions to the Retirement Plan were \$772,191 and represented approximately 22.23% of covered payroll. District employees are required to contribute 2.25% of their earnings to the Retirement Plan.

Summary of Significant Accounting Policies

Investments - Investments are measured by the District at fair value (generally based on quoted market prices), except for investments in certain external investments pools as described below.

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.

Investment policy - The Retirement Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Education. The Retirement Plan's 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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Summary of Significant Accounting Policies (Continued)

Concentrations - The Retirement Plan's investments consist solely of investment in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Rate of return - For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the District

The components of the net pension liability of the District's Plan at June 30, 2016, were as follows:

Total pension liability	\$ 14,405,625
Plan fiduciary net position	<u>9,222,975</u>
District's net pension liability	<u><u>\$ 5,182,650</u></u>
Plan fiduciary net position as a percentage of the total pension liability	64.02%

The components of the change in the net pension liability of the District's Plan for the year ended June 30, 2016, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2015	\$ 12,997,085	\$ 8,816,633	\$ 4,180,452
Changes for the year:			
Service cost	493,768	-	493,768
Interest	988,845	-	988,845
Difference between expected and actual experience	19,949	-	19,949
Change of assumptions	529,757	-	529,757
Contributions - employer	-	772,191	(772,191)
Contributions - member	-	80,951	(80,951)
Net investment income	-	176,783	(176,783)
Benefit payments, including refunds	(623,779)	(623,779)	-
Other	-	196	(196)
Net changes	<u>1,408,540</u>	<u>406,342</u>	<u>1,002,198</u>
Balance as of June 30, 2016	<u><u>\$ 14,405,625</u></u>	<u><u>\$ 9,222,975</u></u>	<u><u>\$ 5,182,650</u></u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liability of the District (Continued)

Actuarial assumptions - The total pension liability for the District was determined by an actuarial valuation as of July 1, 2015 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.00%
Investment rate of return	7.50%
Discount rate	7.50%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Core Fixed Income	35.00%	2.00%	0.70%
Large Cap Equity	40.00%	4.75%	1.90%
Small Cap Equity	10.00%	5.50%	0.55%
International Equity	15.00%	5.25%	0.79%

Discount rate - The discount rate used to measure the total District pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the District contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the District's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Defined Benefit Plan (Continued)

Net Pension Liability of the District (Continued)

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the District, calculated using the discount rate of 7.50% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1- percentage point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability as of June 30, 2016	\$ 6,728,029	\$ 5,182,650	\$ 3,858,896

Pension Expense and Deferred Inflows/Outflows of Resources

For the year ended June 30, 2016, the District recognized pension expense of \$1,128,122. At June 30, 2016, the District reported deferred outflows and inflows of resources related to the plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 16,510	\$ (155,824)
Changes of assumptions	1,044,168	-
Net difference between projected and actual earnings on pension plan investments	606,330	-
Total	<u>\$ 1,667,008</u>	<u>\$ (155,824)</u>

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

Year ended June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2017	\$ 442,186	\$ (45,830)
2018	442,186	(45,830)
2019	442,184	(45,830)
2020	264,626	(18,334)
2021	75,826	-
	<u>\$ 1,667,008</u>	<u>\$ (155,824)</u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the District participate in the Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the District does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings 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. For the year ended June 30, 2016, plan members of the District contributed \$1,233,538 to the plan and covered payroll for the year was \$17,014,312.

The District has recognized on-behalf payments of \$4,156,596 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 the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2015 was \$10.972 billion, the most recent available reporting provided by the Board. The portion that was associated with the District totaled approximately \$51.71 million or approximately 0.471% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014. The portion of the net pension liability associated with the District was based on a projection of the long-term share of contributions to the plan related to the District relative to the projected contributions of all participating employers, actuarially determined.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The total pension liability as of June 30, 2015 was rolled forward from the total pension liability determined from the June 30, 2014 actuarial valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	3.0%
Salary increases	3.75% - 7.0% (includes inflation)
Investment rate of return	8.5% (includes inflation)
Cost of living adjustments:	
Retirements prior to 9/1/1992	3.0%
Retirements on or after 9/1/1992	2.0%

For healthy retirees and beneficiaries, the RP-2000 Combined Mortality Table projected forward 19 years using scale AA, with a two-year setback for males and females.

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Mutual Equity	25.00%	7.30%
Developed Market ISF	20.00%	7.50%
Emerging Markets ISF	9.00%	8.60%
Core Fixed Income	13.00%	1.70%
Emerging Market Debt	4.00%	4.80%
High Yield	2.00%	3.70%
Inflation Linked Bonds	6.00%	1.30%
Liquidity Fund	6.00%	0.70%
Real Estate	5.00%	5.90%
Private Investment	10.00%	10.90%

The discount rate used to measure the total pension liability was 8.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 9 - PENSION PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 8.50%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.50%) or 1-percentage-point higher (9.50%) than the current rate:

	1% Decrease (7.50%)	Current Rate (8.50%)	1% Increase (9.50%)
District proportionate share of the net pension liability	\$65.2 million	\$51.7 million	\$40.2 million

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

NOTE 10 - 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 is considered to be part of the District's financial reporting entity and is included in the District's financial reports as an Other Post-Employment Benefits Trust Fund. The Plan does not issue stand alone financial reports.

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 FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

Plan Membership

As of July 1, 2015, the date of the most recent actuarial valuation, membership data was as follows:

Active plan members	328
Retirees and beneficiaries receiving benefits	35
	<u>363</u>

Funding Policy

Contribution requirements of the District are established in the Plan document and may be amended by the District. For the year ended June 30, 2016, the District contributed \$202,857. Of this amount, \$152,104 was contributed directly to the OPEB Trust. The remaining \$50,753 was contributed to the internal service fund to cover retiree claims in excess of premiums received.

Benefit Provisions

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

Concentrations

The Plan's investments consist solely of investment in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2015, 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)
\$ 1,526,998	\$ 5,215,411	\$ 3,688,413	29.3%	\$ 24,330,539	15.2%

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 the actuarial accrued liability for benefits.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

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, 2015
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Remaining amortization period	30 years as of July 1, 2005; decreasing by 1 year each year (21 years as of July 1, 2015)
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.50%
Healthcare cost trend rate:	
Initial	9.00%
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. 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.

Annual required contribution	\$ 433,877
Interest on net OPEB obligation	95,227
Adjustment to annual required contribution	<u>(94,824)</u>
Annual OPEB cost (expense)	434,280
Contributions made	<u>(202,857)</u>
Increase in net OPEB obligation	231,423
Net OPEB obligation, beginning of year	<u>1,269,696</u>
Net OPEB obligation, end of year	<u><u>\$ 1,501,119</u></u>

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

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 the past three years is as follows:

Year Ended June 30	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 533,924	\$ 55,265	10.4%	\$ (1,093,312)
2015	542,149	365,765	67.5%	(1,269,696)
2016	434,280	202,857	46.7%	(1,501,119)

NOTE 11 - 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 2016, deductibles paid by the District were insignificant. Neither the District nor its insurers have settled any claims which exceeded the District's insurance coverage in any of the last three fiscal years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The District established an internal service fund to account for and finance the risk of loss for the District's employee medical benefits claims. The internal service fund provides coverage for all eligible full-time employees. The District retains the risk of loss under the plan. A third party processes the claims filed under the self-insured health plan, for which the District is charged an administrative fee. The District has purchased a stop-loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$150,000 for combined hospital and major medical.

The District establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2016. Claims liabilities are recorded if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

A summary of claims activity for the years ended June 30, 2016 and June 30, 2015 are as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2015	\$ 331,601	\$ 3,836,086	\$ 3,802,695	\$ 364,992
2016	364,992	4,315,434	4,278,280	402,146

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

NOTE 12 - COMMITMENTS AND 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.

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

As of June 30, 2016, the District has recorded \$300,065 in encumbrances. Such encumbrances represent legal commitments for the purchase of goods or services and have been included in assigned fund balance within the balance sheet of the General Fund.

NOTE 13 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*. This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans and replaces the requirements of GASB Statements No. 43, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the District's reporting period beginning July 1, 2016. The District currently provides other post-employment benefits to certain eligible employees. The District has not yet determined the impact that this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the District's reporting period beginning July 1, 2017. The District currently provides other post-employment benefits to certain eligible employees. The District has not yet determined the impact that this statement will have on its financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement establishes disclosure of information about the nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meets its financial obligations and 2) the impact those abatements have on a government's financial position and economic condition. The requirements of this statement are effective for the District's reporting period beginning July 1, 2016. The District does not expect this statement to have a material effect on its financial statements.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2016

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

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the District's reporting period beginning July 1, 2016. The District does not expect this statement to have a material effect on its financial statements.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. Certain provisions of this statement are effective for the District's reporting period beginning July 1, 2016. The District does not expect this statement to have a material effect on its financial statements.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*. This statement amends the blending requirements established in GASB Statement No. 14, *The Financial Reporting Entity, as amended*. The requirements of this statement are effective for the District's reporting period beginning July 1, 2017. The District does not expect this statement to have a material effect on its financial statements.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. This statement addresses accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the District's reporting period beginning July 1, 2017. The District does not expect this statement to have a material effect on its financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73*. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for the District's reporting period beginning July 1, 2017. The District does not expect this statement to have a material effect on its financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF CHANGES IN NET PENSION LIABILITY - UNAUDITED
AMITY REGIONAL SCHOOL DISTRICT NO. 5 PENSION PLAN
LAST THREE FISCAL YEARS

	2016	2015	2014
Total pension liability			
Service cost	\$ 493,768	\$ 479,386	\$ 408,199
Interest	988,845	930,362	882,103
Differences between expected and actual experience	19,949	(247,484)	-
Changes of assumptions	529,757	962,070	-
Benefit payments, including refunds	(623,779)	(677,103)	(703,532)
Net change in total pension liability	1,408,540	1,447,231	586,770
Total pension liability - beginning	12,997,085	11,549,854	10,963,084
Total pension liability - ending	14,405,625	12,997,085	11,549,854
Plan fiduciary net position			
Contributions - employer	772,191	738,934	707,554
Contributions - members	80,951	77,564	75,449
Net investment income	176,783	281,561	1,271,801
Benefit payments, including refunds	(623,779)	(677,103)	(703,532)
Administrative expense	-	-	(6,644)
Other	196	129	94
Net change in plan fiduciary net position	406,342	421,085	1,344,722
Plan fiduciary net position - beginning	8,816,633	8,395,548	7,050,826
Plan fiduciary net position - ending	9,222,975	8,816,633	8,395,548
District's net pension liability	\$ 5,182,650	\$ 4,180,452	\$ 3,154,306
Plan fiduciary net position as a percentage of total pension liability	64.02%	67.84%	72.69%
Covered employee payroll	\$ 3,473,851	\$ 3,264,904	\$ 3,183,014
District's net pension liability as a percentage of covered employee payroll	149.19%	128.04%	99.10%

NOTES TO THE SCHEDULE:

The District began to report the schedule of changes in net pension liability when it implemented GASB Statement No. 67 in fiscal year 2014.

Benefit changes: There were no changes in benefit terms that affected the measurement of the total pension liability.

Changes in assumptions: In 2015, the assumed investment rate of return and discount rate were lowered from 8.00% to 7.50%. In 2016, the mortality table was changed from the RP-2000 Mortality Table projected to the valuation date with Scale AA to the RP-2014 Mortality Table projected to the valuation date with Scale MP-2015.

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - UNAUDITED
AMITY REGIONAL SCHOOL DISTRICT NO. 5 PENSION PLAN
LAST THREE FISCAL YEARS

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 772,191	\$ 738,934	\$ 707,554
Contributions in relation to the actuarially determined contribution	<u>772,191</u>	<u>738,934</u>	<u>707,554</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 3,473,851	\$ 3,264,904	\$ 3,183,014
Contributions as a percentage of covered employee payroll	22.23%	22.63%	22.23%
Annual money-weighted rate of return, net of investment expense	1.96%	3.27%	17.61%

NOTES TO THE SCHEDULE:

The District began to report the schedule of changes in net pension liability when it implemented GASB Statement No. 67 in fiscal year 2014.

Actuarially determined contribution rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	20 years
Asset valuation method	5 year smoothed market
Inflation	3.00%
Salary increases	Varies from 3.00% to 8.00%, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	Ranges from 55 to 70
Mortality	RP-2000 Mortality Table projected to the valuation date with Scale AA

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY - UNAUDITED
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
(Dollar amounts in thousands)

	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the District	0.471%	0.471%
District's proportionate share of the net pension liability	\$ -	\$ -
State's proportionate share of the net pension liability associated with the District	51,711	47,796
Total	<u>\$ 51,712</u>	<u>\$ 47,796</u>
District's covered payroll	\$ 17,014	\$ 18,490
District's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

NOTES TO THE SCHEDULE:

The District began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2016 is based on a June 30, 2015 measurement date).

Benefit changes: There were no changes in benefit terms that affected the measurement of the total pension liability.

Changes in assumptions: There were no changes in assumptions that affected the measurement of the total pension liability.

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF FUNDING PROGRESS - UNAUDITED
AMITY REGIONAL SCHOOL DISTRICT NO. 5 OTHER POST-EMPLOYMENT BENEFITS PLAN
LAST THREE ACTUARIAL VALUATIONS

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, 2013	\$ 1,597,534	\$ 6,849,476	\$ 5,251,942	23.3%	\$ 23,159,109	22.7%
July 1, 2014	1,281,788	5,197,822	3,916,034	24.7%	24,131,979	16.2%
July 1, 2015	1,526,998	5,215,411	3,688,413	29.3%	24,330,539	15.2%

NOTES TO THE SCHEDULE:

Benefit changes: There were no changes in benefit terms that affected the measurement of the actuarial accrued

Changes in assumptions: In July 1, 2015 actuarial valuation, the mortality table was changed from the RP-2000 Mortality Table projected to the valuation date with Scale AA to the RP-2014 Mortality Table projected to the valuation date with Scale MP-2015.

Other information: The AAL determined as of July 1, 2014 decreased over the prior year due to a higher than expected number of retirees dropping medical coverage and lower than expected per capita costs.

See accompanying Independent Auditor's Report.

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, 2016

	Original Budget	Final Budget	Actual	Variance With Final Budget Over (Under)
ASSESSMENT TO MEMBER TOWNS				
Bethany	\$ 9,441,145	\$ 9,441,145	\$ 9,286,865	\$ (154,280)
Orange	22,400,894	22,400,894	22,034,837	(366,057)
Woodbridge	13,506,655	13,506,655	13,285,935	(220,720)
Total assessment to member towns	<u>45,348,694</u>	<u>45,348,694</u>	<u>44,607,637</u>	<u>(741,057)</u>
INTERGOVERNMENTAL				
Adult education	3,405	3,405	3,425	20
Transportation income	74,876	74,876	103,242	28,366
Special education	1,157,015	1,157,015	1,073,551	(83,464)
Building renovation	6,491	6,491	6,491	-
Health services	396	396	242	(154)
Total intergovernmental	<u>1,242,183</u>	<u>1,242,183</u>	<u>1,186,951</u>	<u>(55,232)</u>
CHARGES FOR SERVICES				
Parking income	30,000	30,000	29,932	(68)
Athletics	32,500	32,500	23,076	(9,424)
Tuition revenue	72,985	72,985	92,133	19,148
Total charges for services	<u>135,485</u>	<u>135,485</u>	<u>145,141</u>	<u>9,656</u>
INTEREST INCOME				
	<u>1,500</u>	<u>1,500</u>	<u>3,432</u>	<u>1,932</u>
OTHER REVENUES				
Rental income	3,500	3,500	20,729	17,229
Miscellaneous	20,980	20,980	18,429	(2,551)
Total other revenues	<u>24,480</u>	<u>24,480</u>	<u>39,158</u>	<u>14,678</u>
Total revenues	46,752,342	46,752,342	45,982,319	(770,023)
OTHER FINANCING SOURCES				
Appropriation of fund balance	150,000	150,000	-	(150,000)
Cancellation of prior year's encumbrances	-	-	1,035	1,035
Transfers in	-	-	8	8
Total other financing sources	<u>150,000</u>	<u>150,000</u>	<u>1,043</u>	<u>(148,957)</u>
TOTAL REVENUES AND OTHER FINANCING SOURCES	<u>\$ 46,902,342</u>	<u>\$ 46,902,342</u>	<u>\$ 45,983,362</u>	<u>\$ (918,980)</u>

See accompanying Independent Auditor's Report.

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
SALARIES				
Certified	\$ 20,383,773	\$ 20,018,420	\$ 19,988,790	\$ (29,630)
Classified	4,138,731	4,218,400	4,138,218	(80,182)
Total salaries	<u>24,522,504</u>	<u>24,236,820</u>	<u>24,127,008</u>	<u>(109,812)</u>
EMPLOYEE BENEFITS				
Medicare	327,104	327,104	326,618	(486)
FICA	253,321	257,153	257,153	-
Workers' compensation	250,807	220,492	220,492	-
Medical and dental insurance	4,080,297	4,080,297	4,080,297	-
Life insurance	45,520	41,159	41,159	-
Disability insurance	9,602	9,602	8,698	(904)
Pension plan - classified	772,191	772,191	772,191	-
Retirement sick leave - certified	39,000	110,446	110,446	-
Retirement sick leave - classified	2,000	-	-	-
Severance pay - certified	47,292	110,586	110,586	-
Unemployment compensation	10,000	18,600	18,600	-
OPEB trust	-	-	152,104	152,104
Total employee benefits	<u>5,837,134</u>	<u>5,947,630</u>	<u>6,098,344</u>	<u>150,714</u>
INSTRUCTION				
Instructional program improvement	26,810	7,506	7,489	(17)
Instructional supplies	366,819	369,058	358,121	(10,937)
Text and digital resources	126,149	124,584	143,618	19,034
Library books & periodicals	20,797	21,709	20,968	(741)
Total instruction	<u>540,575</u>	<u>522,857</u>	<u>530,196</u>	<u>7,339</u>
PUPIL TRANSPORT				
Pupil transportation	2,831,153	2,812,708	2,581,296	(231,412)
Transportation supplies	132,785	132,785	95,812	(36,973)
Total pupil transport	<u>2,963,938</u>	<u>2,945,493</u>	<u>2,677,108</u>	<u>(268,385)</u>
TUITION	<u>3,323,310</u>	<u>3,181,897</u>	<u>3,137,962</u>	<u>(43,935)</u>
PURCHASED SERVICES				
Data processing	78,138	71,261	71,261	-
Other professional & technical services	1,118,120	1,148,704	1,011,020	(137,684)
Communications	111,362	105,126	97,323	(7,803)
Other purchased services	71,901	68,860	70,038	1,178
Total purchased services	<u>1,379,521</u>	<u>1,393,951</u>	<u>1,249,642</u>	<u>(144,309)</u>
RENTAL AND OTHER SERVICES				
Rentals - land, building, equipment	96,195	94,741	74,430	(20,311)
Other supplies	488,496	494,764	486,179	(8,585)
Total rental and other services	<u>584,691</u>	<u>589,505</u>	<u>560,609</u>	<u>(28,896)</u>

(Continued)

See accompanying Independent Auditor's Report.

