

REGIONAL SCHOOL DISTRICT NO. 9
Easton and Redding, Connecticut

JUNE 30, 2013

REGIONAL SCHOOL DISTRICT NO. 9

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Independent Auditors' Report

To the Board of Education
Regional School District No. 9

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 the Regional School District No. 9, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Regional School District No. 9'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.

Auditors' 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 of 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 auditors' 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 auditors consider 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 the Regional School District No. 9, as of June 30, 2013 and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and the budgetary comparison information on pages 39 and 40 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, which 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 Regional School District No. 9's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor 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 nonmajor 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 October 16, 2013 on our consideration of the Regional School District No. 9'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 Regional School District No. 9's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
October 16, 2013

REGIONAL SCHOOL DISTRICT NO. 9
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013

Management of the Regional School District No. 9 (the Region) offers readers of these financial statements this narrative overview and analysis of the financial activities of the Region for the fiscal year ended June 30, 2013.

Financial Highlights

- The assets of the Region exceeded its liabilities at the close of the most recent fiscal year by \$18,231,281 (net position).
- The Region's total net position increased by \$415,659. The increase was primarily a result of reductions in bonds payable.
- As of the close of the current fiscal year, the Region's governmental funds reported combined ending fund balance of \$366,518.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$4,240.

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the Region's basic financial statements. The Region's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 Region's finances in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Region'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 (e.g., earned but unused vacation leave).

The government-wide financial statements present the functions of the Region, which are principally supported by assessments to member towns and intergovernmental revenues. The governmental activities of the Region include general instruction, special education, student services, administration, buildings and transportation.

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 Region uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Region 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 Region'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 Region'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 Region maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Non-Recurring Fund, Capital Projects Fund and Capital Maintenance Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Region adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary Funds. The Region maintains one proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Region's various functions. The Region uses an internal service fund to account for its self-insured medical benefits.

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

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found in Exhibits B-1 and B-2.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Region, assets exceeded liabilities by \$18,231,281 at the close of the most recent fiscal year.

By far, the largest portion of the Region's net position reflects its investment in capital assets (e.g., land, buildings and machinery and equipment), less any related debt used to acquire those assets that is still outstanding. The Region uses these capital assets to provide public education to eligible citizens living within the district; consequently, these assets are not available for future spending. Although the Region's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of unrestricted net position \$(1,005,929) is a deficit balance.

NET POSITION

	Governmental Activities	
	2013	2012
Current assets	\$ 2,011,888	\$ 2,423,322
Capital assets, net of accumulated depreciation	37,812,057	38,466,574
Total assets	<u>39,823,945</u>	<u>40,889,896</u>
Long-term liabilities outstanding	20,169,608	21,671,744
Other liabilities	1,423,056	1,402,530
Total liabilities	<u>21,592,664</u>	<u>23,074,274</u>
Net position:		
Invested in capital assets, net of related debt	19,237,210	18,156,209
Unrestricted	<u>(1,005,929)</u>	<u>(340,587)</u>
Total Net Position	<u>\$ 18,231,281</u>	<u>\$ 17,815,622</u>

Governmental Activities. The Region's net position increased by \$415,659 during the current fiscal year. The increase is due to the use of accrual accounting at the government-wide financial statement level where capital expenditures are capitalized and debt service principal payments are not expensed.

STATEMENT OF ACTIVITIES

	Governmental Activities	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 1,058,272	\$ 1,055,680
Operating grants and contributions	2,279,966	2,260,001
General revenues:		
Assessments from member towns	22,023,444	21,700,000
Investment income	572	376
Total revenues	25,362,254	25,016,057
Expenses:		
General instruction	14,711,048	14,043,054
Special education	3,548,111	2,884,701
Student services	1,668,564	1,536,260
Administration	1,738,145	1,590,957
Buildings	2,104,799	2,063,043
Transportation	475,670	517,816
Debt service	700,258	723,602
Total expenses	24,946,595	23,359,433
Change in net position	415,659	1,656,624
Net position at beginning of year	17,815,622	16,158,998
Net position at end of year	\$ 18,231,281	\$ 17,815,622

- Assessments from member towns increased by \$323,444, substantially due to the overall increase in operating expenditures, which are primarily funded through the assessments from the two towns.
- Increases in general instruction expenses were related to an increase in contractual salary obligations and an increased investment in instructional technology. Increases in special education costs were directly related to the changes in the special education student population.

Financial Analysis of the Region's Funds

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

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

As of the end of the current fiscal year, the Region’s governmental funds reported combined ending fund balance of \$366,518.

The General Fund is the operating fund of the Region. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$4,240.

The Capital Projects Fund accounts for the 2000 School Building Project, which is mainly complete, and capital leases.

General Fund Budgetary Highlights

There were several differences between the budget and the actual results of revenues and expenditures due to changes in special education student population and the additional services needed to support these students. Significant budgetary variances can be briefly summarized as follows:

Final Budget to Actual

- The General Instruction favorable variance of \$100,654 is due to changes in personnel, student activities, and instructional department purchases.
- The increase in actual expenses over budget in Special Education and Special Services resulted from changes in the needs of the students serviced.
- The unfavorable variance in the Operations/Maintenance area is a result of additional expenditures incurred to improve the security in the building.

Capital Assets and Debt Administration

Capital Assets. The Region’s investment in capital assets for its governmental activities as of June 30, 2013 amounted to \$37,812,057 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and machinery and equipment.

**CAPITAL ASSETS
(NET OF DEPRECIATION)**

	Governmental Activities	
	2013	2012
Land	\$ 1,841,268	\$ 1,841,268
Buildings	34,751,295	35,431,332
Machinery and equipment	1,219,494	1,193,974
Total	\$ 37,812,057	\$ 38,466,574

Additional information on the Region’s capital assets can be found in Note 4 of this report.

Long-Term Debt. At the end of the current fiscal year, the Region had total bonded debt outstanding of \$17,415,000. All of this debt comprises debt backed by the full faith and credit of the Region.