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, 2016

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
BUILDINGS AND GROUNDS				
Repairs, maintenance and cleaning	\$ 703,182	\$ 705,866	\$ 712,720	\$ 6,854
Maintenance and custodial supplies	206,478	195,890	201,643	5,753
Total buildings and grounds	909,660	901,756	914,363	12,607
UTILITIES				
Utilities excluding heat	822,839	806,398	684,864	(121,534)
Oil and natural gas used for heating	184,016	183,016	125,607	(57,409)
Total utilities	1,006,855	989,414	810,471	(178,943)
PROPERTY AND LIABILITY INSURANCE	205,831	202,807	199,448	(3,359)
TRAVEL AND MEMBERSHIPS				
Staff travel	20,157	19,355	16,587	(2,768)
Travel - conferences	25,232	29,325	26,594	(2,731)
Dues and fees	100,291	94,371	83,337	(11,034)
Total travel and memberships	145,680	143,051	126,518	(16,533)
CONTINGENCY	150,000	-	-	-
CAPITAL OUTLAYS				
Equipment - new	39,170	67,944	67,743	(201)
Equipment - replacement	206,685	271,694	271,167	(527)
Improvements to sites	183,000	115,917	103,065	(12,852)
Improvements to buildings	160,000	62,836	73,634	10,798
Total capital outlays	588,855	518,391	515,609	(2,782)
DEBT SERVICE				
Principal	3,355,000	3,369,583	3,369,583	-
Interest	1,388,788	1,533,874	1,388,788	(145,086)
Total debt service	4,743,788	4,903,457	4,758,371	(145,086)
Total expenditures	46,902,342	46,477,029	45,705,649	(771,380)
OTHER FINANCING USES				
Transfers out	-	425,313	427,713	2,400
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 46,902,342</u>	<u>\$ 46,902,342</u>	<u>\$ 46,133,362</u>	<u>\$ (768,980)</u>

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Orange</u>	<u>Woodbridge</u>	<u>Bethany</u>	<u>Total</u>
Total cash collections for the year ended June 30, 2016:	<u>\$ 22,034,837</u>	<u>\$ 13,285,935</u>	<u>\$ 9,286,865</u>	<u>\$ 44,607,637</u>
				<u>District</u>
Debt limitation: 4-1/2 times base				<u>\$ 200,734,367</u>
Indebtedness: Bonds payable				33,370,000
Less: school building grants to be provided by the State of Connecticut				<u>12,853</u>
Net indebtedness				<u>33,357,147</u>
Debt limitation in excess of outstanding and authorized debt				<u>\$ 167,377,220</u>
Total capacity of borrowing (4-1/2 times base)				\$ 200,734,367
Total present indebtedness				<u>33,357,147</u>
Margin for additional borrowing				<u>\$ 167,377,220</u>

See accompanying Independent Auditor's Report.

NONMAJOR GOVERNMENTAL FUNDS

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2016

	Special Revenue Funds					Total
	Education Grants Fund	Artificial Turf Fund	Continuing Education Fund	School Operating Fund	Cafeteria Fund	Nonmajor Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 37,977	\$ -	\$ 93,538	\$ 65,134	\$ 105,403	\$ 302,052
Intergovernmental receivables	1,618	-	-	-	11,534	13,152
Due from other funds	28,685	-	-	-	23,742	52,427
Inventory	-	-	-	-	18,515	18,515
Total assets	<u>\$ 68,280</u>	<u>\$ -</u>	<u>\$ 93,538</u>	<u>\$ 65,134</u>	<u>\$ 159,194</u>	<u>\$ 386,146</u>
LIABILITIES						
Accounts payable	\$ 23,567	\$ -	\$ 1,225	\$ -	\$ 44,050	\$ 68,842
Due to other funds	32,722	-	23,521	-	-	56,243
Unearned revenue	13,391	-	-	-	35,512	48,903
Total liabilities	<u>69,680</u>	<u>-</u>	<u>24,746</u>	<u>-</u>	<u>79,562</u>	<u>173,988</u>
FUND BALANCES						
Nonspendable:						
Inventory	-	-	-	-	18,515	18,515
Committed to:						
Cafeteria operations	-	-	-	-	61,117	61,117
Other purposes	-	-	68,792	65,134	-	133,926
Unassigned	(1,400)	-	-	-	-	(1,400)
Total fund balances (deficit)	<u>(1,400)</u>	<u>-</u>	<u>68,792</u>	<u>65,134</u>	<u>79,632</u>	<u>212,158</u>
Total liabilities and fund balances	<u>\$ 68,280</u>	<u>\$ -</u>	<u>\$ 93,538</u>	<u>\$ 65,134</u>	<u>\$ 159,194</u>	<u>\$ 386,146</u>

See accompanying Independent Auditor's Report.

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, 2016

	Special Revenue Funds					Total Nonmajor Governmental Funds
	Education Grants Fund	Artificial Turf Fund	Continuing Education Fund	School Operating Fund	Cafeteria Fund	
REVENUES						
Intergovernmental	\$ 629,133	\$ -	\$ -	\$ -	\$ 129,170	\$ 758,303
Charges for services	-	-	71,002	50,432	690,204	811,638
Contributions	19,074	-	-	-	-	19,074
Total revenues	<u>648,207</u>	<u>-</u>	<u>71,002</u>	<u>50,432</u>	<u>819,374</u>	<u>1,589,015</u>
EXPENDITURES						
Current:						
General instruction	457,357	-	96,121	-	-	553,478
Support services:						
Support services - student	-	-	-	36,407	846,215	882,622
Improvement of instruction	121,465	-	-	-	-	121,465
General administration	70,785	-	-	16,526	-	87,311
Transportation	-	-	-	3,332	-	3,332
Total expenditures	<u>649,607</u>	<u>-</u>	<u>96,121</u>	<u>56,265</u>	<u>846,215</u>	<u>1,648,208</u>
Deficiency of revenues over expenditures	(1,400)	-	(25,119)	(5,833)	(26,841)	(59,193)
OTHER FINANCING USES						
Transfers out	-	(8)	-	-	-	(8)
Net change in fund balance (deficit)	(1,400)	(8)	(25,119)	(5,833)	(26,841)	(59,201)
Fund balances - beginning	-	8	93,911	70,967	106,473	271,359
Fund balances - ending	<u>\$ (1,400)</u>	<u>\$ -</u>	<u>\$ 68,792</u>	<u>\$ 65,134</u>	<u>\$ 79,632</u>	<u>\$ 212,158</u>

See accompanying Independent Auditor's Report.

FIDUCIARY FUNDS

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF FIDUCIARY NET POSITION - PENSION, OTHER
POST-EMPLOYMENT BENEFIT AND SICK & SEVERANCE TRUST FUNDS
JUNE 30, 2016

	Amity Regional School District No. 5 Pension Trust Fund	Amity Regional School District No. 5 Other Post-Employment Benefits Trust Fund	Amity Regional School District No. 5 Sick & Severance Trust Fund	Total
ASSETS				
Cash and cash equivalents	\$ 69,529	\$ 25,498	\$ 7,905	\$ 102,932
Investments:				
Mutual funds	9,153,446	1,515,166	727,240	11,395,852
Contributions receivable	-	152,104	-	152,104
Total assets	<u>9,222,975</u>	<u>1,692,768</u>	<u>735,145</u>	<u>11,650,888</u>
LIABILITIES				
Accounts payable	-	6,579	-	6,579
NET POSITION				
Held in trust for pension benefits and other post-employment benefits	<u>\$ 9,222,975</u>	<u>\$ 1,686,189</u>	<u>\$ 735,145</u>	<u>\$ 11,644,309</u>

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PENSION, OTHER
POST-EMPLOYMENT BENEFIT AND SICK & SEVERANCE TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	Amity Regional School District No. 5 Pension Trust Fund	Amity Regional School District No. 5 Other Post-Employment Benefits Trust Fund	Amity Regional School District No. 5 Sick & Severance Trust Fund	Total
ADDITIONS				
Contributions:				
Employer contributions	\$ 772,191	\$ 152,104	\$ -	\$ 924,295
Employee contributions	80,951	-	-	80,951
Total contributions	853,142	152,104	-	1,005,246
Investment earnings:				
Interest and dividends	203,562	27,872	12,567	244,001
Net changes in the fair value of investments	(18,869)	(11,554)	(59)	(30,482)
Total investment earnings	184,693	16,318	12,508	213,519
Total additions	1,037,835	168,422	12,508	1,218,765
DEDUCTIONS				
Benefit payments	623,779	6,579	-	630,358
Administrative expenses	7,714	2,652	2,358	12,724
Total deductions	631,493	9,231	2,358	643,082
Change in net position	406,342	159,191	10,150	575,683
Net position - beginning <i>(see Note 1)</i>	8,816,633	1,526,998	724,995	11,068,626
Net position - ending	\$ 9,222,975	\$ 1,686,189	\$ 735,145	\$ 11,644,309

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

	<u>Balance,</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance,</u> <u>June 30, 2016</u>
ASSETS				
Cash and cash equivalents:				
Student activities	\$ 387,348	\$ 269,793	\$ 314,981	\$ 342,160
Accounts receivable:				
Student activities	-	5,297	-	5,297
Total assets	<u>\$ 387,348</u>	<u>\$ 275,090</u>	<u>\$ 314,981</u>	<u>\$ 347,457</u>
LIABILITIES				
Due to others:				
Student activities	<u>\$ 387,348</u>	<u>\$ 275,090</u>	<u>\$ 314,981</u>	<u>\$ 347,457</u>

See accompanying Independent Auditor's Report.

AMITY REGIONAL SCHOOL DISTRICT NO. 5

STATE SINGLE AUDIT REPORTS

JUNE 30, 2016

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INTERNAL CONTROL AND COMPLIANCE REPORT

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 12, 2016.

Internal Control Over Financial Reporting

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

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

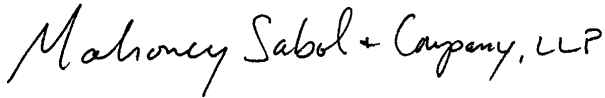
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

Purpose of this Report

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



Glastonbury, Connecticut
December 12, 2016

STATE SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
CONNECTICUT 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

Report on Compliance for Each Major Program

We have audited Amity Regional School District No. 5's (the "District") compliance with the types of compliance requirements described in the State of Connecticut Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the District's major state programs for the year ended June 30, 2016. The District's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major state programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major State Program

In our opinion, Amity Regional School District No. 5 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program 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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

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

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements. We issued our report thereon dated December 12, 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements.

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

Mahoney Sabol & Company, LLP

Glastonbury, Connecticut
December 12, 2016

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Expenditures
NONEXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct Programs:		
Open Choice	11000-SDE64370-17053	\$ 50,904
High Quality Schools Start Up	12052-SDE64370-43538	50,500
Magnet Schools	11000-SDE64370-17057	25,158
Healthy Foods Initiative	11000-SDE64370-16212	12,142
Child Nutrition Program - School Lunch State Match	11000-SDE64370-16211	5,908
Adult Education	11000-SDE64370-17030	3,425
Health & Welfare - Private School Pupil	11000-SDE64370-17034	242
		<u>148,279</u>
Passed through Area Cooperative Educational Services:		
Interdistrict Cooperative - Sister Schools Program	11000-SDE64370-17045	9,100
Total Department of Education		<u>157,379</u>
Total State Financial Assistance Before Exempt Programs		<u>157,379</u>
EXEMPT PROGRAMS:		
DEPARTMENT OF EDUCATION		
Direct Programs:		
Excess Cost Student Based and Equity	11000-SDE64370-17047	1,073,551
Public School Transportation	11000-SDE64370-17027	77,259
Transportation of School Children - Non Public	11000-SDE64370-17049	825
Total Department of Education		<u>1,151,635</u>
DEPARTMENT OF ADMINISTRATIVE SERVICES		
Direct Programs:		
School Construction - Principal	13010-DAS27636-40901	6,491
Total Exempt Programs		<u>1,158,126</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 1,315,505</u>

The accompanying note is an integral part of this schedule.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
NOTE TO THE SCHEDULE OF EXPENSITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2016

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 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The schedule of expenditures of state financial assistance contained in this report is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (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.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued: Unmodified

Internal control over financial reporting:

☐ Material weakness(es) identified? _____ Yes ✓ No

☐ Significant deficiency(ies) identified? _____ Yes ✓ None Reported

Noncompliance material to financial statements noted? _____ Yes ✓ No

State Financial Assistance

Internal control over major programs:

☐ Material weakness(es) identified? _____ Yes ✓ No

☐ Significant deficiency(ies) identified? _____ Yes ✓ None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes ✓ No

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

State Grantor/Program	State Grant Program Core – CT Number	Expenditures
Department of Education:		
Open Choice	11000-SDE64370-17053	\$ 50,904
High Quality Schools Start Up	12052-SDE64370-43538	50,500

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

SECTION II – FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III – STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No findings were reported in the prior year.

AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525



Theresa Lumas
Director of Finance and Administration
terry.lumas@reg5.k12.ct.us

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

To: Dr. Charles S. Dumais, Superintendent of Schools

From: Theresa Lumas, Director of Finance and Administration

Re: Return Funds to Member Towns

Date: December 29, 2016

The Amity Finance Committee and Amity Board of Education will need to accept the Audited Financial Statements before funds can be returned to the member towns.

Amity Finance Committee and Amity Board of Education:

Move to accept the Annual Financial Statements for the period ending June 30, 2016, and authorize the Superintendent of Schools to return to the Member Towns a balance of \$741,057, as follows:

<i>Town of Bethany</i>	<i>\$ 154,280</i>
<i>Town of Orange</i>	<i>\$ 366,058</i>
<i>Town of Woodbridge</i>	<i>\$ <u>220,719</u></i>
<i>Total</i>	<i>\$ 741,057</i>

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



TO: Charles Dumais, Ed.D. Superintendent of Schools

FROM: Theresa Lumas, Director of Finance & Administration

DATE: December 30, 2016

RE: Budget Presentations

The Superintendent's 2017-2018 Proposed Budget is scheduled for distribution on Friday, January 13, 2017.

The dates for our budget meetings were published in August 2016. I have listed the next two month's dates below including the presentations to the member towns.

- **JANUARY 13, 2017:** Superintendent distributes his proposed 2017-2018 Budget to the Amity Board of Education, Amity Finance Committee, First Selectmen, and Boards of Finance.
- **JANUARY 23, 2017:** Superintendent presents his proposed 2017-2018 Budget to the Amity Finance Committee for consideration and possible vote to send the proposed 2017-2018 budget to the Amity Board of Education for their consideration.
- **JANUARY 30, 2017:** Amity Finance Committee meets to consider revisions to the Superintendent's proposed 2017-2018 budget and possible vote to send the proposed 2017-2018 budget to the Amity Board of Education for their consideration. *(If necessary)*
- **FEBRUARY 6, 2017:** Amity Finance Committee meets to discuss the Superintendent's Proposed 2017-2018 Budget, make any desired changes, and vote to send the proposed 2017-2018 budget to the Amity Board of Education for their consideration. *(If necessary)*
- **FEBRUARY 13, 2017:** Superintendent presents his proposed 2017-2018 Budget, as amended by the Amity Finance Committee, to the Amity Board of Education. The Amity Board of Education will begin deliberation of the proposed 2017-2018 budget.
- **FEBRUARY 14, 2017:** The Superintendent presents the proposed Amity Budget to the Bethany Board of Finance
- **FEBRUARY 16, 2017:** The Superintendent presents the proposed Amity Budget to the Woodbridge Board of Finance
- **T.B.D.:** The Amity Board of Education will set as many budget workshops as they deem appropriate.
- **FEBRUARY 27, 2017:** Superintendent distributes the revised 2017-2018 budget to the Amity Board of Education, Amity Finance Committee, First Selectmen, and Boards of Finance. The revisions will be based on the feedback from the Amity Board of Education.
- **FEBRUARY 27, 2017:** The Superintendent presents the proposed Amity Budget to the Orange Board of Finance



2016-17 Enrollment Projections

TO: Dr.Charles Dumais, Superintendent of Schools, Amity RSD #5, CT.
 FROM: Donald G. Kennedy, Ed.D., Demographic Specialist
 DATE: December 13, 2016
 RE: Enrollment Projections (dated November 2, 2016)

We are pleased to send you the enclosed documents displaying the past, present, and projected enrollments for the Amity RSD #5. We have used the figures given to us by the District and we assume that the method of collecting the enrollment data has been consistent from year to year. The Bethany, Orange and Woodbridge and the district appear to have recovered from the effects of the economic cycle upon real estate markets and school enrollments.

In a nutshell: since the 2008 real estate slowdown, the District enrollment totals overall had been declining, yet now appears to be stabilizing. NESDEC's enrollment projection totals from fall of 2015 data came within 82 students of the actual Grade K-12 enrollment total for fall, 2016 (4,469 projected v. 4,438 actual). In Grades K-6, 2,245 pupils were projected v. 2,226 enrolled. In Grades 7-8, 778 students were forecast v. 764 enrolled. And in Grades 9-12, 1,446 pupils were forecast v. 1,438 enrolled.

The two factors now at work which will have the greatest effect upon future enrollments are: a. a steady, if slightly lower, number of births to Amity RSD #5 residents and, b. new in-migration - which had slowed, due to the 2008 Recession. The students currently in Grades 1-10 were born during a period when Amity RSD #5 was averaging 207 births per year. More recently (and expected over the next 6-7 years) are 186-199 births annually... averaging about 195 births per year, a dozen fewer than the earlier pace. **Hard-hit Connecticut experienced an 8.6% decline in births** from 2007 to 2009 (in part caused by the economic Recession), the largest decline among the six New England states – followed by an 8.1% decline in Rhode Island births, the two states with the highest rates of unemployment in the New England region – Massachusetts births declined by only -3.9% over these three years. Economists are forecasting a slow-yet-steady recovery from the current rates of unemployment which, in turn, may lead to additional in-migration and births. The unemployment rate as of October, 2016 in RI was 5.5%; **CT 5.1%**; US non-farm unemployment 4.9%; ME 4.0%; New

England average 3.9%; MA 3.3%; VT 3.3%; and NH 2.8% - other nearby states: PA 5.8%; NJ 5.2%; and NY 5.2%. The rate of unemployment influences the likelihood of improving real estate sales, residential construction and thus affects the number of new families moving into the community – the US unemployment rate was above 10% during the Great Recession of 2008.

The ever-changing relationship between Amity RSD #5 births and Kindergarten enrollments is displayed on the B-K graph. Amity RSD #5, over the past seven years, has registered about 153 Kindergarteners for every 100 births (five years previous), a relationship which has experienced some fluctuations year to year. This fall there were only 156 Kindergarteners for every 100 births as opposed to the 170 Kindergarteners for every 100 births in 2014-15. NESDEC Kindergarten projections for 2015-16 anticipated 324 children v. only 289 enrolled. Next year's Grade 1 is expected to be about 8% larger than the previous year's Kindergarten class.

“Hidden Trends” within the district: Like many nearby communities, Amity RSD #5 continues to experience fluctuations in enrollment and in/out-migration in Grades 1-8. There are additional trends and counter-trends to consider. More so than other grade levels, **Grades 1-8 in most districts tend to be quite stable in their numbers.** Grades 9-12 are excluded from the calculation as there tends to be a -5% decrease for reasons having little to do with students moving out of Bethany, Orange or Woodbridge. Re the Grade 1-8 stability, if last year the Grade 1-7 total was 2,400 children, then (if no one moved in or out) this fall's Grades 2-8 would equal about 2,400 – the same cohort of children. Because Grades 1-8 tend to be the most stable in total K-12 enrollment, these Grades 1-8 are excellent places to discover “hidden trends” that otherwise might go unnoticed and provide a useful yardstick by which to measure a district's tendency toward in-/out-migration. **In the case of Amity RSD #5, we know that the school district is currently experiencing “net in-migration” of new families with school age children. For example, in the five previous years there has been a trend towards “in-migration” of students by an average growth of 53 children at an age level that usually is stable. The 2,372 children in Grades 1-7 in 2015-16 increased by 35 children to 2,407 students in Grades 2-8 in 2016-17.** The presence of a mixed in/out-migration trend is evidence of the complexity of enrollments in these unsettled economic times. Analysis of these hidden trends provides an additional benchmark by which to assess enrollment trends.

Over the next three years of these preliminary projections, K-6 enrollments are forecast to increase by 92 children; Grades 7-8 to decrease by 61 pupils; and the high school level to be flat, increasing by 1 pupil...all within the next three years – as the classes move up the grades. After that point these projections show increasing enrollment in Grades K-6 of 146 students, combined with increasing enrollment of 71 students at Grades 7-8; and a potential decline of 69 pupils in Grades 9-12 – as classes work their way up through the grades. That said, it is possible that real estate turnover will have increased further, bringing in additional new families - see the “Projections” page. **Although the Year #1-3 forecast likely will occur, the longer term future is better viewed as a possible direction which may be affected by improved real estate conditions. That longer-**

term future also will be affected by the number of babies-yet-to-be-born...it is quite likely that the birth numbers will increase as the new families move in.

Will these patterns of increasing enrollments really last for as long as ten years? That is difficult to answer. All projections are more reliable for Years #1-5 in the future; and less reliable in Years #6-10 – as some many factors can change. As soon as the economy and real estate situation become more stable in the region, additional in-migration may occur in Amity RSD #5. Many communities in the region sold during 2008-2014 only about 60-80% as many homes as in 2003-2007. **In the case of Bethany, the town was selling 80-95 single-family homes per year “on the bubble” prior to the 2008 Recession. That pace slowed to only 40 homes sold in 2011 (44% of the earlier pace), yet Bethany recovered somewhat to sell 55-60 home in each of the past two years. In Orange, 193 homes were sold just prior to the slowdown, although only 73 were sold in 2011 (38% of the prior pace). In 2015, however, *The Commercial Record* reports that 156 s-f homes were sold - and new families moved into the schools. In Woodbridge, 140 homes were sold just prior to the slowdown, yet only 67 homes were sold in 2008 (48% of the earlier pace). In 2015, however, 123 s-f homes were sold in Woodbridge – and the real estate market now looks strong in all three towns.** Building permits had slowed as well; see the “Additional Data” table below. **As additional families move in, any forecasted declines may moderate.** See the description on Page 4 below regarding “reliability of projections”. The birth numbers used in the projections, through 2014, are from the CT Department of Public Health. The “estimated” years, beginning with 2015 are a rolling five-year average, which NESDEC has found to be the most accurate method of estimation. Local City/Town Clerks have up-to-date information on local births however do not have access to the number of Amity RSD #5 residents born out-of-state (information which will eventually become known to the CT DPH).

The two most difficult grades to forecast in all districts are Kindergarten and Grade 9. The latter is difficult to anticipate, as there are so many options for Grade 9 (in vocational or agricultural schools, private or parochial non-public schools, etc.). Kindergarten can be difficult to project based upon births alone, as many districts have large numbers of “net move-ins/move-outs” who are ages 1-4. **Some districts take extra steps to track 3 and 4-year olds with a local census, or report to NESDEC the known number of 4-year olds in local preschools/nursery schools which typically enroll Kindergarteners in the district. Knowing this information helps NESDEC to project Kindergarteners more reliably...as does data from the Kindergarten Screening in districts which also track 3 and 4-year old siblings (or neighbors) at that time. The more data, in addition to births, which is sent to NESDEC regarding the incoming Kindergarten class, the greater is the chance that “enrollment surprises” will be minimized.**

Will many new families be moving into our school district? Everyday across America, 10,000 “Baby Boomers” celebrate their 65th birthday - a phenomenon which will continue for a decade. New England has a disproportionately large share of these senior citizens, many of whom had planned to “downsize” their living arrangements, yet postponed putting homes on the market due to the Great Recession. School enrollments are influenced strongly by the number of real estate sales, as these contribute new families moving

into many districts. In over 80% of districts, the number of real estate sales is 4-5 times larger than the number of building permits for new residential construction – **thus the number of real estate sales often is a more important factor than building permits.**

In New England, how rapidly will additional homes be placed on the market? A mid-2014 study using data from the Federal Housing Finance Agency, Bureau of Economic Analysis and the U.S. Census Bureau directly links home prices to the “real Gross Domestic Product” (GDP) in each of the nine regions in the country. However New England ranks only 7th among the 9 regions in the recovery of its regional economy (as measured in “the bubble” prior to the Recession, in “real GDP”). Comparing the regional economies from 2 Quarter of 2007 to 4 Quarter 2013: W. South Central = +18.6% (that is, many jobs are available); W. North Central +11.8%; Pacific +7.4%; E. South Central + 5.6%; Middle Atlantic + 5.1%; Mountain + 4.1%; **New England +3.4%**; South Atlantic + 2.1%; and E. North Central + 2.0%. Home sales prices are +14.6% in the W. South Central region (including Texas, Arkansas, Louisiana, and Oklahoma) with the strongest “real G.D.P.” v. -4.4% in New England. Thus, although real estate sales and rentals are very strong in some New England towns and cities, there are many senior citizens still refraining from placing their homes on the market – as house prices still may be rising. New England births, however, are likely to remain at low levels, due to the advanced age of the New England population.



Historical Public Enrollments

1. After the "YEAR" column can be found the "BIRTHS" column. The number of births to residents for each of eleven years is displayed. Note any trends, e.g., have births been decreasing? increasing? leveling off? Kindergarten and Grade 1 enrollments normally are quite responsive to these fluctuations.
2. Look **down** the K and 1 columns, noting the direction of the trend. This affords a comparison of these classes over a ten-year period. Add the K and Grade 1 enrollments of the first school year recorded, and compare them with the sum of the current K and Grade 1 enrollments.
3. Take the first K class and follow it diagonally to trace its movement to Grade 1, 2, etc. up to its current 10th grade status. This comparison (which can be accomplished for other classes also) gives some measure of the effects of migration in your school district. If a sixth grade class today is larger than it was as a K class six years ago, then net in-migration probably has occurred; if it is smaller, then net out-migration probably has occurred.
4. Compare each K class with the previous year's graduating class. Note which is larger and by what amount one surpasses the other. Larger graduating classes generally reflect declining enrollments; larger K classes generally indicate increasing enrollments.
5. In the "Grade Combinations" section, note the trends of elementary, middle school and high school enrollments. A significant and consistent trend in these summaries usually results in the corresponding trend for projected enrollments. If enrollments are leveling off in the elementary grades after a period of decline, then the secondary enrollments might be expected to continue to decline for several years until the leveling off experience has had time to take hold at the secondary grades.

Enrollment Projections

1. Note the trends exhibited in the total K-12 (or 1-12) projection for the next five years as well as the projections for various grade

combinations. The trends on this page should generally exhibit a continuation of the trends mentioned above for historical enrollments, although the **rate** of change may be quite different.

2. Look at the births in the most recent years and note whether the trend is up, down, or level.
3. Make similar comparisons as appropriate on this page as were suggested for the "Historical Public Enrollments" page.

PROJECTION METHODOLOGY

Cohort component (survival) technique is a frequently used method of preparing enrollment forecasts. NESDEC uses this method, but modifies it in order to move away from forecasts which are wholly computer or formula driven. Such modification permits the incorporation of important, current town-specific information into the generation of the enrollment forecasts (such as the volume of real estate sales, building permits, in/out-migration, etc.). Basically, percentages are calculated from the historical enrollment data to determine a reliable percentage of increase or decrease in enrollment between any two grades. For example, if 100 students enrolled in Grade 1 in 2014-15, increased to 104 students in Grade 2 in 2015-16, the percentage of survival would have been 104% or a ratio of 1.04. Such ratios are calculated between each pair of grades or years in school over several recent years.

After study and analysis of the historical ratios, and based upon a reasonable set of assumptions regarding births, migration rates, retention rates, etc., ratios most indicative of future growth patterns are determined for each pair of grades. The ratios thus selected are applied to the present enrollment statistics for a pre-determined number of years. The ratios used are the key factors in the reliability of the projections, given the validity of the data at the starting point. The strength of the ratios lies in the fact that each ratio encompasses **collectively** the variables that account for increases or decreases in the size of a grade enrollment as it moves on to the next grade. Each ratio represents the cumulative effect of the following factors:

1. Real estate turnover and new residential construction;
2. Migration, in or out, of the schools;
3. Drop-outs, transfers, etc.;
4. Births to residents;
5. Retention in the same grade.

RELIABILITY OF ENROLLMENT PROJECTIONS

Projections can serve as useful guides to school administrators for educational planning. In this regard, the projections are generally most reliable when they are closest in time to the current year. Projections six to ten years out may serve as a guide to future enrollments, and are useful for facility planning purposes. However, they should be viewed as subject to change given the likelihood of changes in the underlying assumptions/trends.

Projections that are based upon **the children who already are in the district** (the current K-12 population only) will be the most reliable; the second level of reliability will be for those children already **born into the community but not yet old enough to be in school**. A less reliable category is the group for which an estimate must be made **to predict the number of births**, thereby adding an additional variable. See these three multi-colored groupings on the “Projected Enrollment” slide/page.

How often do the actual enrollments closely match the NESDEC projections? The research literature reports the closest that enrollment forecasters are likely to come to actual enrollments is about 1% variance per year-from-the-known-data. That is, a 1% variance from projection-to-actual “one-year-out” into the future (2% variance “two-years-out” ... 10% variance “ten-years-out”). NESDEC reaches this “highest possible” standard in about 90% of cases. When our NESDEC variance is greater, the reasons often are one of the following: a. imbedded/intervening “hidden” variables (examples: a parochial school closed or other students returned from non-public schools, a charter school opened, the Kindergarten program changed entrance age or to extended/full-day, the high school toughened its course credit/graduation requirements, the District set new attendance boundaries for elementary schools, or the District had well-publicized budget/referendum academic accreditation difficulties); b. the District size was below 500 students, thus subject to fluctuations in total numbers; or c. the District has not done enrollment projections on an annual basis.

Annual updates allow for early identification of recent changes in historical trends. When the actual enrollment in a grade is significantly different (high or low) from the projected number, it is important (yet difficult) to determine whether this is a one-year aberration or whether a new trend may have begun. **In light of this possibility, NESDEC urges all school districts to have updated enrollment forecasts developed by NESDEC each October.** This service is available at no cost to affiliated school districts.



If you would like to extract the information contained in this report for your own documents or presentations, you can use Adobe Acrobat reader to convert the desired information to a “snapshot,” which can be inserted into PowerPoint slides, Word documents, etc. Because the snapshot tool creates a graphic, the image is not editable.

Steps for Using The Snapshot Tool in Adobe Acrobat Reader:

1. Click on Edit Menu (earlier versions of Adobe Reader might require you to click on the Tools menu and then choose “Select and Zoom;”);
2. Choose “Take a Snapshot” (or “Snapshot Tool” in earlier versions);
3. Click and drag around the text, chart, and/or graphics that you would like to capture: your selection will be copied to the clipboard automatically;
4. Click in the document where you would like the information to appear;*
5. Give Paste command.

If you have an earlier version of Adobe Acrobat and these instructions don’t work for you, contact your tech support person, or NESDEC and we will try to assist you. Telephone (508)481-9444 or ep@nesdec.org. Ask for Carol or Christina.

*You may paste your snapshot onto a PowerPoint slide, onto an Excel sheet, or even into a graphics program to save as a separate graphic file (in .jpg or other format), so that it is available for inserting into future documents.



Amity, CT - RSD#5 Historical Enrollment

School District: Amity, CT RSD#5

11/2/2016

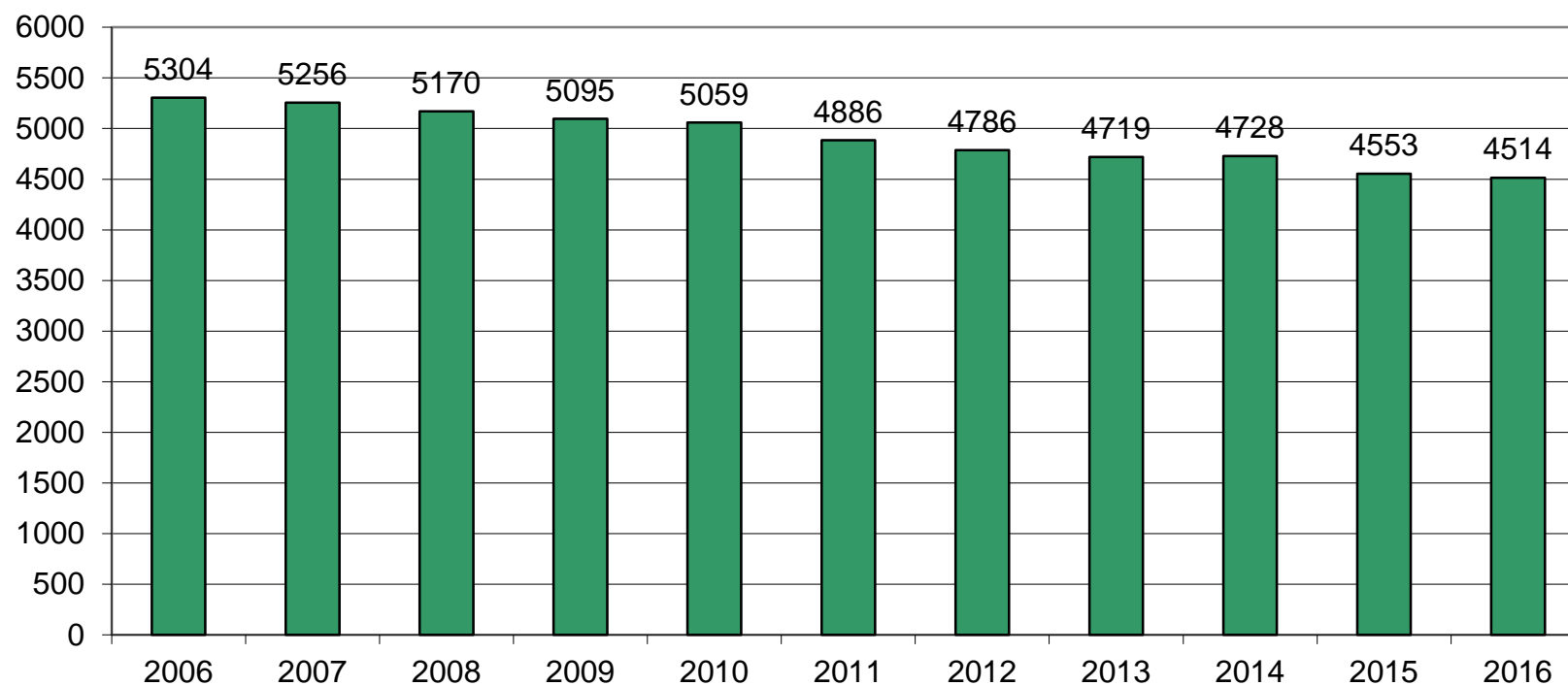
Historical Enrollment By Grade																			
Birth Year	Births	School Year	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	UNGR	K-12	PK-12
2001	268	2006-07	62	341	360	359	395	408	423	396	426	403	407	426	410	427	61	5242	5304
2002	217	2007-08	60	338	349	355	362	406	420	448	386	428	395	407	423	415	64	5196	5256
2003	232	2008-09	51	332	350	358	360	359	397	413	430	405	418	396	409	421	71	5119	5170
2004	228	2009-10	61	314	333	348	362	367	361	400	417	440	388	429	398	412	65	5034	5095
2005	195	2010-11	58	288	352	349	350	381	372	366	395	425	411	387	434	403	88	5001	5059
2006	205	2011-12	52	286	288	345	339	349	388	370	358	403	410	411	391	434	62	4834	4886
2007	215	2012-13	49	304	306	310	377	365	366	388	356	363	388	415	412	387	0	4737	4786
2008	167	2013-14	60	268	324	313	313	372	370	375	392	369	344	386	417	416	0	4659	4719
2009	173	2014-15	67	295	287	334	326	321	392	371	381	401	362	360	398	433	0	4661	4728
2010	165	2015-16	66	268	303	301	342	326	332	397	371	381	363	363	351	389	0	4487	4553
2011	197	2016-17	76	289	304	309	321	344	339	330	391	373	375	358	359	346	0	4438	4514

Historical Enrollment in Grade Combinations									
Year	PK-6	K-5	K-6	K-8	5-8	6-8	7-8	7-12	9-12
2006-07	2744	2286	2682	3511	1648	1225	829	2499	1670
2007-08	2738	2230	2678	3492	1682	1262	814	2454	1640
2008-09	2620	2156	2569	3404	1645	1248	835	2479	1644
2009-10	2546	2085	2485	3342	1618	1257	857	2484	1627
2010-11	2516	2092	2458	3278	1558	1186	820	2455	1635
2011-12	2417	1995	2365	3126	1519	1131	761	2407	1646
2012-13	2465	2028	2416	3135	1473	1107	719	2321	1602
2013-14	2395	1960	2335	3096	1506	1136	761	2324	1563
2014-15	2393	1955	2326	3108	1545	1153	782	2335	1553
2015-16	2335	1872	2269	3021	1481	1149	752	2218	1466
2016-17	2312	1906	2236	3000	1433	1094	764	2202	1438

Historical Percentage Changes			
Year	K-12	Diff.	%
2006-07	5242	0	0.0%
2007-08	5196	-46	-0.9%
2008-09	5119	-77	-1.5%
2009-10	5034	-85	-1.7%
2010-11	5001	-33	-0.7%
2011-12	4834	-167	-3.3%
2012-13	4737	-97	-2.0%
2013-14	4659	-78	-1.6%
2014-15	4661	2	0.0%
2015-16	4487	-174	-3.7%
2016-17	4438	-49	-1.1%
Change		-804	-15.3%

Amity, CT - RSD#5 Historical Enrollment

PK-12, 2006-2016





Amity, CT - RSD#5 Projected Enrollment

School District: Amity, CT RSD#5

11/2/2016

Enrollment Projections By Grade*																				
Birth Year	Births		School Year	PK	K	1	2	3	4	5	6	7	8	9	10	11	12	UNGR	K-12	PK-12
2011	197		2016-17	76	289	304	309	321	344	339	330	391	373	375	358	359	346	0	4438	4514
2012	186		2017-18	76	297	311	314	323	324	359	340	330	395	357	379	357	359	0	4445	4521
2013	199		2018-19	76	318	320	321	328	326	338	360	340	333	378	361	378	357	0	4458	4534
2014	193	prov.	2019-20	76	309	343	331	335	331	340	339	360	343	319	382	360	378	0	4470	4546
2015	194	(est.)	2020-21	76	310	333	354	346	339	345	341	339	363	328	323	381	360	0	4462	4538
2016	194	(est.)	2021-22	76	310	334	344	370	350	353	346	341	342	347	332	322	381	0	4472	4548
2017	193	(est.)	2022-23	76	309	334	345	359	374	365	354	346	344	327	351	331	322	0	4461	4537
2018	195	(est.)	2023-24	76	311	333	345	360	363	390	366	354	349	329	331	350	331	0	4512	4588
2019	194	(est.)	2024-25	76	310	335	344	360	364	378	391	366	357	334	333	330	350	0	4552	4628
2020	194	(est.)	2025-26	76	310	334	346	359	364	380	379	391	369	342	338	332	330	0	4574	4650
2021	194	(est.)	2026-27	76	310	334	345	361	363	380	381	379	395	353	346	337	332	0	4616	4692

*Projections should be updated on an annual basis in order to reflect changes in births, real estate sales, in-/out-migration of families, and housing construction.