**OUTSTANDING DEBT
GENERAL OBLIGATION BONDS**

	Governmental Activities	
	2013	2012
General obligation bonds	\$ <u>17,415,000</u>	\$ <u>19,155,000</u>
Total	\$ <u><u>17,415,000</u></u>	\$ <u><u>19,155,000</u></u>

The Region’s total debt decreased by \$1,740,000 (9%) during the current fiscal year. The Region received an AAA rating from Standard and Poor’s for general obligation debt.

State Statutes limit the amount of general obligation debt a regional school district may issue to 2.25 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant of the member towns.

A portion of the Region’s debt is allocated to each member town and is included in the town’s debt limitation. Additional information on the Region’s long-term debt can be found in Note 6 of this report.

Economic Factors and Next Year’s Budgets and Rates

- The unemployment rate for the Region’s member towns is currently 5.5% for Redding and 5.7% for Easton. This compares favorably to the state’s average unemployment rate of 8.2% and the national average rate of 7.6%.
- Inflationary trends in the Region’s member towns compare favorably to national indices.

All of these factors were considered in preparing the Region’s budget for the 2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Region’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Margaret Sullivan, Director of Finance and Operations, Regional School District No. 9, 654 Morehouse Road, Easton, Connecticut 06612.

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Current assets:	
Cash and cash equivalents	\$ 809,385
Receivables:	
Intergovernmental	24,380
Due from member towns	1,160,609
Inventory	17,514
Total current assets	<u>2,011,888</u>
Capital assets:	
Assets not being depreciated	1,841,268
Assets being depreciated, net	35,970,789
Total capital assets, net of accumulated depreciation	<u>37,812,057</u>
Total assets	<u>39,823,945</u>
Liabilities:	
Accounts and other payables	1,400,779
Unearned revenue	22,277
Total current liabilities	<u>1,423,056</u>
Noncurrent liabilities:	
Due within one year	2,050,616
Due in more than one year	18,118,992
Total noncurrent liabilities	<u>20,169,608</u>
Total liabilities	<u>21,592,664</u>
Net Position:	
Invested in capital assets, net of related debt	19,237,210
Unrestricted	<u>(1,005,929)</u>
Total Net Position	<u>\$ 18,231,281</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
				Governmental Activities
Governmental activities:				
General instruction	\$ 14,711,048	\$	\$ 1,849,221	\$ (12,861,827)
Special education	3,548,111		284,952	(3,263,159)
Student services	1,668,564	1,058,272	145,793	(464,499)
Administration	1,738,145			(1,738,145)
Buildings	2,104,799			(2,104,799)
Transportation	475,670			(475,670)
Debt service	700,258			(700,258)
Total	\$ <u>24,946,595</u>	\$ <u>1,058,272</u>	\$ <u>2,279,966</u>	\$ <u>(21,608,357)</u>
General revenues:				
Assessments from district member towns				22,023,444
Investment income				572
Total general revenues				<u>22,024,016</u>
Change in Net Position				415,659
Net Position at Beginning of Year				<u>17,815,622</u>
Net Position at End of Year				\$ <u>18,231,281</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Capital Projects</u>	<u>Capital Maintenance</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash and cash equivalents	\$ 78,194		\$ 254,264		\$ 144,940	\$ 477,398
Receivables:						
Intergovernmental					24,380	24,380
Due from Town of Redding	631,810					631,810
Due from Town of Easton	528,799					528,799
Due from other funds	4,400	219,092		45		223,537
Inventory					17,514	17,514
Total Assets	<u>\$ 1,243,203</u>	<u>\$ 219,092</u>	<u>\$ 254,264</u>	<u>\$ 45</u>	<u>\$ 186,834</u>	<u>\$ 1,903,438</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts and other payables	\$ 942,852				\$ 80,844	\$ 1,023,696
Due to other funds	296,111		194,836			490,947
Deferred revenue					22,277	22,277
Total liabilities	<u>1,238,963</u>	<u>-</u>	<u>194,836</u>	<u>-</u>	<u>103,121</u>	<u>1,536,920</u>
Fund balances:						
Nonspendable					17,514	17,514
Restricted for:						
Grants - Education					5,214	5,214
Assigned		219,092	59,428	45		278,565
Unassigned	4,240				60,985	65,225
Total fund balances	<u>4,240</u>	<u>219,092</u>	<u>59,428</u>	<u>45</u>	<u>83,713</u>	<u>366,518</u>
Total Liabilities and Fund Balances	<u>\$ 1,243,203</u>	<u>\$ 219,092</u>	<u>\$ 254,264</u>	<u>\$ 45</u>	<u>\$ 186,834</u>	<u>\$ 1,903,438</u>

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REGIONAL SCHOOL DISTRICT NO. 9

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balances (Exhibit III)	\$ 366,518
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Capital assets	\$ 51,801,299	
Less accumulated depreciation	(13,989,242)	
Net capital assets		37,812,057

Internal service funds are used by management to charge the cost of medical insurance to individual departments:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets	443,049
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Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(17,415,000)
Deferred charge on refunding	(52,592)
Net pension obligation	(402,483)
Accrued interest payable	(220,735)
Net OPEB obligation	(1,013,228)
Capital leases	(1,107,255)
Compensated absences	(179,050)