Based on an estimate of births

Based on children already born

Based on students already enrolled

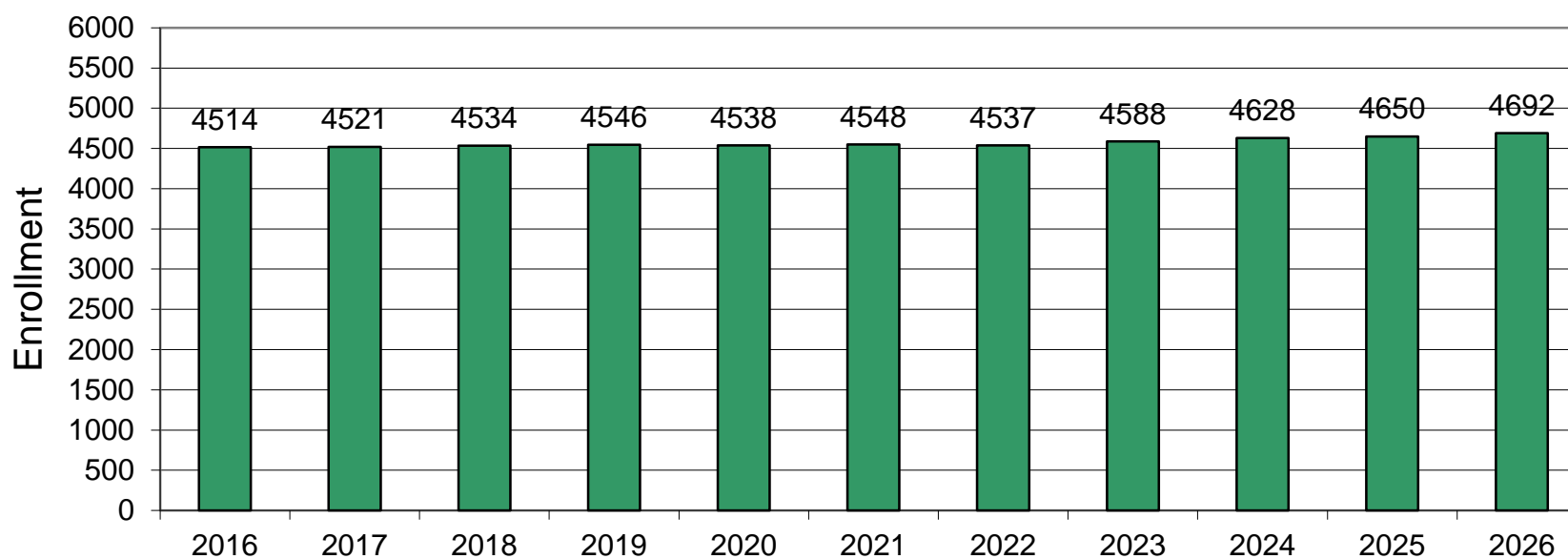
Projected Enrollment in Grade Combinations*									
Year	PK-6	K-5	K-6	K-8	5-8	6-8	7-8	7-12	9-12
2016-17	2312	1906	2236	3000	1433	1094	764	2202	1438
2017-18	2344	1928	2268	2993	1424	1065	725	2177	1452
2018-19	2387	1951	2311	2984	1371	1033	673	2147	1474
2019-20	2404	1989	2328	3031	1382	1042	703	2142	1439
2020-21	2444	2027	2368	3070	1388	1043	702	2094	1392
2021-22	2483	2061	2407	3090	1382	1029	683	2065	1382
2022-23	2516	2086	2440	3130	1409	1044	690	2021	1331
2023-24	2544	2102	2468	3171	1459	1069	703	2044	1341
2024-25	2558	2091	2482	3205	1492	1114	723	2070	1347
2025-26	2548	2093	2472	3232	1519	1139	760	2102	1342
2026-27	2550	2093	2474	3248	1535	1155	774	2142	1368

Projected Percentage Changes			
Year	K-12	Diff.	%
2016-17	4438	0	0.0%
2017-18	4445	7	0.2%
2018-19	4458	13	0.3%
2019-20	4470	12	0.3%
2020-21	4462	-8	-0.2%
2021-22	4472	10	0.2%
2022-23	4461	-11	-0.2%
2023-24	4512	51	1.1%
2024-25	4552	40	0.9%
2025-26	4574	22	0.5%
2026-27	4616	42	0.9%
Change	178		4.0%



Amity, CT - RSD#5 Projected Enrollment

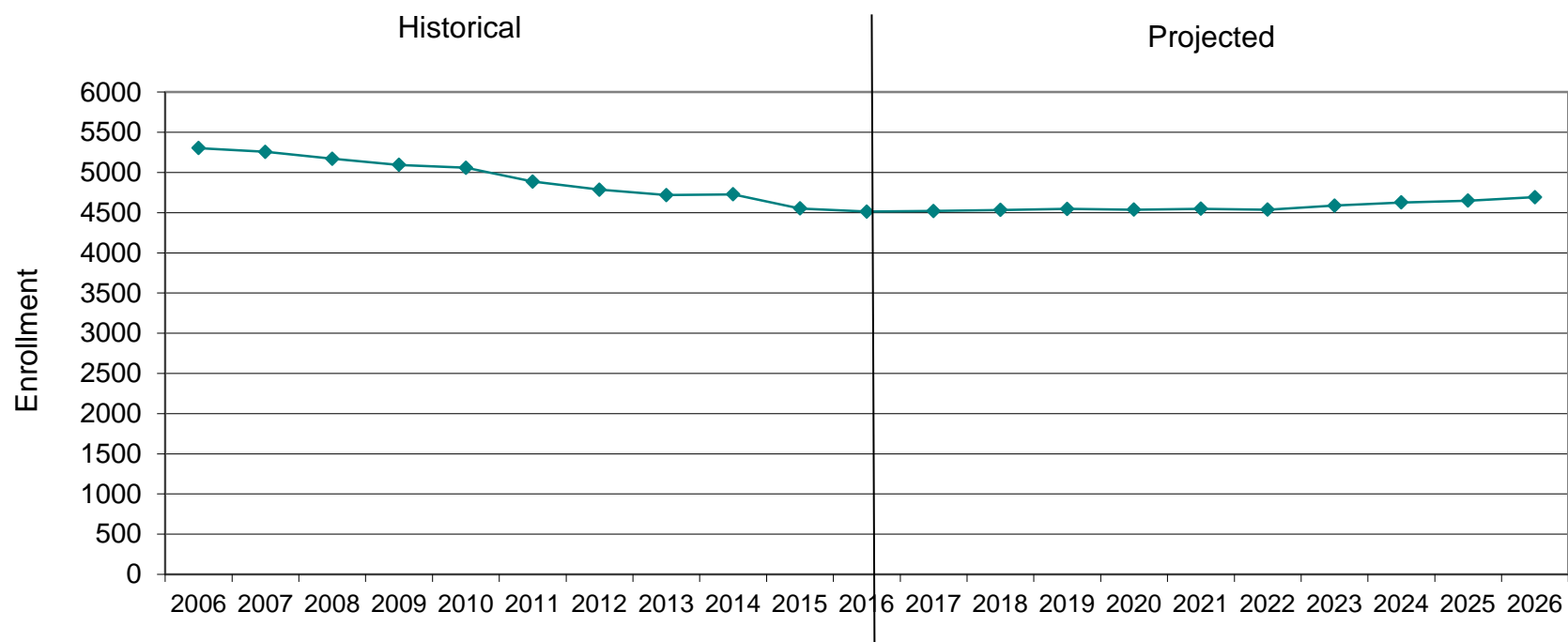
PK-12 TO 2026 Based On Data Through School Year 2016-17



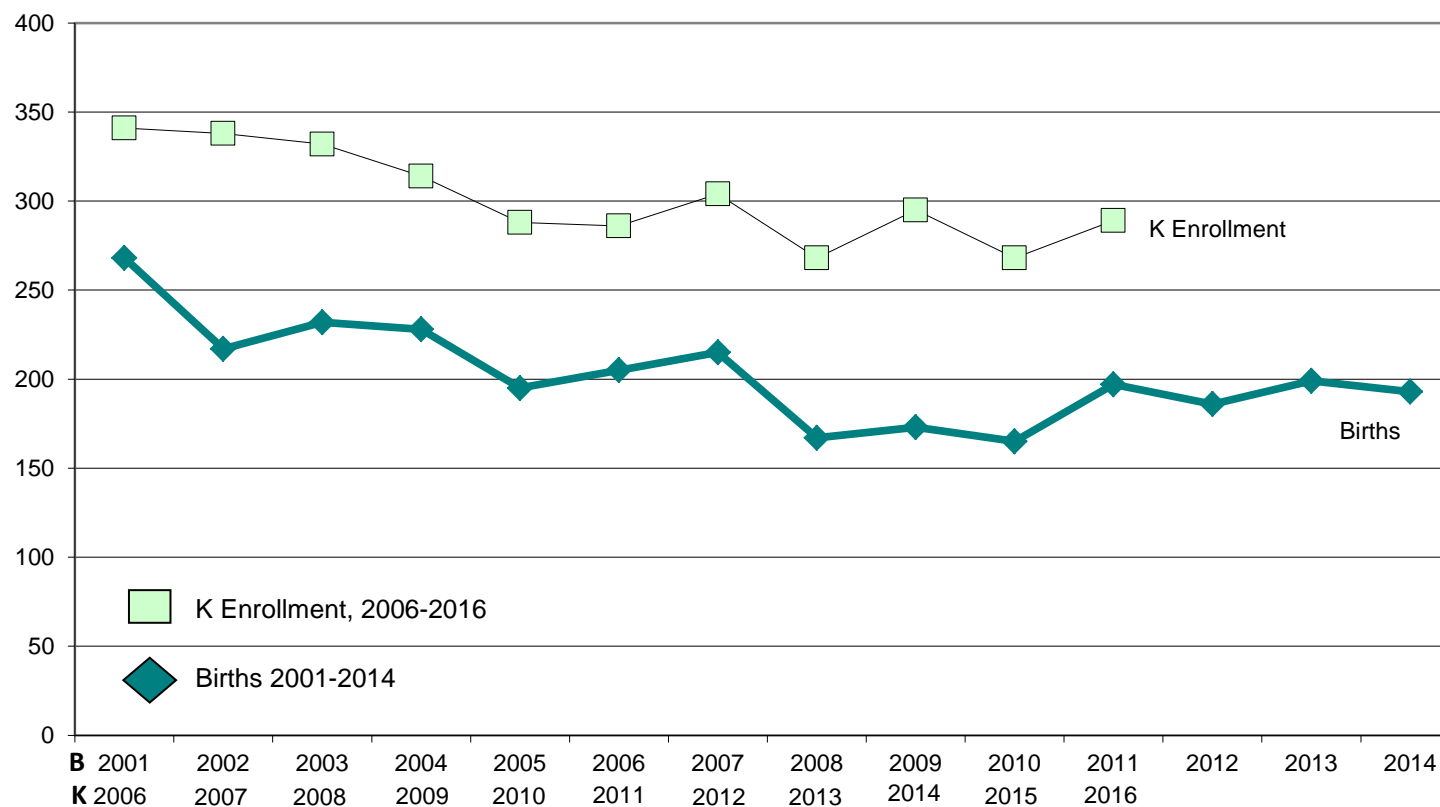


Amity, CT - RSD#5 Historical & Projected Enrollment

PK-12, 2006-2026



Amity, CT RSD#5 - Birth-to-Kindergarten Relationship





Amity, CT - RSD#5 Additional Data

Building Permits Issued		
Year	Single-Family	Multi-Units
2005	30B 7O 13W	0
2012	3B 18O 3W	0
2013	2B 20O 1W	0
2014	2B, 26O, 2W	0
2015	3B 20O 4W	0
2016	0	0

Source: HUD and Building Department

Enrollment History		
Year	Voc-Tech 9-12 Total	Non-Public K-12 Total
2005-06	n/a	n/a
2012-13	n/a	n/a
2013-14	12	n/a
2014-15	8	n/a
2015-16	12	n/a
2016-17	8	n/a

Residents in Non-Public Independent and Parochial Schools (General Education)														
Enrollments as of Oct. 1	K	1	2	3	4	5	6	7	8	9	10	11	12	K-12 TOTAL
	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

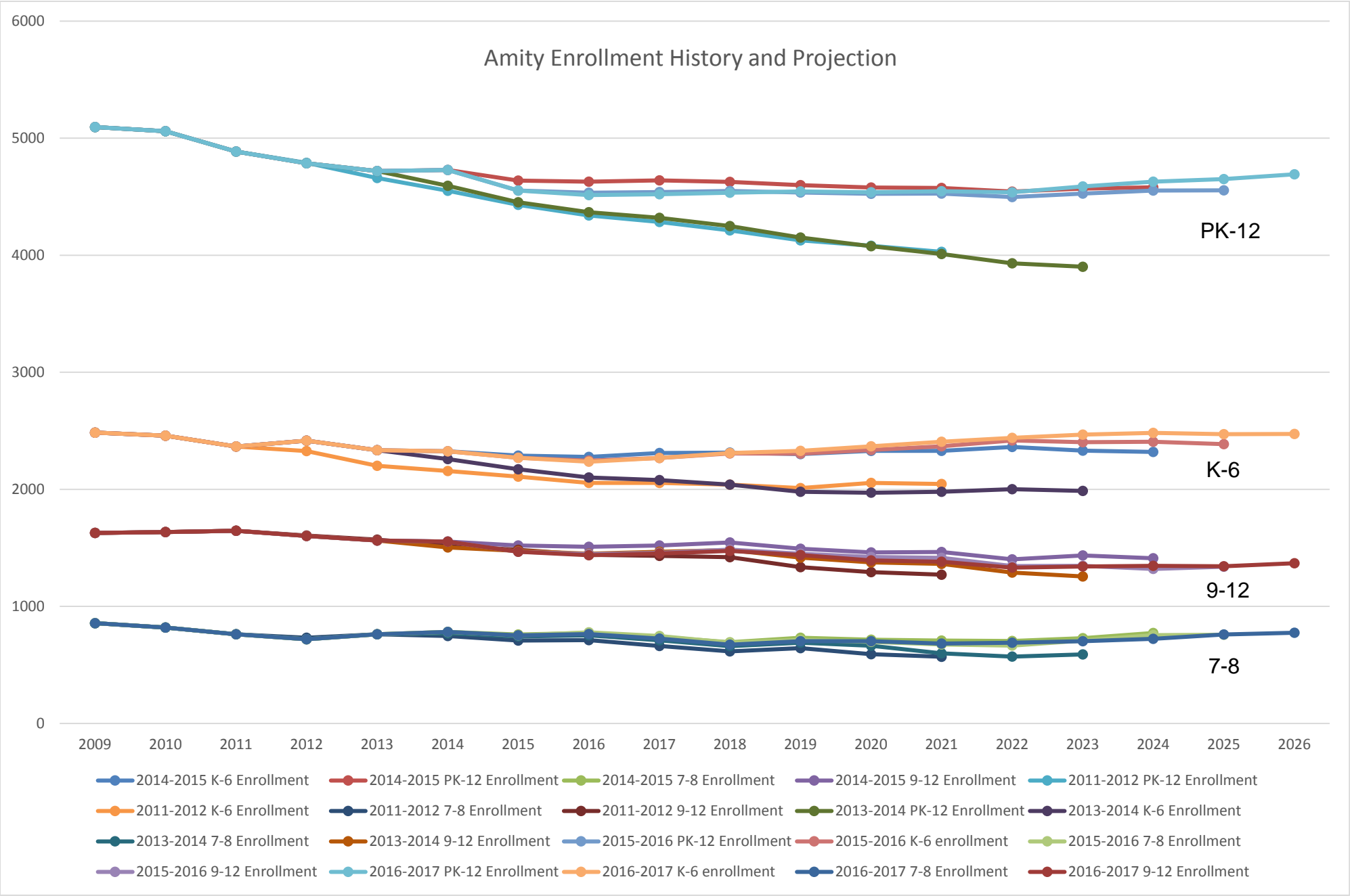
K-12 Home-Schooled Students	
2016	7

K-12 Residents "Choiced-out" or in Charter or Magnet Schools	
2016	8

K-12 Special Education Outplaced Students	
2016	35

K-12 Choiced-In, Tuitioned-In, & Other Non-Residents	
2016	20

The above data were used to assist in the preparation of the enrollment projections. If additional demographic work is needed, please contact our office.



AMITY REGIONAL SCHOOL DISTRICT NO. 5

Bethany Orange Woodbridge
25 Newton Road, Woodbridge Connecticut 06525



Theresa Lumas
Director of Finance and Administration
terry.lumas@reg5.k12.ct.us

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

To: Dr. Charles S. Dumais, Superintendent of Schools

From: Theresa Lumas, Director of Finance and Administration

Re: Award of Contract over \$35,000 –Bethany Middle School Air Handler Project

Date: December 29, 2016

I recommend the following contract over \$35,000 be awarded by the Amity Board of Education and waive the Board's Policy on purchasing procedures:

HVAC UPGRADES AT AMITY MIDDLE SCHOOL, BETHANY CAMPUS

One of the projects in the recently passed bond referendum for capital projects is providing HVAC Upgrades at Amity Middle School, Bethany Campus. The layout of the air diffusers in the classrooms and locker rooms at Amity Middle School, Bethany Campus, have proven to not be effective for thermal comfort. In addition, building codes have changed as to the amount of outside air that is needed to keep a building's air quality high. By implementing changes in the diffuser layout in the classrooms as well as adding control points and programming to the building management system, we will achieve better air quality, better thermal comfort, and recognize cost savings on utility bills. The quoted cost is \$189,909, from Controlled Air Inc., of Branford, CT, who is doing the similar upgrades at Amity Middle School, Orange Campus. The cost can be lowered by \$30,226 if we utilize our in-house electrician for portions of the project.

The job at Amity Middle School, Orange Campus, was bid based on specifications designed by vanZelm Engineers. Controlled Air Inc. was awarded the project through our bid process and has done an outstanding job implementing all of the measures in the specifications. The equipment and layout of the diffusers at Amity Middle School, Bethany Campus, is identical to the equipment in Orange and the parameters and engineered design will thus be the same. This is a very complex job to add numerous new controls to all air handlers and to control to three different parameters (temperature, CO2, and humidity) instead of just one (temperature). Controlled Air Inc. has done an outstanding job

implementing all of the measures and has worked through all of the field conflicts that have come up. They know what needs to be done to get the job done properly and efficiently as they have just completed the exact same job at Orange.

My recommendation is the Board waive the bidding requirement and award the contract to Controlled Air Inc., of Branford, CT.

Move to award the contract for HVAC Upgrades at Amity Middle School, Bethany Campus, to Controlled Air Inc. of Branford, CT, for the price of \$159,683.

AMITY REGIONAL SCHOOL DISTRICT NO. 5
REVENUES AND EXPENDITURES
FOR FY 2016-2017

		COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COL 7
		2015-2016	2016-2017	DEC '16	CHANGE	JAN '16	VARIANCE	
LINE	CATEGORY	ACTUAL	BUDGET	FORECAST	INCR./(DECR.)	FORECAST	OVER/(UNDER)	UNF
1	MEMBER TOWN ALLOCATIONS	45,348,694	46,289,573	46,289,573	0	46,289,573	0	FAV
2	OTHER REVENUE	255,240	190,215	171,771	(3,058)	168,713	(21,502)	UNF
3	OTHER STATE GRANTS	1,073,793	1,324,940	967,715	0	967,715	(357,225)	UNF
4	MISCELLANEOUS INCOME	189,039	24,480	50,129	0	50,129	25,649	FAV
5	BUILDING RENOVATION GRANTS	6,491	6,491	6,491	0	6,491	0	FAV
6	TOTAL REVENUES	46,873,257	47,835,699	47,485,679	(3,058)	47,482,621	(353,078)	UNF
7	SALARIES	24,126,651	24,967,936	24,804,250	(18,785)	24,785,465	(182,471)	FAV
8	BENEFITS	6,098,343	6,143,208	6,018,359	93,056	6,111,415	(31,793)	FAV
9	PURCHASED SERVICES	7,249,910	8,409,037	7,897,993	3,590	7,901,583	(507,454)	FAV
10	DEBT SERVICE	4,743,788	4,709,213	4,709,213	0	4,709,213	0	FAV
11	SUPPLIES (INCLUDING UTILITIES)	2,844,704	2,963,347	2,884,862	0	2,884,862	(78,485)	FAV
12	EQUIPMENT	338,909	173,160	173,160	0	173,160	0	FAV
13	IMPROVEMENTS / CONTINGENCY	176,699	311,000	260,926	0	260,926	(50,074)	FAV
14	DUES AND FEES	126,518	158,798	158,798	0	158,798	0	FAV
15	TRANSFER ACCOUNT	427,713	0	0	195,000	195,000	195,000	UNF
16	TOTAL EXPENDITURES	46,133,235	47,835,699	46,907,561	272,861	47,180,422	(655,277)	FAV
17	SUBTOTAL	740,022	0	578,118	(275,919)	302,199	302,199	FAV
18	PLUS: CANCELLATION OF PRIOR YEAR'S ENCUMBRANCES	1,035	0	0	0	0	0	FAV
19	DESIGNATED FOR SUBSEQUENT YEAR'S BUDGET:	0	0	0	0	0	0	FAV
20	NET BALANCE / (DEFICIT)	741,057	0	578,118	(275,919)	302,199	302,199	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 2016-2017

		COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COL 7
		2015-2016	2016-2017	DEC '16	CHANGE	JAN '16	VARIANCE	FAV
LINE	CATEGORY	ACTUAL	BUDGET	FORECAST	INCR./(DECR.)	FORECAST	OVER/(UNDER)	UNF
1	BETHANY ALLOCATION	9,441,145	9,437,981	9,437,981	0	9,437,981	0	FAV
2	ORANGE ALLOCATION	22,400,894	22,561,538	22,561,538	0	22,561,538	0	FAV
3	WOODBIDGE ALLOCATION	13,506,655	14,290,054	14,290,054	0	14,290,054	0	FAV
4	MEMBER TOWN ALLOCATIONS	45,348,694	46,289,573	46,289,573	0	46,289,573	0	FAV
5	ADULT EDUCATION	3,425	3,405	3,042	0	3,042	(363)	UNF
6	PARKING INCOME	29,932	30,000	29,000	0	29,000	(1,000)	UNF
7	INVESTMENT INCOME	3,432	2,000	3,000	0	3,000	1,000	FAV
8	ATHLETICS	23,076	32,500	25,000	0	25,000	(7,500)	UNF
9	TUITION REVENUE	92,133	47,434	86,571	0	86,571	39,137	FAV
10	TRANSPORTATION INCOME	103,242	74,876	25,158	(3,058)	22,100	(52,776)	UNF
11	TRANSPORTATION BOWA AGREEMENT	0	0	0	0	0	0	FAV
12	OTHER REVENUE	255,240	190,215	171,771	(3,058)	168,713	(21,502)	UNF
13	BESB GRANT	0	0	0	0	0	0	FAV
14	SPECIAL EDUCATION GRANTS	1,073,793	1,324,940	967,715	0	967,715	(357,225)	UNF
15	OTHER STATE GRANTS	1,073,793	1,324,940	967,715	0	967,715	(357,225)	UNF
16	RENTAL INCOME	20,610	3,500	21,000	0	21,000	17,500	FAV
17	DESIGNATED FROM PRIOR YEAR	150,000	0	0	0	0	0	FAV
18	OTHER REVENUE	18,429	20,980	29,129	0	29,129	8,149	FAV
19	TRANSFER IN	0	0	0	0	0	0	FAV
20	MISCELLANEOUS INCOME	189,039	24,480	50,129	0	50,129	25,649	FAV
21	BUILDING RENOVATION GRANTS	6,491	6,491	6,491	0	6,491	0	FAV
22	TOTAL REVENUES	46,873,257	47,835,699	47,485,679	(3,058)	47,482,621	(353,078)	UNF

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 2016-2017

		COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COL 7
		2015-2016	2016-2017	DEC '16	CHANGE	JAN '16	VARIANCE	FAV
LINE	CATEGORY	ACTUAL	BUDGET	FORECAST	INCR./(DECR.)	FORECAST	OVER/(UNDER)	UNF
1	5111-CERTIFIED SALARIES	19,988,435	20,577,557	20,450,744	(20,832)	20,429,912	(147,645)	FAV
2	5112-CLASSIFIED SALARIES	4,138,216	4,390,379	4,353,506	2,047	4,355,553	(34,826)	FAV
3	SALARIES	24,126,651	24,967,936	24,804,250	(18,785)	24,785,465	(182,471)	FAV
4	5200-MEDICARE - ER	326,618	334,538	344,202	0	344,202	9,664	UNF
5	5210-FICA - ER	257,153	259,642	271,544	0	271,544	11,902	UNF
6	5220-WORKERS' COMPENSATION	220,492	230,851	230,851	0	230,851	0	FAV
7	5255-MEDICAL & DENTAL INSURANCE	4,080,297	4,171,526	3,979,215	93,056	4,072,271	(99,255)	FAV
8	5860-OPEB TRUST	152,104	157,272	157,272	0	157,272	0	FAV
9	5260-LIFE INSURANCE	41,159	42,123	44,617	0	44,617	2,494	UNF
10	5275-DISABILITY INSURANCE	8,698	8,790	9,118	0	9,118	328	UNF
11	5280-PENSION PLAN - CLASSIFIED	772,191	862,404	862,404	0	862,404	0	FAV
12	5281- DEFINED CONTRIBUTION RETIREMENT PLAN	0	0	41,074	0	41,074	41,074	UNF
12	5282-RETIREMENT SICK LEAVE - CERT	110,446	25,900	25,900	0	25,900	0	FAV
13	5283-RETIREMENT SICK LEAVE - CLASS	0	2,062	2,062	0	2,062	0	FAV
14	5284-SEVERANCE PAY - CERTIFIED	110,586	33,100	33,100	0	33,100	0	FAV
15	5290-UNEMPLOYMENT COMPENSATION	18,599	15,000	15,000	0	15,000	0	FAV
16	5291-CLOTHING ALLOWANCE	0	0	2,000	0	2,000	2,000	UNF
17	BENEFITS	6,098,343	6,143,208	6,018,359	93,056	6,111,415	(31,793)	FAV
18	5322-INSTRUCTIONAL PROG IMPROVEMENT	7,489	16,750	16,750	0	16,750	0	FAV
19	5327-DATA PROCESSING	71,261	79,062	88,062	0	88,062	9,000	UNF
20	5330-OTHER PROFESSIONAL & TECHNICAL SRVC	1,011,021	1,075,935	1,092,435	(10,000)	1,082,435	6,500	UNF
21	5440-RENTALS - LAND, BLDG, EQUIPMENT	74,430	102,581	102,581	0	102,581	0	FAV
22	5510-PUPIL TRANSPORTATION	2,580,938	2,957,249	2,746,792	42,197	2,788,989	(168,260)	FAV
23	5521-GENERAL LIABILITY INSURANCE	199,448	220,548	220,548	0	220,548	0	FAV
24	5550-COMMUNICATIONS: TEL, POST, ETC.	97,324	114,924	114,924	0	114,924	0	FAV
25	5560-TUITION EXPENSE	3,137,962	3,757,143	3,431,056	(28,607)	3,402,449	(354,694)	FAV
26	5590-OTHER PURCHASED SERVICES	70,038	84,845	84,845	0	84,845	0	FAV
27	PURCHASED SERVICES	7,249,910	8,409,037	7,897,993	3,590	7,901,583	(507,454)	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 2016-2017

		COLUMN 1	COLUMN 2	COLUMN 3	COLUMN 4	COLUMN 5	COLUMN 6	COL 7
		2015-2016	2016-2017	DEC '16	CHANGE	JAN '16	VARIANCE	FAV
LINE	CATEGORY	ACTUAL	BUDGET	FORECAST	INCR./(DECR.)	FORECAST	OVER/(UNDER)	UNF
28	5830-INTEREST	1,388,788	1,249,213	1,249,213	0	1,249,213	0	FAV
29	5910-REDEMPTION OF PRINCIPAL	3,355,000	3,460,000	3,460,000	0	3,460,000	0	FAV
30	DEBT SERVICE	4,743,788	4,709,213	4,709,213	0	4,709,213	0	FAV
31	5410-UTILITIES, EXCLUDING HEAT	699,464	806,764	728,279	0	728,279	(78,485)	FAV
32	5420-REPAIRS, MAINTENANCE & CLEANING	713,049	714,645	714,645	0	714,645	0	FAV
33	5611-INSTRUCTIONAL SUPPLIES	358,124	392,007	392,007	0	392,007	0	FAV
34	5613-MAINTENANCE/CUSTODIAL SUPPLIES	201,643	212,565	212,565	0	212,565	0	FAV
35	5620-OIL USED FOR HEATING	38,676	36,500	36,500	0	36,500	0	FAV
36	5621-NATURAL GAS	86,932	93,706	93,706	0	93,706	0	FAV
37	5627-TRANSPORTATION SUPPLIES	95,812	109,740	109,740	0	109,740	0	FAV
38	5641-TEXTS & DIGITAL RESOURCES	143,620	73,769	73,769	0	73,769	0	FAV
39	5642-LIBRARY BOOKS & PERIODICALS	20,968	22,257	22,257	0	22,257	0	FAV
40	5690-OTHER SUPPLIES	486,416	501,394	501,394	0	501,394	0	FAV
41	SUPPLIES (INCLUDING UTILITIES)	2,844,704	2,963,347	2,884,862	0	2,884,862	(78,485)	FAV
42	5730-EQUIPMENT - NEW	67,742	28,128	28,128	0	28,128	0	FAV
43	5731-EQUIPMENT - REPLACEMENT	271,167	145,032	145,032	0	145,032	0	FAV
44	EQUIPMENT	338,909	173,160	173,160	0	173,160	0	FAV
45	5715-IMPROVEMENTS TO BUILDING	61,496	32,000	32,000	0	32,000	0	FAV
45a	5715-FACILITIES CONTINGENCY	100,000	100,000	100,000	0	100,000	0	FAV
45b	TRSF. FROM FACILITIES CONTINGENCY	(100,000)	0	0	0	0	0	FAV
46	5720-IMPROVEMENTS TO SITES	115,203	29,000	29,000	0	29,000	0	FAV
47	5850-DISTRICT CONTINGENCY	150,000	150,000	150,000	0	150,000	0	FAV
47a	TRSF. FROM CONTINGENCY TO OTHER ACCTS.	(150,000)	0	(50,074)	0	(50,074)	(50,074)	FAV
48	IMPROVEMENTS / CONTINGENCY	176,699	311,000	260,926	0	260,926	(50,074)	FAV
49	5580-STAFF TRAVEL	16,587	24,050	24,050	0	24,050	0	FAV
50	5581-TRAVEL - CONFERENCES	26,593	36,120	36,120	0	36,120	0	FAV
51	5810-DUES & FEES	83,338	98,628	98,628	0	98,628	0	FAV
52	DUES AND FEES	126,518	158,798	158,798	0	158,798	0	FAV
53	5856-TRANSFER ACCOUNT	427,713	0	0	195,000	195,000	195,000	UNF
54	ESTIMATED UNSPENT BUDGETS	0	0	0	0	0	0	FAV
55	TOTAL EXPENDITURES	46,133,235	47,835,699	46,907,561	272,861	47,180,422	(655,277)	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 2016-2017**



JANUARY 2017

2016-2017 FORECAST

Potential Use of Unspent Fund Balance:

The Superintendent of Schools plans to ask the Amity Finance Committee and Amity Board of Education to transfer these funds from the unspent fund balance into the Reserve for Capital Nonrecurring Expenditures prior to closing the books for this fiscal year. The Amity Finance Committee and Amity Board of Education will be asked to consider these requests at their August meeting.

The District hired vanZelm's Engineering to evaluate the airhandler units. A list of priority projects was included in the recent bond referendum and will be scheduled soon. Many other airhandlers are now 24 years old, surpassing the estimated 20 year life use.

The forecast includes \$195,000 UNF of the unspent fund balance will be designated to purchase airhandlers in the capital plan. In this way, there are funds set aside to repair air handlers if they should fail prior to being funded in two or three years. This removes an increase in the capital improvement plan for the 2018-2019 and keeps the plan more level funded. This appears on page 4, column 6, line 54.

OVERVIEW

The projected unspent fund balance for this fiscal year is **\$302,199 FAV** (previously **\$615,901 FAV**), which appears on page 1, column 6, line 20.

REVENUES BY CATEGORY

The projected yearend balance of revenues are **\$353,078 UNF** (previously **\$350,020 UNF**), which appears on page 2, column 6, line 22.

LINE 5 on Page 2: ADULT EDUCATION:

The forecast is based on information from the State.

LINE 7 on Page 2: INVESTMENT INCOME:

The budget is based on the expectation interest rates will remain low, but slightly higher than budgeted. The projected forecast is **\$1,000 FAV**

<u>Month</u>	<u>Peoples United</u>	<u>State Treasurer's Investment Fund</u>
July 2016	0.397 %	0.460 %
August 2016	0.400 %	0.460 %
September 2016	0.400%	0.360%
October 2016	0.400%	0.360%
November 2016	0.400%	0.420%
December 2016	0.394%	0.450%
January 2017		
February 2017		
March 2017		
April 2017		
May 2017		
June 2017		

LINE 8 on Page 2: ATHLETICS:

The forecast is based on a historical analysis and actual revenue collected. The forecast projects the revenue will be down **\$7,500 UNF**

LINE 9 on Page 2: TUITION REVENUE:

The budget is based on four tuition students, three at full tuition rate and one student at reduced employee rate. The actual tuition charged is higher than budgeted. Three new tuition students enrolled in the District. One tuition student moved into the District after two months. The projected variance is **\$39,137 FAV** (previously \$39,137 FAV).

LINE 10 on Page 2: TRANSPORTATION INCOME:

The forecast is based on historical data and the State cap. Transportation income decreased due to the State eliminating funding for most transportation. The projected forecast is \$22,100 resulting in a **\$52,776 UNF** (previously **\$49,718 UNF**) shortfall. *The forecast is revised based on magnet school transportation reporting.*

LINE 14 on Page 2: SPECIAL EDUCATION GRANTS:

The State reimbursement rate for 2016-2017 is not known at this time. The budget assumes a rate of 79.0 percent. The forecast estimates the reimbursement rate will be at 75% , \$67,086 UNF The forecast indicates grants will be lower based on current estimates of the outplacement costs. The forecast has been revised to reflect current costs and reimbursements, based on the most recent information. Revenue is estimated to be **\$357,225 UNF** (previously \$357,225 UNF) based on the December SEDAC-G report filed with the State.

LINE 16 on Page 2: RENTAL INCOME:

The forecast is based on a historical analysis and actual revenue collected. The projected variance is **\$17,500 FAV**.

LINE 18 on Page 2: OTHER REVENUE:

CIRMA issued Members' equity Distribution check to Amity in the amount of \$12,452. The District received a check for load shed participation for the second quarter of the calendar year in the amount of \$3,149. The projected variance is ***\$8,149 FAV (previously, \$8,149 FAV)***.

EXPENDITURES BY CATEGORY

The projected yearend balance of expenditures are ***\$943,333 FAV (previously \$928,138 FAV)***, which appears on page 4, column 6, line 55.

LINE 1 on Page 3: 5111-CERTIFIED SALARIES:

Current projection is for \$147,645 FAV (previously \$126,813 FAV) balance. Staff turnover exceed budget (\$6,135 FAV), two unpaid leaves of absences (\$44,038 FAV) at the start of the school year, two less full year coverage assignments (\$20,365 FAV) account for the favorable variance. Staff vacancy of \$4,587 and assignment changes account for \$23,850 for a partial position not needed. Forecast reflects an additional unpaid leave of absence. ***Forecast for substitutes was lowered by \$16,000 FAV and staff turnover savings increased by \$5,000 FAV.***

LINE 2 on Page 3: 5112-CLASSIFIED SALARIES:

Current projection for classified staff is a favorable variance of \$34,826 FAV, (previously \$36,873 FAV). Final contract settlements were under budget. Staff turnover resulted in savings of \$13,043 FAV. This is offset by the additional para position needed \$21,366 UNF. The new paraeducator's salary is \$5,000 less based on actual start date and staff vacancies account for \$7,800.