Net Position of Governmental Activities (Exhibit I)	\$ <u>18,231,281</u>
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The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	<u>General</u>	<u>Capital Nonrecurring</u>	<u>Capital Projects</u>	<u>Capital Maintenance</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Assessments from district member towns	\$ 22,023,444					\$ 22,023,444
Charges for services					1,058,272	1,058,272
Intergovernmental	1,849,221				430,745	2,279,966
Interest income	15		557			572
Total revenues	<u>23,872,680</u>	<u>-</u>	<u>557</u>	<u>-</u>	<u>1,489,017</u>	<u>25,362,254</u>
Expenditures:						
Current:						
General instruction	12,998,781				135,182	13,133,963
Special education	3,336,104				156,803	3,492,907
Student services	490,300				1,152,303	1,642,603
Administration	1,711,102					1,711,102
Buildings	2,104,373					2,104,373
Transportation	721,110					721,110
Debt service	2,452,694					2,452,694
Capital outlay		225,528	256,496	11		482,035
Total expenditures	<u>23,814,464</u>	<u>225,528</u>	<u>256,496</u>	<u>11</u>	<u>1,444,288</u>	<u>25,740,787</u>
Excess (Deficiency) of Revenues over Expenditures	<u>58,216</u>	<u>(225,528)</u>	<u>(255,939)</u>	<u>(11)</u>	<u>44,729</u>	<u>(378,533)</u>
Other Financing Sources (Uses):						
Proceeds from capital leases			256,496			256,496
Transfers in		58,201				58,201
Transfers out	(58,201)					(58,201)
Total other financing sources (uses)	<u>(58,201)</u>	<u>58,201</u>	<u>256,496</u>	<u>-</u>	<u>-</u>	<u>256,496</u>
Net Change in Fund Balances	15	(167,327)	557	(11)	44,729	(122,037)
Fund Balances at Beginning of Year	<u>4,225</u>	<u>386,419</u>	<u>58,871</u>	<u>56</u>	<u>38,984</u>	<u>488,555</u>
Fund Balances at End of Year	<u>\$ 4,240</u>	<u>\$ 219,092</u>	<u>\$ 59,428</u>	<u>\$ 45</u>	<u>\$ 83,713</u>	<u>\$ 366,518</u>

(Continued on next page)

REGIONAL SCHOOL DISTRICT NO. 9
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2013

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ <u>(122,037)</u>
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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 expense. This is the amount by which depreciation exceeded capital outlay in the current period:

Capital outlay	205,311
Depreciation expense	<u>(859,828)</u>
Total	<u>(654,517)</u>

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Proceeds from capital leases	(256,496)
Bond principal repayments	<u>1,740,000</u>
Total	<u>1,483,504</u>

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Net OPEB obligation	(180,429)
Net pension obligation	(7,248)
Capital lease payments	245,440
Compensated absences	(45,705)
Accrued interest payable	12,946
Amortization of issuance costs	(7,084)
Deferred charges on refunding	<u>6,574</u>
Total	<u>24,494</u>

Internal Service Funds are used by management to charge costs of medical insurance benefits to individual departments. The net revenue of the activities of the Internal Service Fund is reported with governmental activities.

(315,785)

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u><u>415,659</u></u>
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The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF NET POSITION

PROPRIETARY FUND

JUNE 30, 2013

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Assets:	
Cash and cash equivalents	\$ 331,987
Due from other funds	267,410
Total assets	<u>599,397</u>
Liabilities:	
Claims payable	<u>156,348</u>
Net Position:	
Unrestricted	\$ <u><u>443,049</u></u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION

PROPRIETARY FUND

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Governmental Activities</u>
	<u>Internal Service Fund</u>
Operating Revenue:	
Premiums	\$ <u>2,156,283</u>
Operating Expenses:	
Claims	2,243,415
Administration	<u>229,233</u>
Total operating expenses	<u>2,472,648</u>
Operating Loss	(316,365)
Nonoperating Revenue:	
Investment income	<u>580</u>
Change in Net Position	(315,785)
Net Position at Beginning of Year	<u>758,834</u>
Net Position at End of Year	<u>\$ <u>443,049</u></u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities
	Internal Service Fund
Cash Flows from Operating Activities:	
Receipts from customers and users	\$ 2,559,426
Claims paid	(2,472,874)
Net cash provided by operating activities	86,552
Cash Flows from Investing Activities:	
Income from investments	580
Net Increase in Cash	87,132
Cash and Cash Equivalents at Beginning of Year	244,855
Cash and Cash Equivalents at End of Year	\$ 331,987
Reconciliation of Operating Gain to Net Cash Provided by Operating Activities:	
Operating loss	\$ (316,365)
Adjustments to reconcile operating gain to net cash provided by operating activities:	
(Increase) decrease:	
Due from other funds	256,801
Due from Town of Redding	146,342
(Decrease) increase:	
Claims payable	(226)
Net Cash Provided by Operating Activities	\$ 86,552

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2013

	Pension Trust Fund	Private Purpose Trust Fund	Agency Funds
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 225,586	\$ 941	\$ 291,320
Investments, at fair value:			
Equity mutual funds	2,444,948		
Municipal bond mutual funds	63,203		
Fixed income mutual funds	1,038,320		
Repurchase agreement			200,000
Total investments, at fair value	<u>3,546,471</u>	<u>-</u>	<u>200,000</u>
Accounts receivable	<u>4,875</u>		
Total assets	3,776,932	941	<u>\$ 491,320</u>
Liabilities:			
Due to others			<u>\$ 491,320</u>
Net Position:			
Held in Trust for Pension Benefits	<u>\$ 3,776,932</u>	<u>\$ 941</u>	

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

STATEMENT OF CHANGES IN PLAN NET POSITION - FIDUCIARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	Pension Trust Fund	Private Purpose Trust Fund
	<u> </u>	<u> </u>
Additions:		
Contributions:		
Employer	\$ 391,026	\$ <u> </u>
Investment income:		
Net appreciation in fair value of investments	244,165	
Interest and dividends	121,724	
Net investment gain	<u>365,889</u>	<u> </u>
Total additions	<u>756,915</u>	<u> </u>
Deductions:		
Benefits	200,715	
Other		192
Total deductions	<u>200,715</u>	<u>192</u>
Net increase (decrease)	556,200	(192)
Net Position of Assets Held in Trust for Pension Benefits at Beginning of Year	<u>3,220,732</u>	<u>1,133</u>
Net Position of Assets Held in Trust for Pension Benefits at End of Year	<u>\$ 3,776,932</u>	<u>\$ 941</u>

The accompanying notes are an integral part of the financial statements

REGIONAL SCHOOL DISTRICT NO. 9

NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Regional School District No. 9 (the Region) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Region are described below.