LINES 3 & 4 on Page 3: 5200 & 5210-MEDICARE & FICA:

The forecast is based on the actual staff salaries and the forecast projects these accounts will be over budget ***\$21,568 UNF (previously \$21,568 UNF)*** The accounts were reviewed and calculated again to correct the prior estimate.

LINE 6: 5220-WORKERS' COMPENSATION:

The workers' compensation premium is as budgeted and the forecast assumes the payroll audit will be as budgeted.

LINES 7 on Page 3: 5255-MEDICAL AND DENTAL INSURANCE:

The forecast assumes actual claims of current employees and retirees will be the same as budget except for months with ***actual claims (highlighted in bold, italics)***. The current projection is under budget ***\$166,368 FAV (previously \$276,464 FAV)***. ***December claims are over budget by \$110,096 UNF and fees are under budget \$17,040 FAV.***

CLAIMS OF CURRENT EMPLOYEES AND RETIREES

MONTH	2016-2017 ACTUAL	2016-2017 BUDGET	VARIANCE	2015-2016 ACTUAL	2014-2015 ACTUAL
<i>JUL</i>	\$ 309,902	\$ 372,267	\$ (62,365)	\$ 424,798	\$ 311,067
<i>AUG</i>	\$ 466,996	\$ 372,267	\$ 94,729	\$ 298,314	\$ 336,053
<i>SEP</i>	\$ 250,040	\$ 372,267	\$ (122,227)	\$ 311,187	\$ 282,989
<i>OCT</i>	\$ 250,625	\$ 372,267	\$ (121,642)	\$ 316,592	\$ 368,169
<i>NOV</i>	\$ 307,308	\$ 372,267	\$ (64,959)	\$ 382,903	\$ 326,683
DEC	\$ 482,363	\$ 372,267	\$ 110,096	\$ 416,646	\$ 419,537
JAN	\$ 372,267	\$ 372,267	\$ -	\$ 382,654	\$ 284,899
FEB	\$ 372,267	\$ 372,267	\$ -	\$ 253,140	\$ 330,398
MAR	\$ 372,267	\$ 372,267	\$ -	\$ 360,554	\$ 269,027
APR	\$ 372,267	\$ 372,267	\$ -	\$ 479,532	\$ 302,864
MAY	\$ 372,267	\$ 372,267	\$ -	\$ 370,820	\$ 291,612
JUN	\$ 372,271	\$ 372,271	\$ -	\$ 320,630	\$ 308,985
TOTALS	\$ 4,300,840	\$ 4,467,208	\$ (166,368)	\$ 4,317,770	\$ 3,832,283

ACTUAL/FORECAST CLAIMS AS A PERCENTAGE OF EXPECTED CLAIMS

2013-2014 ACTUAL	2014-2015 ACTUAL	2015-2016 ACTUAL	2016-2017 BUDGET	2016-2017 FORECAST
103.8%	87.3%	99.88%	100.0%	96.3%

Note: 2016-2017 FORECAST of projected claims for this fiscal year as a percentage of expected claims is based on actual year-to-date claims plus budgeted claims for the remainder of the year divided by expected (budgeted) claims.

FEES OF CURRENT EMPLOYEES AND RETIREES
(Stop-Loss Premiums, Network Access Fees, and Other Fees)

MONTH	2016-2017 ACTUAL	2016-2017 BUDGET	VARIANCE	2015-2016 ACTUAL	2014-2015 ACTUAL
<i>JUL</i>	\$ 79,407	\$ 60,023	\$ 19,384	\$ 95,297	\$ 85,723
<i>AUG</i>	\$ 101,465	\$ 60,023	\$ 41,442	\$ 87,514	\$ 88,370
<i>SEP</i>	\$ 75,692	\$ 60,023	\$ 15,669	\$ 73,583	\$ 96,853
<i>OCT</i>	\$ 80,902	\$ 60,023	\$ 20,879	\$ 76,154	\$ 97,604
<i>NOV</i>	\$ 46,802	\$ 60,023	\$ (13,221)	\$ 41,351	\$ 55,394
<i>DEC</i>	\$ 42,983	\$ 60,023	\$ (17,040)	\$ 40,224	\$ 47,437
<i>JAN</i>	\$ 60,023	\$ 60,023	\$ -	\$ 29,552	\$ 47,120
<i>FEB</i>	\$ 60,023	\$ 60,023	\$ -	\$ 38,454	\$ 46,962
<i>MAR</i>	\$ 60,023	\$ 60,023	\$ -	\$ 39,472	\$ 46,314
<i>APR</i>	\$ 60,023	\$ 60,023	\$ -	\$ 39,177	\$ 46,798
<i>MAY</i>	\$ 60,023	\$ 60,023	\$ -	\$ 28,560	\$ 46,805
<i>JUN</i>	\$ 60,024	\$ 60,024	\$ -	\$ 28,670	\$ 47,120
TOTALS	\$ 787,390	\$ 720,277	\$ 67,113	\$ 618,008	\$ 752,500

LINE 9: 5260-LIFE INSURANCE:

The forecast is based on the current staff. The projected variance is **\$2,494 UNF based on updated salary information (previously \$871 UNF)**.

LINE 10: 5275-DISABILITY INSURANCE:

The forecast is based on the current staff. ***The forecast projects \$328 UNF after the policy was updated with current staffing and coverages.***

LINE 11: 5281-DEFINED CONTRIBUTION RETIREMENT PLAN:

The District negotiated into most of the classified contracts the establishment of a defined contribution pension plan. Fiduciary Investment Advisors was contracted to bid the services. International City Management Associate (ICMA-RC) was selected to administer the plan. ***A meeting is scheduled this month to provide participants information and to activate their accounts.*** The establishment of the defined contribution plan was not in the budget but is expected to save the District money over time. The current forecast projects the District's contribution will be \$41,074 UNF.

LINE 19: DATA PROCESSING: The forecast includes the implementation costs for the AESOP and Veritime modules to automate the substitute coverage process while recording of staff attendance. \$9,000 UNF – ***This transaction is on hold until it is reviewed by the curriculum committee.***

LINE 20: 5330-PROFESSIONAL TECHNICAL SERVICES:

The financial audit premium is reduced by \$2,500. The minimum threshold for Federal grant testing has been increased. The District's Federal grants do not meet the threshold so less field work is required. *Legal costs are projected to exceed the budget by \$50,000 UNF. Board directed legal services are \$1,820 YTD, Administrative legal services are \$11,072 YTD, Negotiation legal services are \$4,731 YTD, Personnel legal services are \$2,080 YTD and Special Education legal services are \$32,660 YTD.* The forecast reflects savings from the Xerox contract for the remainder of the fiscal year. \$2,458 FAV. *There are not as many interns contracted as budgeted, a favorable variance of \$36,000.* The projected variance is *\$6,500 UNF previously (16,500 UNF)*

LINE 22 on Page 3: 5510-PUPIL TRANSPORTATION:

Special Education Transportation is a projected variance of **\$168,260 FAV (previously \$214,786 FAV)**. The forecast is based on the current transportation needs of the students. There continue to be changes throughout the year.

LINE 25 on Page 3: 5560-TUITION EXPENSE:

Tuition has a projected variance of **\$354,695 FAV (previously \$320,084)**. The forecast is based on current students and their placements and will change throughout the year.

Tuition for the vo-ag schools has a projected variance of **\$38,601 FAV (previously \$38,601) FAV**.

	FY12-13 ACTUAL	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 BUDGET	FY16-17 FORECAST
Sound	8	7	5	4	5	3
Trumbull	2	2	2	3	4	3
Nonnewaug	2	2	1	3(5) ^a	3	2
Common Guard Charter HS	0	0	1	1	1	0
ACES Wintergreen Magnet	2	1	0	0	0	0
King Robinson Magnet	0	0	0	1	1	0
Engineering Science Magnet	0	0	0	0	1	1
Totals	14	12	9	12(14)	15	9

Note ^a: Two students left on April 15, 2016.

ECA has a projected variance of **\$45,450 FAV (previously \$36,450 FAV)**.

	FY12-13 ACTUAL	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY16-17 BUDGET	FY16-17 FORECAST
ECA	26	26	26	22	25	15

Public (ACES) and private out-of-district placements has a projected variance of **\$270,643 FAV (previously \$245,032) FAV**.

	FY12-13 ACTUAL	FY13-14 ACTUAL	FY14-15 ACTUAL	FY15-16 ACTUAL	FY15-16 BUDGET	FY15-16 FORECAST
Public SPED	8	6	10	6	7	6
Private SPED	21	25	24	26	31	27
Totals	29	31	34	32	38	33

LINE 30 on Page 4: 5410-UTILITIES, EXCLUDING HEAT:

The 2016-2017 budget for electricity assumes the use of 3,888,929 kilowatt hours at an average price of \$0.1909 per kilowatt hour, or a cost of \$743,506. The forecast projects 3,866,501 kilowatt hours will be used for a savings of \$5,442 FAV. Last year we used 3,651,004 KWH. To date we have used 671,932 at an average price of \$0.1814/KWH. This is 42,219 KWH less than last year. Jim Saisa, Facilities Director, now estimates we will use 3,608,785 KWH at the year-to-date average price of \$0.1814 for a total of \$654,633 or a favorable balance of \$83,431. FAV

ELECTRICITY (KILOWATT HOURS)

MONTH	2016-2017 FORECAST	2016-2017 BUDGET	VARIANCE	2015-2016 ACTUAL	2014-2015 ACTUAL
JUL	308,892	352,346	(43,454)	339,296	321,976
AUG	363,040	363,649	(609)	374,855	331,999
SEP	336,638	363,425	(26,787)	361,951	349,784
OCT	280,809	305,266	(24,457)	293,904	292,657
NOV	283,913	292,634	(8,721)	276,758	287,227
DEC	297,359	297,359	-	269,037	297,565
JAN	309,596	309,596	-	273,192	290,906
FEB	315,360	315,360	-	291,283	319,356
MAR	313,935	313,935	-	297,274	321,785
APR	311,573	311,573	-	276,797	304,672
MAY	328,343	328,343	-	300,487	318,196
JUN	335,443	335,443	-	296,170	336,991
Totals	3,784,901	3,888,929	(104,028)	3,651,004	3,773,114

Note: 2016-2017 Actual Kilowatt Hours shown in bold italics.

The budget assumes there will not be a Load Shed credit. There were two load shed events this summer. We participated fully in one event. *The second load shed credit has been received in the amount of \$2,745.*

The budget for propane is \$3,000. The forecast is *\$2,406*, or **\$594 FAV** under budget.

Sewer costs are budgeted at \$32,000, *the forecast reflects the most recent billing information with a total cost of \$37,486 which is \$5,846 UNF.*

The budget for water is \$33,700, which is the forecast.

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

The budget for snow removal and sanding is \$67,500.

DEGREE DAYS: The number of degree days are 614 fiscal year to date compared to 605 degree days last year.

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

The budget is \$36,500. Bethany Middle School is budgeted to use 20,000 gallons, at a price of \$1.75 per gallon, or \$35,000. The budget includes \$1,500 for the generators at all three schools.

LINE 36 on Page 4: 5621-NATURAL GAS:

The budget for natural gas is \$93,703, which is the forecast. *Now that the fuel cell is fully functional, the account will be monitored for savings.* The 2016-17 budget assumes there will be \$35,000 in savings.

LINE 45 on Page 4: 5715-IMPROVEMENTS TO BUILDING:

The facilities contingency has a budget of \$100,000. The forecast assumes these funds will be entirely used. The current balance is \$100,000.

LINE 47 on Page 4: 5850-CONTINGENCY:

The budget includes a \$150,000 contingency for unplanned, necessary expenditures. The forecast assumes these funds will be entirely used. **The current balance is \$99,926 which includes the new funding request in the month's packet.**

- \$41,074 UNF for the District's contributions to the Defined Contribution Retirement Plan.
- *\$9,000 UNF for the implementation of AESOP and Veritime software modules to manage substitute coverage and staff attendance. –ON HOLD*

APPENDIX A

COST SAVINGS AND EFFICIENCIES FOR FISCAL YEAR 2016-2017

TOTAL ANNUAL SAVINGS TO-DATE OF: \$ 66,012

\$15,808: The Director of Pupil Services found a company that arranges special education transportation runs that are provided for individual students to on private transportation vehicles approved for transporting school children.

\$6,563: The Director of Finance and Administration negotiated the price of the Student Accident Insurance down from \$34,881 to \$28,318.

\$19,325: One of the high school teachers, Jeremy Iverson, applied for and received a grant from Frontier Communications. The grant is to be used to purchase production equipment for the film courses and production room. This reduces the amounts that would be funded through the general fund.

\$8,300: The Director of Facilities is implementing another module of School Dude software for facility usage. The time staff spends and paper used to process, print, research, and invoice will be significantly reduced. The electronic process streamlines the flow of approvals and eliminates the need to physically track down an application.

\$2,000: All of the old style televisions mounted in the classrooms at Amity Regional High School are no longer needed. It was quoted to cost \$50 per TV to recycle. The Town of Woodbridge Transfer Station has agreed to take the TV's and recycle them for us.

\$1,000: All of the components of the fuel cell came in large crates and packing pallets. The wood used in these delivery means is very good. The Technical Education program at Amity Regional High School is dismantling the crates and pallets and using the wood for their program. This eliminates Fuel Cell Energy from disposing of a good resource and helps defray costs in the budget.

\$663: The District Office cut the number of copies of the New Haven Register delivered from 3 down to 1 copy.

ENERGY STAR CERTIFIED FACILITIES: Two of Amity's buildings were recently recognized as Energy Star certified! Amity Regional High School and Amity Middle School – Orange Campus recently were notified that their applications for an Energy Star rating were approved. Amity Middle School -Bethany Campus is currently under review by a different utility company. This recognition is a culmination of efforts by the Facilities Department, Finance Staff and Board of Education support to energy initiatives.

\$6,800: The T-8 bulbs are being replaced in the District with LED with our recent lighting project. The retired bulbs would cost \$0.64 per bulb to recycle. We have offered them to other school districts to avoid this cost. Many of the available bulbs have been picked up by 3 different districts.

\$1,070: Referendum mailing was done as a folded flyer rather than a stuffed envelope mailing. The flyer was printed and folded in house and no envelopes were purchased.

\$2,025: Older versions of Math textbooks that were no longer in use in Amity were sold to another school district. The funds were used to repair and/or purchase graphing calculators.

\$ 2,458: Xerox copier and print management contract was renegotiated. New machines with higher functionality will be leased at a lower cost. This savings is for half of the fiscal year as the new pricing starts January 2017.

There is a detailed history of the District's efforts to save dollars and operate efficiently. This information is posted on the District's website:

- **Energy Savings Initiatives for the past decade**
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=30983906>
- **District recognized CQIA Innovation Prize for Fostering a District Culture of Maximizing Cost Savings and Efficiencies**
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=27984932>
- **Fiscal Year 2015-2016 – \$125,911**
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=27984930>
- **Fiscal Year 2014-2015 – \$139,721**
<http://www.amityregion5.org/common/pages/DisplayFile.aspx?itemId=27984928>

APPENDIX B

MONTHLY FORECASTS: PURPOSE, METHODOLOGY, HISTORICAL

PURPOSE & METHODOLOGY:

A forecast is a prediction or estimate of future events and trends. **It is only as good as the data available and the assumptions used.** We use current information and past history.

There are many factors, which can significantly impact expenditures, both positively and negatively (e.g., staff turnover, vacancies and leaves-of absence; medical and dental insurance claims when self-insured; special education expenditures; major facility repairs; snow removal).

To illustrate, a special education student could move into the District in mid-year and the cost impact could be over \$100,000 and/or we could have a 'bad claims year' and wipe out the Self Insurance Reserve Fund and need other funds to cover claims of current employees and retirees. If we do not have available funds to cover these and other potential shortfalls, the necessity to seek additional funding from the public would be our only option (as only the towns have a fund balance from prior years available to use in the case of an emergency).

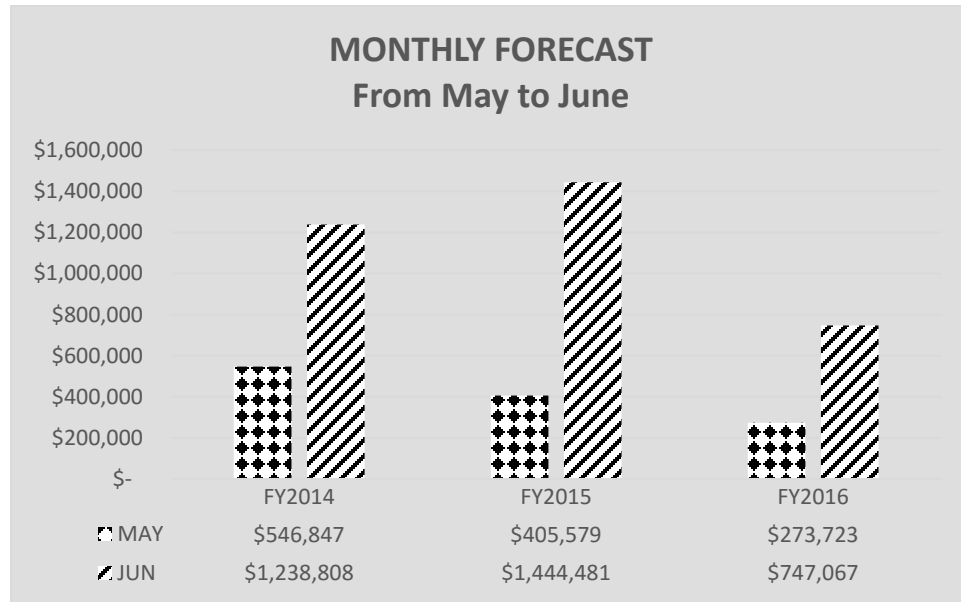
Revenues can be most impacted by decisions made at the State level for Special Education and Transportation grants. We have seen the reimbursement rate change in mid-year.

Prudent financial management is necessary. We need to be sure the total expenditures budget is never overspent (and may need to be underspent if revenues are below budget because total expenditures cannot exceed total revenues). It is imperative we 'hold back' on spending any of the Contingency Account until it is absolutely necessary or we are close to yearend. The Superintendent of Schools and Director of Finance and Administration review and approve or deny all purchase orders. We are careful to make sure funds are only spent when necessary and not just because 'it is in the budget'. We are constantly faced with the 'what-ifs' of over expenditures in certain accounts. We need to be sure there are sufficient funds available. As a result, the fund balance has been larger towards the end of the fiscal year.

Furthermore, the monthly forecasts are based on the information available. We have had large, unexpected or highly unpredictable events at the end of the fiscal year (mostly of a positive nature), which have significantly change the forecast from May to June.

HISTORICAL:

The chart below depicts the yearend balance projected in May and June of each of the past three fiscal years.



The major contributors of the significant change from the May to June forecasts are detailed below.

FY2014:

The actual fund balance was \$1,238,808. The monthly forecast for May 2014 projected a fund balance of \$546,847, or **\$691,961 higher than the prior month's forecast**. The major reasons for the significant increase in the yearend fund balance from one month to the next month were, as follows:

- **\$114,915:** Certified and classified salaries were lower than forecasted. It is not until the end of the fiscal year when we know the actual expenditures for coverages, substitutes, leaves of absences, overtime, and pay docks. We use conservative estimates in the forecasts based on past history.
- **\$473,674:** Most of the funds budgeted for the OPEB Trust were transferred into the Self-Insurance Reserve Fund.
- **\$148,398:** Electricity usage and water usage were lower than forecasted. The May and June invoices were received after the May forecast.

FY2015:

The projected fund balance was \$1,444,481. The monthly forecast for May 2015 projected a fund balance of \$405,579, or **\$1,038,902 higher than the prior month's forecast**. The major reasons for the significant increase in the yearend fund balance from one month to the next month were, as follows:

- **\$137,115:** Certified and classified salaries were lower than forecasted. It is not until the end of the fiscal year when we know the actual expenditures for coverages, substitutes, leaves of absences, overtime, and pay docks. We use conservative estimates in the forecasts based on past history.
- **\$153,315:** Special education transportation and tuition expenditures were lower than forecasted. The May forecast included the possible costs due to two families that were beginning to proceed to due process. No expenditures were incurred in this fiscal year.
- **\$503,754:** Medical & dental claims were lower than expected. Since we are self-insured, actual claims are not known until the end of the fiscal year. Based on actual claims, we returned most of these funds to the member towns.
- **\$136,270:** As part of the yearend processing, unspent encumbrances are eliminated.
- **\$41,162:** Final grant payments for Special Education and Transportation are not known until the end of the fiscal year.

FY2016:

The audited fund balance is \$1,319,839. The monthly forecast for May 2016 projected a fund balance of \$273,723 which included \$427,713 transferred into Capital Reserve and a debt of \$145,086 owed to the State. The change is **\$473,344 higher than the prior month's forecast**. The major reasons for the significant increase in the yearend fund balance from one month to the next month were, as follows:

- **\$237,904:** Certified and classified salaries were lower than forecasted. It is not until the end of the fiscal year when we know the actual expenditures for coverages, substitutes, leaves of absences, overtime, and pay docks. We use conservative estimates in the forecasts based on past history.
- **\$107,099:** Purchased services were lower than forecasted. Athletics held fewer home contests, did not have a need for assistant coaches in a few middle school sports and cheerleading did not field a squad. Intern were fewer than budgeted. Less than anticipated need for psychiatric consults and other consultants at PPTs.

- **\$85,857:** Final grant payments for Special Education and Transportation are not known until the end of the fiscal year. The reimbursement rate was 77.63% which is higher than the budgeted rate of 75%. The prior year adjustment was positive as were the changes in student placements.

APPENDIX C

RECAP OF 2013-2014

Return Unspent Fund Balance:

The cancellation of 2012-2013 encumbrances of \$62,660 has been returned to the Member Towns. We encumber funds for goods and services received by June 30th but not yet billed. In some cases, the estimated amount encumbered varies from the actual invoice (e.g., utility bill; water bill) and we do not need to spend the entire encumbrance. The primary reason for the unspent funds was special education expenditures of \$42,860, which were not spent.

Bethany	\$12,559
Orange	\$31,290
Woodbridge	<u>\$18,811</u>
Total	\$62,660

The major components of the 2013-2014 yearend available funds were, as follows:

- Special education grants revenue of **\$117,761 favorable variance** – This is due to higher special education transportation and tuition expenditures and a higher State reimbursement rate than budgeted (79.6 percent compared to 75 percent).
- Salaries of **\$356,929 favorable variance** – “Turnover savings” from replacing teachers who retired or resigned with teachers at a lower salary, were greater than expected. We also realized savings from unpaid leaves-of-absence and workers’ compensation, lower than projected coverage costs, and the transition to a permanent Superintendent of Schools. None of these could have been reasonably anticipated at the time the budget was prepared.
- Special education transportation and tuition of **\$350,050 favorable variance** – This is one of the most difficult areas to predict.

The Amity Board of Education voted to spend these funds on several needed items:

- **\$30,012** – Fixed Asset Accounting Module: The District purchased a fixed asset accounting program (FAMP) in 2007. The program worked on a 32bit operating system. It does not work on our 64bit systems.
- **\$85,793** – Amity Regional High School Cooling Tower Refurbishment: During the spring startup preventive maintenance inspection, several parts that normally deteriorate over time were noticed to be of concern. It was important to fix the problem before it became a more costly project.

- **\$57,950** – Engineering Study for Fuel Cell Waste Heat Use at Amity Regional High School: The District has an opportunity to use the waste heat generated by the fuel cell to potentially heat and cool the building at much cheaper rates than we are currently paying.
- **\$586,655** – Self-Insurance Reserve Fund: The District is self-insured and must pay claims for current employees and retirees. The fund balance on June 30, 2014, was approximately \$231,000, or a reserve to claims ratio of 5.5 percent. This balance was projected to be about \$114,000 on June 30, 2015, or a reserve to claims ratio of 2.6 percent. It was imperative to bring the reserve balance to the minimum ratio of 20 percent (target is 25 percent). This is the third year of self-funding our medical and dental insurance. It takes time to build-up the reserve balance.

APPENDIX D

RECAP OF 2014-2015

The fund balance of **\$1,448,929 FAV** is derived from cost savings initiatives, special education, and uncontrollable and/or unforeseen circumstances. The primary sources of the fund balance are, as follows:

FINANCIAL MANAGEMENT: **\$ 139,721**

Our efforts to foster a District culture of finding cost savings and efficiencies has been successful.

SPECIAL EDUCATION (NET): **\$ 312,263**

The primary reasons for the favorable variance were changes in the expected placements of some students; two previously outplaced students returned to the District; two fewer students than budgeted were in the Step Forward Program at Gateway; the average tuition costs increased 3 percent rather than the budgeted increase of 5 percent; and transportation costs were shared with an Elementary School District.

OTHER: **\$ 996,945**

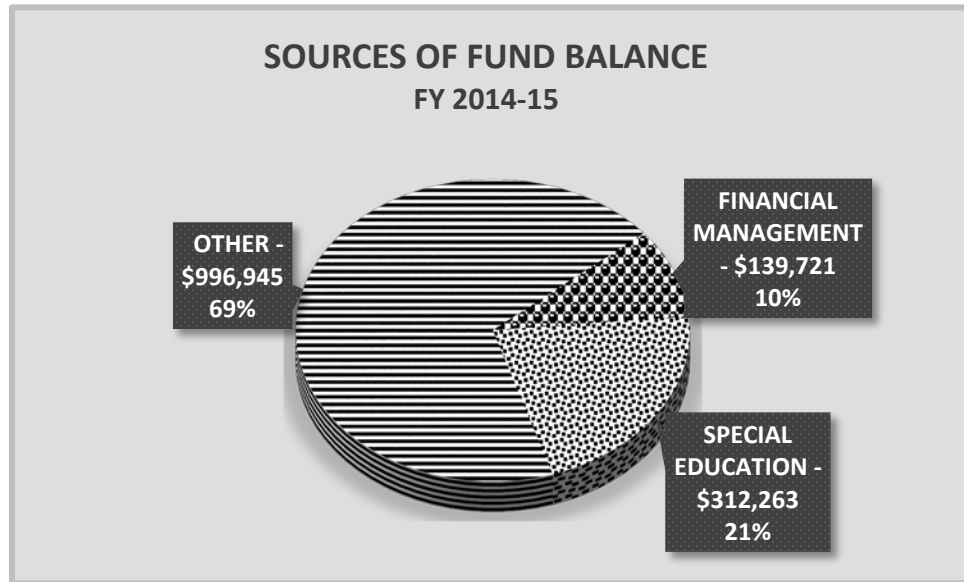
Turnover savings from replacing teachers who retired or resigned exceeded budget by **\$99,002**. We found out about 14 retirements and resignations after the budget was adopted. The budget assumed 5 retirements and resignations. In addition, the replacement of the Director of Counseling who resigned on August 28, 2014 and was replaced on November 11, 2014, resulted in a savings of **\$29,270**.

Other personnel savings came from unpaid leaves-of-absences for savings of approximately **\$135,000**; Bench Subs, long-term and short-term subs and Kelly Services substitutes were **\$60,911** below budget; Homebound expenses were under budget by **\$27,311**; and staff changes, vacancies and lower overtime accounted for most of the remaining favorable variance of **\$125,563** in the salary accounts.

Medical and dental insurance budget did not need to be fully used. This resulted in a favorable variance of **\$328,754** with the budget transfer of \$175,000 into the OPEB Trust.

Other professional services for special education students were not needed for a savings of **\$71,507**.

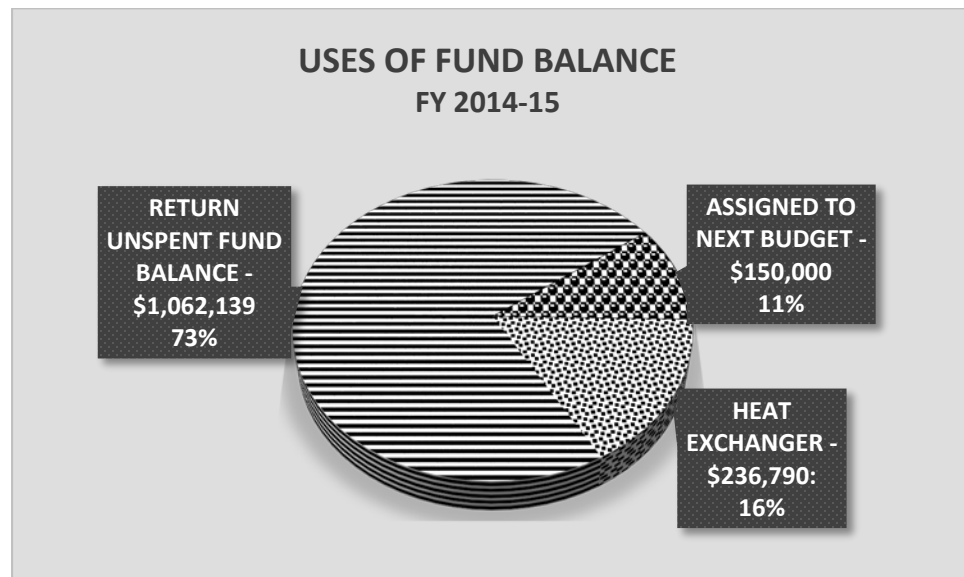
The primary sources of the fund balance are shown graphically below:



The recommended uses of the fund balance are, as follows:

1. **\$1,062,139** – Return unspent fund balance
2. **\$150,000** - Designated for the 2015-2016 budget
3. **\$236,790** - Put into the Reserve Fund for Capital and Nonrecurring Expenses for the purpose of purchasing and installing a heat exchanger at Amity Regional High School

The uses of the fund balance are shown graphically below:



Return Unspent Fund Balance:

The unspent fund balance have been returned to the Member Towns, as follows:

Bethany	\$ 221,148
Orange	\$ 522,754
Woodbridge	<u>\$ 318,237</u>
Total	\$1,062,139

APPENDIX E

RECAP OF 2015-2016

Return Unspent Fund Balance:

The cancellation of 2014-2015 encumbrances of \$1,035 will be returned to the Member Towns. We encumber funds for goods and services received by June 30th but not yet billed. In some cases, the estimated amount encumbered varies from the actual invoice (e.g., utility bill; water bill) and we do not need to spend the entire encumbrance. Once the audit is final for 2015-2016, the funds will be returned.

<i>Bethany</i>	<i>\$ 215</i>
<i>Orange</i>	<i>\$ 509</i>
<i>Woodbridge</i>	<i><u>\$ 310</u></i>
<i>Total</i>	<i><u>\$1,035</u></i>

The audited fund balance for 2015-2016 is \$1,319,839. The Amity Board of Education previously voted to designate \$427,713 for Capital Improvement Projects. There are two other funding requests for discussion at the August 8, 2016 meetings of the Amity Finance Committee and the Amity Board of Education meetings.

FINANCIAL MANAGEMENT:

\$ 318,642

Our efforts to foster a District culture of finding cost savings and efficiencies has been successful producing savings of \$136,911. Utilities for electricity, heating oil and natural gas were below budget due to many conservation efforts and price negotiations.

SPECIAL EDUCATION (NET)

\$ 350,967

These accounts are extremely difficult to forecast. As examples, special need students can be hospitalized; move into the district or leave the district at any time; withdraw from Amity and enroll in Adult Education. Several students who were budgeted to be outplaced were not for a number of reasons. Any one of these events can have a significant impact, positive or negative, on the District's special education expenditures. The State reimbursement rate fluctuates throughout the year. The budget forecasted 75% reimbursement rate and the final rate was 77.63%.

OTHER:

\$ 650,230

\$395,748: "Turnover savings" from replacing teachers and other staff who retired or resigned is over budget and savings from unpaid leaves-of-absence. Athletic salaries were down from unfilled coaching positions at the middle school including cheerleading and several assistant coaching positions. Teacher coverages, summer work costs, substitute costs, degree changes and homebound services were less than anticipated.

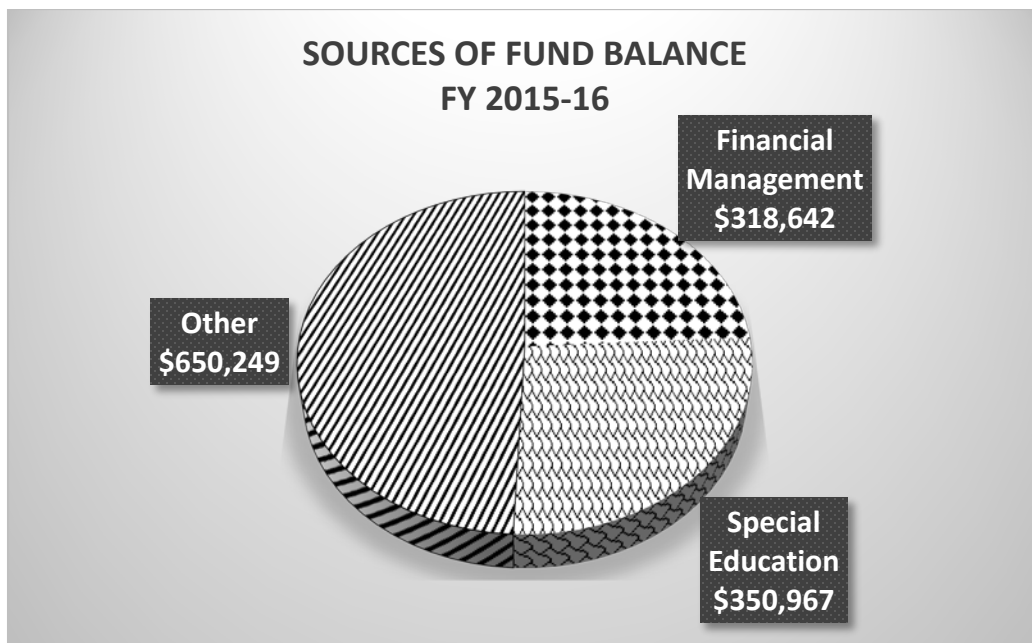
\$30,315: The bid price for workers' compensation insurance premium was under budget. The payroll audit premium was below budget.

\$107,099: Purchased services costs were lower due to a number of factors. There were less interns than anticipated. Fewer home athletic contests at the high school which required fewer officials, monitors, and scorekeepers; and less than anticipated need for psychiatric consults, professional's attendance at PPTs and behavior specialists' services.

\$62,385: The bid for the stone coping repair project at Amity Regional High School was under budget.

\$42,438: Transportation costs were less for athletics and less diesel fuel was used for all bus services than anticipated.

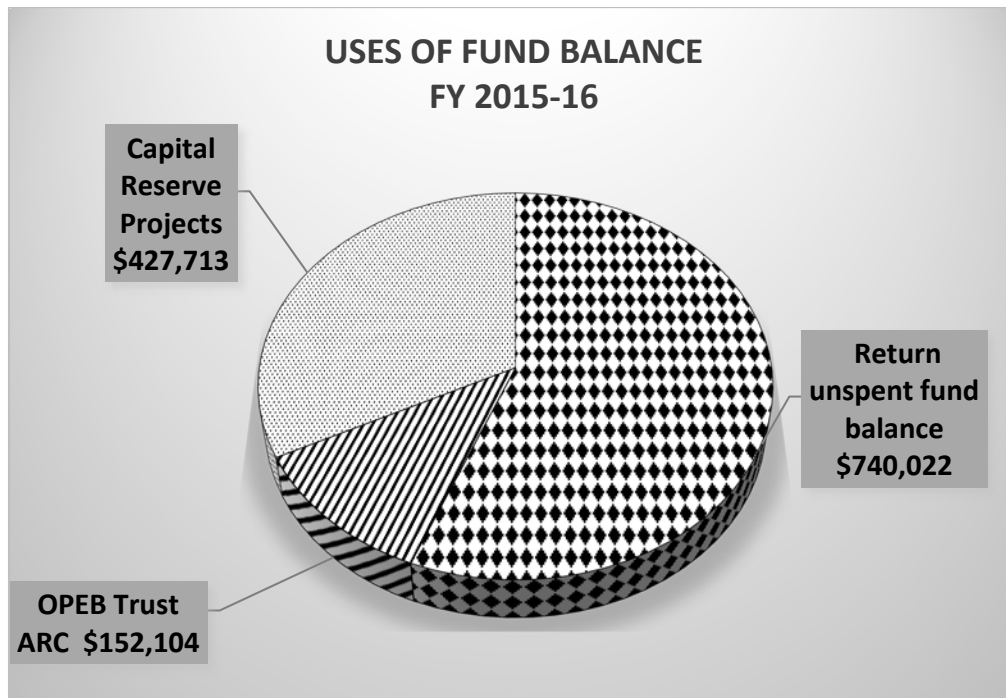
The primary sources of the fund balance are shown graphically below:



1. **\$740,022** – Return of unspent fund balance pending audit presentation

2. **\$152,104** - Designated for the 2015-2016 OPEB Trust ARC
3. **\$427,713** -Transferred into the Reserve Fund for Capital and Nonrecurring Expenses for a variety of projects. The projects include a lighting retrofit, replacing custodial equipment, renovating gym bleachers, replacing stairwell doors, replacing flooring and drinking fountains.