A. Reporting Entity

The Region was formed in 1957 for the purpose of providing secondary school education to the residents of the towns of Easton and Redding. It consists of one senior high school located in Redding, Connecticut.

The Region is governed by a Regional Board of Education consisting of four members from each town. The members of the Board serve for four-year terms. The Superintendent of Schools, selected by the Board of Education, manages the day-to-day affairs of the Region and the K-8 schools of Easton and Redding. In addition, the Region has an Assistant Superintendent of Schools. The Region also manages the school cafeterias for Easton and Redding.

The Region's operating and debt service expenses are paid by the member towns in proportion to the number of attending pupils. The current year assessment percentages are 45.93% for Easton and 54.07% for Redding.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Region. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by member town assessments and intergovernmental revenues.

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

Separate financial statements are provided for governmental and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported using 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. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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. 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, are recorded only when payment is due.

Member town assessments, expenditure reimbursement type grants, and certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Region.

The Region reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Non-Recurring Fund* accounts for financial revenues to be used for miscellaneous capital purchases. General Fund appropriations are the major source of revenue for this fund.

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases. Bonding is the major source of revenue for this fund.

The *Capital Maintenance Fund* accounts for financial revenues to be used for specific capital projects, namely roof repairs, track renovations and theater improvements. The major sources of revenue for this fund are donations and General Fund appropriations.

Additionally, the Region reports the following fund types:

The *Internal Service Funds* account for risk financing activities for medical insurance benefits as allowed by GASB Statement No. 10.

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

The *Pension Trust Fund* accounts for the activities of the Regional School District No. 9 Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* account for monies held on behalf of students and employees.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

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 Region's internal service funds are charges to department customers for medical insurance benefits. Operating expenses for internal service funds include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Region's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Assets, Liabilities and Net Assets or Equity

Deposits and Investments

Deposits - The Region considers cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - In general, State of Connecticut Statutes allow the Region to invest in obligations of the United States of America or United States government sponsored corporations and certain other investments as described in Note 2.

Investments for the Region are reported at fair value.

Receivables

Intergovernmental and assessments from member town receivables are considered to be fully collectible and no allowance has been recorded.

Interfunds

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 noncurrent portion of interfund loans).

Inventories

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed, rather than when purchased.

Capital Assets

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment and \$20,000 for improvements and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment of the Region are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Machinery and equipment	5-15

Compensated Absences

Noncertified Board of Education employees are granted vacation and sick leave based on length of employment. At termination, payout provisions as determined by individual union contracts provide for payments to vested employees.

Long-Term Obligations

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

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

Fund Equity

In the government-wide financial statements, equity is defined as "net position" and is classified into the following categories:

Invested in Capital Assets, Net of Related Debt - This category of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - This category consists of restrictions externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category includes amounts that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (the Board of Education).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by a governing board that has been delegated authority to assign amounts.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

2. CASH AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by the Statutes, or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies; 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and 3) 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. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Region’s deposit will not be returned. The Region does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository’s risk based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$1,003,636 of the Region’s bank balance of \$1,546,032 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 903,214
Uninsured and collateral held by the pledging bank’s trust department, not in the Region’s name	<u>100,422</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 1,003,636</u>

Cash Equivalents

At June 30, 2013, the Region’s cash equivalents amounted to \$225,586. The Region’s cash equivalents (money market funds, excluding U.S. government guaranteed obligations) were not rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

Investments

As of June 30, 2013, the Region had the following investments:

Other Investments:	
Equity mutual funds	\$ 2,444,948
Municipal bond mutual funds	63,203
Fixed income mutual funds	1,038,320
Repurchase agreement	<u>200,000</u>
 Total Investments	 <u>\$ 3,746,471</u>

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

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Region has an investment policy that allows the same type of investments as State Statutes.

Concentration of Credit Risk - The Region does not have a formalized investment policy that restricts investments in any one issuer that are in excess of 5% of the Region’s total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Region or that sells investments to or buys them for the Region), the Region will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Region does not have a policy for custodial credit risk. At June 30, 2013, the Region did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Region’s name.

3. RECEIVABLES

Receivables as of year end for the Region’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General Fund</u>	<u>Nonmajor Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Receivables:				
Intergovernmental	\$	\$ 24,380	\$	\$ 24,380
Due from Town of Redding	631,810			631,810
Due from Town of Easton	528,799			528,799
Other			<u>4,875</u>	<u>4,875</u>
 Total	 <u>\$ 1,160,609</u>	 <u>\$ 24,380</u>	 <u>\$ 4,875</u>	 <u>\$ 1,189,864</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
Cafeteria program revenue not yet earned	\$ <u><u>22,277</u></u>

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,841,268	\$	\$	\$ 1,841,268
Capital assets being depreciated:				
Buildings	48,066,512			48,066,512
Machinery and equipment	<u>1,688,208</u>	<u>205,311</u>		<u>1,893,519</u>
Total capital assets being depreciated	<u>49,754,720</u>	<u>205,311</u>	<u>-</u>	<u>49,960,031</u>
Less accumulated depreciation for:				
Buildings	(12,635,180)	(680,037)		(13,315,217)
Machinery and equipment	<u>(494,234)</u>	<u>(179,791)</u>		<u>(674,025)</u>
Total accumulated depreciation	<u>(13,129,414)</u>	<u>(859,828)</u>	<u>-</u>	<u>(13,989,242)</u>
Total capital assets being depreciated, net	<u>36,625,306</u>	<u>(654,517)</u>	<u>-</u>	<u>35,970,789</u>
Governmental Activities Capital Assets, Net	\$ <u><u>38,466,574</u></u>	\$ <u><u>(654,517)</u></u>	\$ <u><u>-</u></u>	\$ <u><u>37,812,057</u></u>

Depreciation expense was charged to functions/programs of the Region as follows:

Governmental activities:	
General instruction	\$ 859,402
Buildings	<u>426</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 859,828</u></u>

5. INTERFUND ACCOUNTS

Interfund Payables and Receivables

A summary of interfund balances at June 30, 2013 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Capital Nonrecurring Fund	General Fund	\$ 28,701
Capital Nonrecurring Fund	Capital Projects Fund	190,391
General Fund	Capital Projects Fund	4,400
Internal Service Fund	General Fund	267,410
Capital Maintenance Fund	Capital Projects Fund	<u>45</u>
Total		\$ <u><u>490,947</u></u>

All internal balances resulted from the time lag between the date payments occurred between funds for short-term internal financing.

Interfund Transfers

A summary of interfund transfers as of June 30, 2013 is as follows:

	<u>Capital Nonrecurring Fund</u>
Transfers out:	
General Fund	\$ <u><u>58,201</u></u>

Transfers are used to account for the financing by the General Fund of various programs and activities in other funds.

6. LONG-TERM DEBT

A. Changes in Long-Term Obligations

Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

	<u>Original Amount</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds/Notes:									
Schools:									
Improvement bond	10,000,000	5/15/2003	5/15/2023	3-4.3%	1,050,000		525,000	525,000	525,000
Improvement bond	9,125,000	8/1/2005	8/1/2025	3.5-5.5%	1,485,000		495,000	990,000	495,000
Improvement bond	1,580,000	7/15/2010	7/15/2020	2.0-3.0%	1,470,000		150,000	1,320,000	165,000
Refunding bond	5,430,000	3/3/2010	3/15/2022	3%-4%	5,430,000		570,000	4,860,000	565,000
Refunding bond	9,720,000	11/15/2011	11/15/2026	3% - 5%	9,720,000			9,720,000	
Less deferred charge in refunding issue					59,166		6,574	52,592	
Total bonds payable					19,214,166	-	1,746,574	17,467,592	1,750,000
Net pension obligation					395,235	7,248		402,483	
Net OPEB obligation					832,799	180,429		1,013,228	
Capital leases					1,096,199	256,496	245,440	1,107,255	300,616
Compensated absences					133,345	45,705		179,050	
					<u>\$ 21,671,744</u>	<u>\$ 489,878</u>	<u>\$ 1,992,014</u>	<u>\$ 20,169,608</u>	<u>\$ 2,050,616</u>

All long-term liabilities are generally liquidated by the General Fund.

The following is a summary of amounts to be provided for debt principal and interest maturities:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 1,750,000	\$ 657,401	\$ 2,407,401
2015	1,700,000	594,101	2,294,101
2016	1,675,000	533,488	2,208,488
2017	1,675,000	469,581	2,144,581
2018	1,670,000	400,438	2,070,438
2019-2023	7,510,000	952,300	8,462,300
2024-2026	<u>1,435,000</u>	<u>64,125</u>	<u>1,499,125</u>
Total	<u>\$ 17,415,000</u>	<u>\$ 3,671,433</u>	<u>\$ 21,086,433</u>

Prior Year Defeasance of Debt

In prior years, the Region had defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Region's financial statements. At June 30, 2013, \$10,125,000 in bonds outstanding was considered defeased.

B. Capital Leases

The Region has entered into several lease-purchase agreements. These leases are for the purchase of school busses, a voice mail system, computer equipment and other technology for use in the classrooms.

These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the leases and the present value of the future minimum lease payments reflected at June 30, 2013:

<u>Year Ending June 30,</u>	<u>Amount</u>
2014	\$ 300,616
2015	259,214
2016	219,675
2017	383,225
Less amount representing interest	<u>(55,475)</u>
 Present Value of Future Minimum Lease Payment	 <u>\$ 1,107,255</u>

C. Statutory Debt Limitations

The Region’s indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes. The statutes allow for debt up to 2.25 times the annual receipts of taxation of the member towns. The Region’s debt limitation is as follows:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
Schools	\$ 191,254,358	\$ 21,616,099	\$ 169,638,259

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable for bond principal are not reflected as deductions in the computation of net indebtedness since they are returned to the member towns.

D. Authorized/Unissued Bonds

At June 30, 2013, there were bonds authorized but unissued of \$4,201,099 for school purposes.

E. Capital Projects Authorizations

The following is a summary of major Capital Projects at June 30, 2013:

<u>Capital Project</u>	<u>Authorization</u>	<u>Current Year Expenditures</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2013</u>
Capital Projects Fund:				
2000 Building Project	\$ 38,996,309	\$	\$ 38,330,849	\$ 665,460

7. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	Major Capital Projects Funds				Nonmajor Governmental Funds	Total
	General Fund	Capital Non- Recurring	Capital Projects Fund	Capital Maintenance Fund		
Fund balances:						
Nonspendable:						
Inventory	\$	\$	\$	\$	\$ 17,514	\$ 17,514
Restricted for:						
Grants					5,214	5,214
Assigned to:						
Capital projects		219,092	59,428	45		278,565
Unassigned	4,240				60,985	65,225
Total Fund Balances	\$ 4,240	\$ 219,092	\$ 59,428	\$ 45	\$ 83,713	\$ 366,518

8. RISK MANAGEMENT

The Region is exposed to various risks of loss related to public officials; Board of Education liability; torts; theft of, damage to or destruction of assets; errors or omissions; injuries to employees or natural disasters. Except for medical insurance, the Region purchases commercial insurance for all risks of loss. The Region established an internal service fund, the medical insurance fund, to account for and finance the retained risk of loss for its medical benefits claims.

The Region, along with the Town of Redding and Town of Easton Boards of Education, participates in a medical self-insurance plan that accounts for health benefits provided to participants and their families. Recommended monthly deposits are calculated by a third party, acting as plan administrator and claims processor. Settled claims have not exceeded commercial coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage from coverage in the prior year.