The uses of the fund balance are shown graphically below:



Return Unspent Fund Balance:

The *audited* unspent fund balance will be returned to the Member Towns, as follows:

Bethany	\$ 154,065
Orange	\$ 365,549
Woodbridge	\$ 220,408
Total	\$ 740,022

<u>MONTH/YR</u>	<u>JNL#</u>	<u>ACCOUNT NUMBER & DESCRIPTION</u>		<u>AMOUNT</u>	<u>DESCRIPTION</u>
August 2016	154	03111017	5611 INSTRUCTIONAL SUPPLIES	\$ 1,000.00	8/8/16 BOE APPROVED Trans
August 2016	154	03132220	5611 INSTRUCTIONAL SUPPLIES	\$ -1,000.00	8/8/16 BOE APPROVED Trans
August 2016	43	03111013	5731 EQUIPMENT - REPLACEMENT	\$ -400.00	Sci Transfer
August 2016	43	03111013	5611 INSTRUCTIONAL SUPPLIES	\$ -1,900.00	Sci Transfer
August 2016	43	03111013	5730 EQUIPMENT - NEW	\$ 400.00	Sci Transfer
August 2016	43	03111013	5730 EQUIPMENT - NEW	\$ 1,900.00	Sci Transfer
August 2016	86	01111009	5611 INSTRUCTIONAL SUPPLIES	\$ -100.00	MATH COUNTS MATH CLUB
August 2016	86	01111009	5810 DUES & FEES	\$ 100.00	MATH COUNTS MATH CLUB
August 2016	120	02111014	5641 TEXTBOOKS	\$ -1,065.00	SUPPLIES FOR COMMON CORE
August 2016	120	02111014	5611 INSTRUCTIONAL SUPPLIES	\$ 1,065.00	SUPPLIES FOR COMMON CORE
September 2016	104	01132220	5330 OTHER PROFESSIONAL & TECH SRVC	\$ 200.00	Author Visit for entire school
September 2016	104	01132120	5330 OTHER PROFESSIONAL & TECH SRVC	\$ -200.00	Author Visit for entire school
September 2016	106	04121200	5581 TRAVEL - CONFERENCES	\$ 1,360.00	PROF DEV READING INSTRUCTION
September 2016	106	04121200	5330 OTHER PROFESSIONAL & TECH SRVC	\$ -1,360.00	PROF DEV READING INSTRUCTION
September 2016	158	01111010	5420 REPAIRS, MAINTENANCE & CLEANING	\$ -500.00	Supplies needed
September 2016	158	01111010	5611 INSTRUCTIONAL SUPPLIES	\$ 500.00	Supplies needed
September 2016	200	04121200	5611 INSTRUCTIONAL SUPPLIES	\$ -150.00	TESTING MATERIAL BASC 3
September 2016	200	04132140	5611 INSTRUCTIONAL SUPPLIES	\$ 150.00	TESTING MATERIAL BASC 3
October 2016	228	03111014	5810 DUES & FEES	\$ 279.00	Transfer Funds for ASCD member
October 2016	228	03111014	5611 INSTRUCTIONAL SUPPLIES	\$ -279.00	Transfer Funds for ASCD member
November 2016	195	04121203	5730 EQUIPMENT - NEW	\$ 982.00	TRANSITION CLASS-STOVE/HOOD
November 2016	195	04132190	5642 LIBRARY BOOKS & PERIODICALS	\$ -642.00	TRANSITION CLASS-STOVE/HOOD
November 2016	195	04121200	5611 INSTRUCTIONAL SUPPLIES	\$ -340.00	TRANSITION CLASS-STOVE/HOOD
November 2016	199	01142600	5731 EQUIPMENT - REPLACEMENT	\$ 1,600.00	AED Replacement
November 2016	199	01142600	5420 REPAIRS, MAINTENANCE & CLEANING	\$ -1,600.00	AED Replacement
November 2016	278	03142600	5410 UTILITIES, EXCLUDING HEAT	\$ -600.00	Bethany propane usage increase
November 2016	278	01142600	5410 UTILITIES, EXCLUDING HEAT	\$ 600.00	Bethany propane usage increase
December 2016	52	05142350	5420 REPAIRS, MAINTENANCE & CLEANING	\$ 2,500.00	Frontier Fiber Cable
December 2016	52	05142350	5730 EQUIPMENT - NEW	\$ -2,500.00	Frontier Fiber Cable
December 2016	141	05142350	5690 OTHER SUPPLIES	\$ -2,500.00	CHROMEBOOKS
December 2016	141	05142350	5731 EQUIPMENT - REPLACEMENT	\$ 2,500.00	CHROMEBOOKS
December 2016	193	02142219	5611 INSTRUCTIONAL SUPPLIES	\$ -44.00	SHIPPING CHARGES
December 2016	193	02111006	5611 INSTRUCTIONAL SUPPLIES	\$ 44.00	SHIPPING CHARGES
December 2016	194	02142219	5611 INSTRUCTIONAL SUPPLIES	\$ -94.00	SHIPPING CHARGES
December 2016	194	02111010	5611 INSTRUCTIONAL SUPPLIES	\$ 94.00	SHIPPING CHARGES

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

Curriculum Committee	12/8/16
Finance Committee	12/12/16
Policy Committee	12/19/16
Facilities Committee	12/20/16

COMMITTEE MEMBERS PRESENT: Mr. Christopher Browe, Ms. Amy Esposito and Mr. Tom Hurley.

COMMITTEE MEMBERS ABSENT: Ms. Robyn Berke

Staff members present: Dr. Marie McPadden and Ms. Theresa Lumas.

A meeting of the Curriculum Committee of the Amity Regional Board of Education (BOE) was held on Thursday, December 08, 2016 at 6:30 pm in the Conference Room at the Amity District Offices.

1. Call to order: Mr. Browe called the meeting to order at 6:36 pm.

2. Approval of minutes – November 14, 2016

Motion by Mr. Hurley to approve the minutes as submitted.

Vote unanimous

Motion carried

3. Discussion on 2017-2018 Budget – Theresa Lumas (attachment #1)

Ms. Lumas presented a report to the committee (attached) detailing past spending on textbooks and curriculum materials as well as future forecasted requests. The goal now is to keep spending more level year to year.

4. Textbook forecast 2018-2021 (attachment #2)

Dr. McPadden gave the committee a forecast summary sheet with costs broken down for each of the three district schools.

The Committee discussed at length the costs of the textbooks and software licenses for the coming budget year and how the purchase of materials would be best handled going forward. It was noted that no final figures for 2018-2021 have been calculated yet; these are the best estimated costs at this time. The Committee discussed the merits of having a 5-year plan and how to best track the materials currently in use in terms of condition of textbooks, expiration of software licenses and the like.

Motion by Mr. Hurley that a document listing the quantities of all primary textbooks and their edition date as well as date and duration of software licenses be produced to assist the administration and the Committee in planning future curriculum budget.

Vote unanimous

Motion carried

5. Other - None

6. Adjourn

Motion to adjourn by Ms. Esposito at 7:38 pm.

Vote unanimous

Motion carried

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

Attachments - #1 Next year budget historical comparisons
#2 Forecast summary sheet textbooks requests 2018-2021

MINUTES

COMMITTEE MEMBERS PRESENT: Chairman James Stirling, Mr. John Belfonti (arrived 5:40), Mr. Matt Giglietti, Mr. John Grabowski and Mr. Joseph Nuzzo.

COMMITTEE MEMBERS ABSENT: Ms. Pat Cardozo.

Staff members present: Dr. Charles Dumais, Ms. Theresa Lumas and Mr. Scott Cleary.

Also present: Board members: Ms. Sue Cohen, Mr. Tom Hurley, Ms. Amy Esposito, Ms. Sheila McCreven and Ms. Diane Urbano.

A meeting of the Finance Committee of the Amity Regional Board of Education (BOE) was held on Monday, December 12, 2016 at 5:30 pm in the presentation room at the Amity District Offices.

1. Call to Order: Mr. Stirling called the meeting to order at 5:30 pm.

2. Discussion and possible action on minutes.

A. Finance Committee Meeting - November 14, 2016

Motion by Mr. Giglietti, 2nd by Mr. Grabowski to accept the minutes as submitted.

Vote unanimous

Motion carried

3. Public Comment

Ms. McCreven, member of the Board of Education commented on bylaw 9132.6 asking if the bylaw change is a matter of fiscal policy and whether the changes really need to be made. She submitted a resolution from the Town of Woodbridge from May 2003 to the Committee. (attachment #1)

4. Superintendent's 2017-2018 budget update

Ms. Lumas referred to her memo to Dr. Dumais dated December 05, 2016 titled Major budget drivers and risk factors. She noted that the budget increase currently is at 2.86%, cut from 3.35%. She also highlighted information in her memo regarding increases and decreases in budget items such as contracts, State reimbursements, personnel, facility needs, legal services, and medical costs.

There was discussion about the budget process. Question was asked about the use of any surplus bond funds in the instance that bonded projects end up costing less than anticipated. Ms. Lumas stated that funds could only be used to pay down debt service; she could check with bond counsel about the possible use of funds for large items such as air handlers but it's likely that any excess funds could only be used for debt service.

5. Discussion and possible action on a la carte pricing

Ms. Lumas explained the federally-required price increases that will take effect on January 03, 2017.

Motion by Mr. Giglietti, 2nd by Mr. Belfonti, to support this price increase.

Vote unanimous

Motion carried

6. Discussion of monthly financial statements

Ms. Lumas highlighted the items in her report including cost savings and increases. The audit is complete with no findings and the auditors will be at the January meeting to formally present the audit.

7. Director of Finance and Administration approved transfers under \$3,000

8. Discussion and possible action on new funding requests

Ms. Lumas requested a budget transfer of \$9,000 for implementation costs for an automated substitute service and time and attendance management systems. The software is AESOP and Veritime. This would streamline several processes as outlined in her memo to Dr. Dumais dated December 02, 2016.

There was discussion and questions from the Committee regarding the software.

Motion by Mr. Nuzzo, 2nd by Mr. Giglietti to recommend that the Amity Board of Education make the following budget transfer into the Data Processing account to cover the implementation of the AESOP and Veritime software modules.

<i>Account number</i>	<i>Account Name</i>	<i>From</i>	<i>To</i>
<i>05-00-0000-5850</i>	<i>Contingency</i>	<i>\$9,000</i>	
<i>05-14-2510-5327</i>	<i>Data Processing</i>		<i>\$9,000</i>

Vote unanimous

Motion carried

9. First reading of bylaw 9132.6 (enclosure)

Mr. Stirling explained the changes that were proposed by the Policy Committee. Mr. Hurley also commented on the changes that were proposed and approved by the Policy Committee, which he chairs; the changes were made in order to bring the bylaw in line with the way in which the Committee actually operates. Ms. McCreven, member of the Policy Committee, spoke against the proposed changes and was in favor of the bylaw being left as it is currently written.

There was lengthy discussion and questions among all present regarding the proposed changes.

10. Other

- A. Bonding update**
- B. Information on cost savings related to building maintainer**
- C. Follow up on the contract to procure natural gas.**
- D. Update on financial audit.**

Ms. Lumas updated the Committee regarding these items.

The representatives on the Committee from the member towns stated that they would be meeting with their respective town finance committee meetings before the next Committee meeting and would present these preliminary budget figures, then having feedback for the Committee at the January meeting.

11. Adjourn

Motion by Mr. Giglietti, 2nd by Mr. Grabowski to adjourn at 6:37 p.m.

Vote unanimous

Motion carried

Respectfully submitted,

Ruth E. Natzel, Recording Clerk

Attachment (1) Resolution, Town of Woodbridge, May 14, 2003



Amity Regional School District No. 5, Woodbridge, CT
Board of Education – Policy Committee

**Policy Committee Meeting
December 19, 2016, 5:30 p.m.
MINUTES**

Committee Members Present: Mr. Hurley, Ms. Cohen, Ms. McCreven, Ms. Urbano

Also Present: Mr. Blake (>5:45), Ms. Russo (<8:00), Superintendent Charles Dumais

1. Call to Order: Mr. Hurley called the meeting to order at 5:34 p.m.
2. Approval of the Minutes
 - a. Motion to accept minutes as written by Ms. Cohen, Yea (Ms. McCreven, Ms. Cohen), Abstention (Ms. Urbano), PASS.
3. Public Comment: None
4. Discussion and Possible Action on Amity Board of Education Policies
 - a. Motion by Ms. Cohen to accept Bylaw 9125 as written and send it to the full Board for first read, Yea (Ms. Cohen, Ms. McCreven, Mr. Blake), Nay (Ms. Urbano), PASS.
 - b. Motion by Ms. Urbano to accept Bylaw 9126 as written and send it to the full Board for first read, unanimous, PASS.
 - c. Motion by Ms. Cohen to reject Bylaw 9130, unanimous, PASS.
 - d. Motion by Ms. Urbano to accept Bylaw 9131 as written and send it to the full Board for first read, unanimous, PASS.
5. Mr. Hurley called for a brief break. (6:24)
6. Discussion and Possible Action on Amity Board of Education Policies (continued)
 - a. Motion by Ms. McCreven to edit Bylaw 9132 and send it to the full Board for first read, unanimous, PASS:
 - i. 4(a) is replaced with “All committees of the Board of Education shall follow the provisions of the Freedom of Information Act as required by statute.
 - ii. 4(c) is added and states “The minutes shall include the names of the committee members in attendance, listing of topics discussed, and committee recommendations.”
 - b. Motion by Ms. Urbano to accept Bylaw 9132.4 as written and send it to the full Board for first read, unanimous, PASS.
7. Motion by Ms. Urbano to consider agenda item 4(b) Bylaw 9132.6, unanimous, PASS.
8. Motion by Ms. McCreven to send original, unedited version of Bylaw 9132.6 to full Board for first read.



Amity Regional School District No. 5, Woodbridge, CT
Board of Education – Policy Committee

9. Amendment to Ms. McCreven's motion by Ms. Urbano to modify Bylaw 9132.6 by replacing "Such review with the AFC *will* include" to "Such review with the AFC *may* include" in paragraph 5 of page 9132.6(b), Yea (Ms. Cohen, Ms. Urbano, Mr. Blake), Nay (Ms. McCreven), PASS.
10. Ms. McCreven requested to withdraw her original motion; Committee Chair denied the request because the motion had been modified. Unanimous consent to withdraw did not exist (Ms. Urbano, Ms. Cohen, and Mr. Blake *against*, Ms. McCreven *for*).
11. Vote on amended motion (item numbers 8 and 9 above), Yea (Ms. Cohen, Ms. Urbano, Mr. Blake), Nay (Ms. McCreven), PASS.
12. Motion by Ms. Urbano to recommend to the Chair of the Amity Board of Education the formation of a special committee to address 9132.6, unanimous, PASS.
 - a. Discussion included the timing of the formation of the special committee and it was recommended that it not be done until the completion of this year's budget process (i.e. referendum passing).
13. The superintendent was asked to request a legal opinion on the potential of a violation of laws and/or regulations regarding the expenditure of public funds to advocate for or against a referendum result as stated in paragraph 2 on page 9132.6(c) of the Amity Board of Education Bylaws. [Note: CGS §9-369b]
14. Discussion and Possible Action on Amity Board of Education Policies (continued)
 - a. Motion by Ms. McCreven to reject Bylaw 9133, unanimous, PASS.
 - b. Motion by Ms. Cohen to reject Bylaw 9140, unanimous, PASS.
 - c. Motion by Ms. Cohen to reject Bylaw 9150, unanimous, PASS.
 - d. Motion by Ms. McCreven to consider the *Old Saybrook* version of Bylaw 9160, Yea (Ms. McCreven), Nay (Ms. Cohen, Ms. Urbano, Mr. Blake), FAIL. [Hence, Bylaw 9160 is rejected]
 - e. Motion by Ms. Urbano to reject Bylaw 9200, unanimous, PASS.
 - f. Motion by Ms. Cohen to reject Bylaw 9220, unanimous, PASS.
 - g. Motion by Ms. McCreven to reject Bylaw 9221, unanimous, PASS.
 - h. Motion by Ms. Cohen to edit Bylaw 9222 to include "Deputy Treasurer" in the section titled "Removal from Office" and send it to the full Board for first read, unanimous, PASS. [Suggested edits from CABE are *not* to be included]
 - i. Motion by Ms. Urbano to accept Bylaw 9230 with the following edits and send it to the full Board for first read, unanimous, PASS.
 - i. Edit #1 to include "..., and will be expected to familiarize themselves with them."
 - ii. Edit #2 to read, in its entirety, "The incoming Board member shall be invited to meet the Superintendent and Board Chairperson for the purpose of explaining and answering questions about Board processes and procedures, and the responsibilities of the individual Board member."
 - iii. Include the CABE recommended addition of the "Candidate" section.



Amity Regional School District No. 5, Woodbridge, CT
Board of Education – Policy Committee

15. Motion by Ms. Cohen to postpone to the next meeting the discussion of Policy 5142.4, unanimous, PASS.
16. Motion by Ms. Cohen to edit Bylaw 9260 to include “Amity Regional School District,” strike “Public Schools,” and send it to the full Board for first read, unanimous, PASS
17. Motion by Ms. McCreven to accept legal reference changes to Bylaw 9270 and send to the full Board for first read, unanimous, PASS.
18. Motion by Ms. McCreven to send Norwalk version of Bylaw 9273, edited to replace “Norwalk” with “Amity,” to the full Board for first read, Yea (Ms. McCreven, Ms. Urbano), Nay (Ms. Cohen, Mr. Blake), FAIL.
19. Motion by Ms. Cohen to adjourn the meeting, unanimous, PASS.
20. Meeting adjourned at 8:35 pm.

Respectfully Submitted,

Charles Dumais, Ed.D.
Superintendent



Amity Regional School District No. 5, Woodbridge, CT
Board of Education – Facilities Committee

Facilities Committee Meeting
December 20, 2016, 5:30 p.m.
MINUTES

Committee Members Present: Ms. Russo, Mr. Belfonti, Ms. Esposito (> 5:42), Ms. Urbano (<6:50), Mr. Browe (>6:55).

Also Present: Charles Dumais, Terry Lumas, Jim Saisa, Ernest Goodwin

1. Call to Order: Ms. Russo called the meeting to order at 5:35 pm.
2. Approval of the Minutes
 - a. Motion to accept minutes as edited by Mr. Belfonti, unanimous, PASS.
3. Public Comment: None
4. Discussion of Capital Plan
 - a. Ms. Lumas provided a copy of the Five Year Capital Improvement Plan.
 - b. Mr. Saisa explained the process for executing the bond work.
 - c. Discussion of process for bidding consumer science kitchen work and Bethany HVAC project.
5. Other
 - a. Mr. Goodwin shared turf samples (traditional crumb rubber – ProGrass; diatomaceous earth based – Brock)
 - b. Mr. Saisa reported on radon testing (far below acceptable levels), and lead testing of water in Orange and Woodbridge (far below acceptable levels). [Note: Bethany is on a well, is regularly tested, and has no significant negative findings]
6. Facility Tour
 - a. Mr. Saisa led a tour of the building, including classroom HVAC systems and LED lighting installations.
7. Motion by Mr. Browe to recommend discussion of supplemental security staff for afterhours activities at the middle schools as Board agenda item, unanimous, PASS.
8. Motion by Ms. Esposito to adjourn the meeting, unanimous, PASS.
9. Meeting adjourned at 7:18 pm.

Respectfully Submitted,

Charles Dumais, Ed.D.
Superintendent