The medical claims fund is substantially funded by the Region's general fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported 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 the possible loss can be reasonably estimated. The amount of the claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors and incremental claims adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	Accrued Liability Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Accrued Liability Claim Payments	Accrued Liability End of Fiscal Year
2011-12	\$ 116,582	\$ 1,982,621	\$ 1,942,629	\$ 156,574
2012-13	156,574	2,243,415	2,243,641	156,348

9. PENSION PLANS

Plan Description

The Region has a noncontributory pension plan covering substantially all noncertified employees. The certified faculty and professional personnel of the Region participate in a contributory retirement plan administered by the State Teachers' Retirement Board. The Region does not contribute to this plan.

The Region is the administrator of the Region No. 9 Retirement Plan, a single employer defined benefit pension plan established and maintained by the Region to provide pension benefits for its full-time employees other than teachers. The Region has appointed a retirement plan committee to administer the plan. The plan does not issue separate, stand-alone financial reports.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The pension trust fund's financial statements are prepared using the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned, and expenses (benefits) are recognized when they are due and payable in accordance with the terms of the plan.

Valuation of Investments

Investments are valued at fair value based upon quoted market prices.

Classes of Employees Covered

As of the July 1, 2012 actuarial valuation, the plan's membership consisted of the following:

Retirees, disabled and beneficiaries currently receiving benefits	43
Terminated or inactive employees entitled to benefits but not yet receiving them	12
Current plan members	<u>62</u>
Total	<u><u>117</u></u>

Benefit Provisions

The Region No. 9 Retirement Plan provides retirement benefits as well as death and disability benefits. Benefits vest after five years of service. Members may retire on the later of age 65 or five years of service. Members are entitled to an annual retirement benefit, payable for life, for an amount determined by formula for each year of service. Administration costs are paid from the general fund and pension fund.

Contributions

Members are not required to make contributions. The contribution requirements of the Region are established and may be amended by the Region's Board of Education. The Region's contributions are actuarially determined on an annual basis using the aggregate cost method.

Schedule of Employer Contributions and Net Pension Obligation

<u>Year Ended</u>	<u>Actual Contribution</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$ 271,700	\$ 265,341	102.4%	\$ 240,186	113.2%	\$ 574,723
2009	248,645	301,061	82.6	278,242	89.4	604,320
2010	373,900	370,015	101.0	346,568	107.9	576,988
2011	433,798	363,775	119.2	339,318	127.8	482,508
2012	438,000	374,151	117.1	350,727	125.9	395,235
2013	391,026	420,262	93.0	398,274	105.5	402,483

Actuarial Assumptions

The data presented in the schedule of employer contributions was determined as part of the actuarial valuation at the date indicated. Additional information as of the actuarial valuation within the current year is as follows:

Actuarial valuation date	July 1, 2012
Actuarial cost method	Aggregate
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	5-year smoothing
Actuarial assumptions:	
Investment rate of return	7.25%
Projected salary increases	5.00%

Annual Pension Cost and Net Pension Obligation

The Region's annual pension cost and net pension obligation for the current year were as follows:

Annual required contribution	\$ 420,262
Interest on net pension obligation	28,655
Adjustment to annual required contribution	(50,643)
Annual pension cost	<u>398,274</u>
Contribution made	<u>391,026</u>
Increase in net pension obligation	7,248
Net pension obligation - beginning of year	<u>395,235</u>
 Net Pension Obligation - End of Year	 <u><u>\$ 402,483</u></u>

Pension Plan Required Supplementary Information

Schedule of Funding Progress*

Reporting Period	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Funded (Unfunded) AAL (UAAL) (a-b)	Percentage Funded (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((a-b)/c)
6/30/08	\$ 1,977,435	\$ 3,101,601	\$ (1,124,166)	63.8%	\$ 2,281,475	49.27%
6/30/09	1,895,595	3,390,315	(1,494,720)	55.9	2,316,225	64.53
6/30/10	2,441,537	3,720,011	(1,278,474)	65.6	2,455,341	52.07
6/30/11	2,903,841	4,052,447	(1,148,606)	71.7	2,432,982	47.21
6/30/12	3,274,669	4,600,517	(1,325,848)	71.2	2,652,704	49.98
6/30/13	3,683,999	5,123,565	(1,439,566)	71.9	2,643,761	54.45

* Schedule was prepared using the Entry Age Normal Cost Method as the Aggregate Cost Method does not allow for the calculation.

Teachers' Retirement

All teachers participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Region withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$8,171,452 or 73.9% of the total Board of Education payroll of \$11,052,611.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of the actuarially computed unfunded liability. These obligations are established under the authority of the Connecticut General Statutes. The Region has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$1,849,221 as payments made by the State of Connecticut on-behalf of the Region. The Region does not have any liability for teacher pensions.

The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State’s financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description and Benefits Provided

In addition to the pension benefits, certain employees retiring under the Region’s Retiree Medical Program are provided post-employment benefits. The level of these benefits provided is as follows:

Plan Types: Medical plans offered through Blue Cross Blue Shield: Century PPO and the Lumenos HSA plan. Dental insurance is included in each of the above plans.

Eligibility: Administrators, teachers and other Board of Education employees receive subsidized benefits after 20 years of service: Assumed age 55 and 20 years of service.

For retirees who are eligible for Medicare, coverage ends at age 65. Otherwise coverage lasts for the life of the employee.

Benefit/Cost Sharing: All retirees pay 100% of the annual premium, less the TRB subsidy payment.

Spouse and Surviving Spouse Benefit: Same cost sharing provisions apply as for retiree.

Annual Premiums: Premium rates were not provided by each plan and are assumed to include dental premiums.

B. Membership

Membership in the plan consisted of the following at July 1, 2011:

	Retiree Medical Program
Number of retirees, eligible surviving spouses and children	16
Number of active participants	<u>151</u>
Total	<u><u>167</u></u>

C. Description of Actuarial Assumptions and Methods

The following is a summary of certain significant actuarial assumptions and other PERS information:

	<u>Retiree Medical Program</u>
Actuarial valuation date	July 1, 2011
Actuarial cost method	Entry-Age Normal
Amortization method	Level dollar
Remaining amortization period	25 years
Actuarial assumptions:	
Investment rate of return	4.0%/annum
Projected salary increases	2.5%/annum

D. Annual OPEB Cost and Net OPEB Obligations

The Region's OPEB cost and net OPEB obligation for the current year were as follows:

	<u>Retiree Medical Program</u>
Annual required contribution	\$ 232,548
Interest on net OPEB obligation	33,312
Adjustment to annual required contribution	<u>(40,424)</u>
Annual OPEB cost	225,436
Contribution made	<u>45,007</u>
Increase in net OPEB obligation	180,429
Net OPEB obligation, July 1, 2012	<u>832,799</u>
Net OPEB Obligation, June 30, 2013	<u><u>\$ 1,013,228</u></u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) is presented below.

	<u>Annual OPEB Cost (AOC)</u>		<u>Actual Contribution</u>		<u>Percentage of AOC Contributed</u>		<u>Net OPEB Obligation (Asset)</u>
6/30/11	\$ 296,687	\$	73,250		24.6%	\$	657,433
6/30/12	214,704		39,338		18.4		832,799
6/30/13	225,436		45,007		20.0		1,013,228

Schedule of Funding Progress

The annual other post employment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. 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 (or funding excess) over a period not to exceed 30 years. The following table shows the components of the annual OPEB cost, the amount actually contributed to the plan, and changes in the Region's net OPEB obligation:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (b)</u>	<u>Underfunded AAL (OAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a percentage of Covered Payroll ((b-a)/c)</u>
7/1/2008	\$ -	\$ 4,788,856	\$ 4,788,856	-%	\$ 9,686,065	49.4%
7/1/2011	-	3,673,529	3,673,529	-	10,121,699	36.3

11. CONTINGENT LIABILITIES

There are various lawsuits and claims pending against the Region, the ultimate effect of which, if any, cannot presently be determined; however, the ultimate resolution of these matters is not expected to have a material adverse effect on the financial condition of the Region.

State and Federal grants received by the Region are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. The amount, if any, of expenditures, which may be disallowed, cannot be determined at this time, although the Region's management believes such disallowance, if any, will be immaterial.

12. SUBSEQUENT EVENT

On September 24, 2013, the stadium improvement referendum was passed authorizing the Board to borrow and spend \$3,272,000 for stadium improvements.

REGIONAL SCHOOL DISTRICT NO. 9

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Assessments from District Member Towns:				
Town of Redding	\$ 11,908,076	\$ 11,908,076	\$ 11,908,076	\$ -
Town of Easton	10,115,368	10,115,368	10,115,368	-
Total assessments from district member towns	22,023,444	22,023,444	22,023,444	-
Interest Income			15	15
Total Revenues	\$ <u>22,023,444</u>	\$ <u>22,023,444</u>	22,023,459	\$ <u>15</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf payments to the Connecticut

State Teachers' Retirement System for Town teachers are not budgeted

1,849,221Total Revenues and Other Financing Sources as Reported on the
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds - Exhibit IV\$ 23,872,680

REGIONAL SCHOOL DISTRICT NO. 9

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

JUNE 30, 2013

	Budgeted Amounts			Variance Positive (Negative)
	Original	Final	Actual	
General Instruction:				
General instruction	\$ 9,583,122	\$ 9,574,115	\$ 9,563,456	\$ 10,659
Humanities	96,276	106,276	82,630	23,646
Integrated language arts	28,813	28,813	25,303	3,510
Curriculum	10,796	10,796	10,241	555
Industrial technology	77,847	67,847	66,728	1,119
Science/mathematics technology	125,196	122,749	111,544	11,205
PE/health	55,044	55,464	46,518	8,946
Student activity athletics	1,044,804	1,047,374	998,438	48,936
Student activity co-curriculum	175,136	181,583	164,526	17,057
Special services	55,197	55,197	80,176	(24,979)
Total general instruction	<u>11,252,231</u>	<u>11,250,214</u>	<u>11,149,560</u>	<u>100,654</u>
Special Education:				
Special education	836,272	837,322	825,496	11,826
Special education intensive	2,233,252	2,232,202	2,401,251	(169,049)
Psychological services	17,330	17,330	2,054	15,276
Speech services	126,730	126,505	107,303	19,202
Total special education	<u>3,213,584</u>	<u>3,213,359</u>	<u>3,336,104</u>	<u>(122,745)</u>
Student Services:				
Guidance	35,158	35,158	20,035	15,123
Health services	2,829	2,829	2,038	791
Education media services	48,620	48,620	36,355	12,265
Technology plan	443,075	442,945	431,872	11,073
Total student services	<u>529,682</u>	<u>529,552</u>	<u>490,300</u>	<u>39,252</u>
Administration:				
Board of Education	101,805	101,805	129,618	(27,813)
Central administration	537,370	537,370	537,370	-
School administration	1,118,963	1,112,115	1,044,114	68,001
Total administration	<u>1,758,138</u>	<u>1,751,290</u>	<u>1,711,102</u>	<u>40,188</u>
Buildings:				
Operation/maintenance	<u>2,053,298</u>	<u>2,062,518</u>	<u>2,104,373</u>	<u>(41,855)</u>
Transportation:				
Student transportation	<u>734,317</u>	<u>734,317</u>	<u>721,110</u>	<u>13,207</u>
Debt Service	<u>2,452,694</u>	<u>2,452,694</u>	<u>2,452,694</u>	<u>-</u>
Other Financing Sources:				
Operating transfers out	<u>29,500</u>	<u>29,500</u>	<u>58,201</u>	<u>(28,701)</u>
Total Expenditures	<u>\$ 22,023,444</u>	<u>\$ 22,023,444</u>	<u>22,023,444</u>	<u>\$ -</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut on-behalf payments to the Connecticut				
State Teachers' Retirement System for Town teachers are not budgeted			<u>1,849,221</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			<u>\$ 23,872,665</u>	

REGIONAL SCHOOL DISTRICT NO. 9

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash	\$ 78,194	\$ 112,167
Receivables:		
Due from Town of Redding	631,810	825,715
Due from Town of Easton	528,799	693,512
Due from other funds	<u>4,400</u>	<u>4,400</u>
Total Assets	<u>\$ 1,243,203</u>	<u>\$ 1,635,794</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 942,852	\$ 891,357
Due to other funds	<u>296,111</u>	<u>740,212</u>
Total liabilities	1,238,963	1,631,569
Fund Balance:		
Unassigned	<u>4,240</u>	<u>4,225</u>
Total Liabilities and Fund Balance	<u>\$ 1,243,203</u>	<u>\$ 1,635,794</u>

REGIONAL SCHOOL DISTRICT NO. 9

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2013

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Education Grants</u>	<u>Cafeteria Fund</u>	
ASSETS			
Cash	\$ 6,850	\$ 138,090	\$ 144,940
Intergovernmental receivable		24,380	24,380
Inventory		17,514	17,514
	<u>6,850</u>	<u>179,984</u>	<u>186,834</u>
Total Assets	<u>\$ 6,850</u>	<u>\$ 179,984</u>	<u>\$ 186,834</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,636	\$ 79,208	\$ 80,844
Deferred revenue		22,277	22,277
Total liabilities	<u>1,636</u>	<u>101,485</u>	<u>103,121</u>
Fund Balances:			
Nonspendable		17,514	17,514
Restricted	5,214		5,214
Unassigned		60,985	60,985
Total fund balances	<u>5,214</u>	<u>78,499</u>	<u>83,713</u>
Total Liabilities and Fund Balances	<u>\$ 6,850</u>	<u>\$ 179,984</u>	<u>\$ 186,834</u>

REGIONAL SCHOOL DISTRICT NO. 9

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS**

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Special Revenue Funds</u>		<u>Total Nonmajor Governmental Funds</u>
	<u>Education Grants</u>	<u>Cafeteria Fund</u>	
Revenues:			
Charges for services	\$	\$ 1,058,272	\$ 1,058,272
Intergovernmental	284,952	145,793	430,745
Total revenues	<u>284,952</u>	<u>1,204,065</u>	<u>1,489,017</u>
Expenditures:			
Current:			
General instruction	135,182		135,182
Student services		1,152,303	1,152,303
Special education	156,803		156,803
Total expenditures	<u>291,985</u>	<u>1,152,303</u>	<u>1,444,288</u>
Net Change in Fund Balances	(7,033)	51,762	44,729
Fund Balances at Beginning of Year	<u>12,247</u>	<u>26,737</u>	<u>38,984</u>
Fund Balances at End of Year	<u>\$ 5,214</u>	<u>\$ 78,499</u>	<u>\$ 83,713</u>

REGIONAL SCHOOL DISTRICT NO. 9

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2013

	<u>Student Activity Fund</u>	<u>Flex Plan</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 250,058	\$ 41,262	\$ 291,320
Investments	<u>200,000</u>		<u>200,000</u>
Total	<u>\$ 450,058</u>	<u>\$ 41,262</u>	<u>\$ 491,320</u>
Liabilities:			
Due to others	<u>\$ 450,058</u>	<u>\$ 41,262</u>	<u>\$ 491,320</u>

REGIONAL SCHOOL DISTRICT NO. 9

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>June 30, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
Student Activity Fund				
Assets:				
Cash	\$ 202,295	\$ 813,359	\$ 765,596	\$ 250,058
Investments	200,000			200,000
Total	<u>\$ 402,295</u>	<u>\$ 813,359</u>	<u>\$ 765,596</u>	<u>\$ 450,058</u>
Liabilities:				
Accounts payable	<u>\$ 402,295</u>	<u>\$ 813,359</u>	<u>\$ 765,596</u>	<u>\$ 450,058</u>
Flex Plan				
Assets:				
Cash	<u>\$ 36,777</u>	<u>\$ 188,400</u>	<u>\$ 183,915</u>	<u>\$ 41,262</u>
Liabilities:				
Accounts payable	<u>\$ 36,777</u>	<u>\$ 188,400</u>	<u>\$ 183,915</u>	<u>\$ 41,262</u>
Total All Funds				
Assets:				
Cash	\$ 239,072	\$ 1,001,759	\$ 949,511	\$ 291,320
Investments	200,000			200,000
Total	<u>\$ 439,072</u>	<u>\$ 1,001,759</u>	<u>\$ 949,511</u>	<u>\$ 491,320</u>
Liabilities:				
Accounts payable	<u>\$ 439,072</u>	<u>\$ 1,001,759</u>	<u>\$ 949,511</u>	<u>\$ 491,320</u>

REGIONAL SCHOOL DISTRICT NO. 9

SCHEDULE OF DEBT LIMITATION - THE DISTRICT

JUNE 30, 2013

	<u>Town of</u>		<u>Total</u>
	<u>Easton</u>	<u>Redding</u>	
Total tax collections (including interest and lien fees)	\$ 37,896,392	\$ 45,683,639	\$ 83,580,031
Fire District tax and interest collections		<u>1,421,906</u>	<u>1,421,906</u>
Base	<u>\$ 37,896,392</u>	<u>\$ 47,105,545</u>	<u>\$ 85,001,937</u>
Debt Limitation:			
Limit for School Building Purposes (2.25 times base)			<u>\$ 191,254,358</u>
Indebtedness:			
Bonds outstanding			17,415,000
Bonds authorized and unissued			<u>4,201,099</u>
Total Indebtedness			<u>21,616,099</u>
Debt Limitation in Excess of Net Indebtedness			<u>\$ 169,638,259</u>