



PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 1, 2025

NEW MONEY ISSUE

RATING: MIG 1

In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the District with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Notes is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code. Interest on the Notes may be includable in the calculation of certain taxes under the Code, as described under Appendix B – "Form of Legal Opinion of Bond Counsel and Tax Exemption" herein.

In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

REGIONAL SCHOOL DISTRICT NUMBER 13
OF THE STATE OF CONNECTICUT
(TOWNS OF DURHAM AND MIDDLEFIELD)

\$20,000,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES

Dated: Date of Delivery

Due: October 21, 2026

Table with 4 columns: Par Amount (\$20,000,000), Coupon (%), Yield (%), CUSIP (759123***)

Telephone proposals and electronic proposals via PARITY® for the Notes will be received until 11:00 A.M. (Eastern Time) on Wednesday, October 8, 2025 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale (see Appendix D herein).

The \$20,000,000 General Obligation Bond Anticipation Notes (the "Notes") will be general obligations of Regional School District Number 13 of the State of Connecticut (the "District"), and the District will pledge its full faith and credit to pay the principal of and interest on the Notes when due. See "Security and Remedies" herein. The Notes are not subject to redemption prior to maturity.

The Notes will be issued by means of a book-entry-only transfer system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Notes. Purchasers of the Notes will not receive certificates representing their ownership in the Notes. Principal of, redemption premium if any, and interest on the Notes will be payable by the District or its agent to DTC or its nominee as registered owners of the Notes. Ownership of the Notes may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

The Notes are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Notes will be made in book-entry-only form to DTC in New York, New York on or about October 22, 2025.

This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

1 CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. which is not affiliated with the District and are included solely for the convenience of the holders of the Notes. The District is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

No dealer, broker, salesperson or other person has been authorized by Regional School District Number 13 of the State of Connecticut (the “District”) or the Municipal Advisor (as defined herein) to give any information or to make any representations, other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the District from sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness.

The Official Statement has been prepared only in connection with the initial offering and sale of the Notes, and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – “Audited Financial Statements” herein, the independent auditors for the District are not passing on, and do not assume any responsibility for, the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

Other than matters expressly set forth in Appendix B herein, Bond Counsel is not passing on, and does not assume any responsibility for, the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

The District deems this Official Statement to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided notices of the occurrence of certain events within ten (10) business days after the occurrence of the events, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.

The Municipal Advisor to the District has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

BOND COUNSEL
SHIPMAN & GOODWIN LLP
Hartford, Connecticut
(860) 251-5000

MUNICIPAL ADVISOR
MUNISTAT SERVICES, INC.
Madison, Connecticut
(203) 421-2880

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NOTE ISSUE SUMMARY

The information in this Note Issue Summary and the cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Wednesday, October 8, 2025 until 11:00 A.M. (E.T.)
Location of Sale:	Offices of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
Issuer:	Regional School District Number 13 of the State of Connecticut (Towns of Durham and Middlefield) (the “District”).
Issue:	\$20,000,000 General Obligation Bond Anticipation Notes (the “Notes”).
Dated Date:	Date of Delivery.
Interest Due:	At maturity on October 21, 2026.
Principal Due:	At maturity on October 21, 2026.
Purpose and Authority:	The Notes are being issued to finance various District-wide facility improvements as authorized by the voters of the Member Towns of Durham and Middlefield, as described in “Use of Bond Proceeds” herein. See “Authorization and Purpose” herein also.
Redemption:	The Notes are not subject to optional redemption prior to maturity as more fully described herein.
Security:	The Notes will be general obligations of Regional School District Number 13 of the State of Connecticut and its member Towns of Durham and Middlefield, and the District will pledge its full faith and credit to the payment of principal of and interest on the Notes when due.
Credit Rating:	The Notes have been rated “MIG 1” by Moody’s Ratings (“Moody’s”). The District’s underlying bond rating has recently been affirmed as “Aa3” by Moody’s. See “Rating” herein.
Basis of Award:	Lowest Net Interest Cost (“NIC”), as of dated date.
Tax Exemption:	Refer to Appendix B, “Form of Legal Opinion of Bond Counsel and Tax Exemption” herein.
Bank Qualification:	The Notes shall NOT be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided notices of the occurrence of certain events within ten (10) business days after the occurrence of the events, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent and Paying Agent:	U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut 06103.
Legal Opinion:	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about October 22, 2025 against payment in Federal Funds.
Issuer Official:	Questions concerning the Official Statement should be directed to Kimberly Neubig, Director of Finance, Regional School District Number 13, 135A Pickett Lane, Durham, Connecticut 06422. Telephone: 860-349-7200 ext. 2.
Municipal Advisor:	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: William N. Lindsay, Managing Director, Telephone: 203-421-2880.

I. SECURITIES OFFERED

INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to Regional School District Number 13 of the State of Connecticut consisting of the Towns of Durham and Middlefield, Connecticut (the “District”), in connection with the sale of \$20,000,000 General Obligation Bond Anticipation Notes (the “Notes”) of the District.

This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. All quotations from, and summaries and explanations of, provisions of statutes, charters, or other laws and acts and proceedings of the District contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Notes and the proceedings of the District relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

The presentation of information is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the District.

Munistat Services, Inc. (“Munistat”) or the “Municipal Advisor” is engaged as Municipal Advisor to the District in connection with the issuance of the Notes. The Municipal Advisor’s fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the District with respect to the financial statements of the District included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon, and do not assume responsibility for, the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing upon, and does not assume responsibility for, the accuracy or adequacy of the statements made in this Official Statement (other than matters expressly set forth in their opinion in Appendix B “Form of Legal Opinion of Bond Counsel and Tax Exemption”, herein) and it makes no representation that it has independently verified the same.

The District considers this Official Statement to be “final” for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision or amendment.

DESCRIPTION OF THE NOTES

The Notes will be dated October 22, 2025 and will be due and payable as to both principal and interest at maturity, on October 21, 2026. Interest will be calculated on the basis of a 360-day year, consisting of twelve 30-day months. The Notes will be issued as fully-registered notes in denominations of \$5,000 or any integral multiples thereof. A book-entry-only transfer system will be employed evidencing ownership of the Notes with transfers of ownership on the records of The Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The Registrar, Certifying Agent, Transfer Agent and Paying Agent for the Notes will be U.S. Bank Trust Company, National Association, CityPlace I, 185 Asylum Street, 27th Floor, Hartford, Connecticut. The legal opinion on the Notes will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B to this Official Statement.

The Notes are not subject to redemption prior to maturity.

AUTHORIZATION AND PURPOSE

The Notes are issued pursuant to Section 10-56 of the General Statutes of the State of Connecticut, as amended, and a resolution adopted by the Regional Board of Education at a meeting held on August 29, 2024 and approved by the voters of the Towns of Durham and Middlefield at a referendum held on November 5, 2024. A summary of the estimated allocation of bond proceeds to capital projects is as follows:

<u>Projects</u>	<u>Amount of Total Authorization</u>	<u>Previously Bonded</u>	<u>Additions / (Reductions)</u>	<u>The Notes (This Issue)</u>
Memorial School Expansion and Renovation ¹	\$ 39,000,000	\$ -	\$ -	\$ 20,000,000

¹ On November 5, 2024, voters in the member Towns of Durham and Middlefield approved at referendum \$76.13 million for the expansion and renovation of Memorial School into a Pre-Kindergarten to Grade 5 school and authorized the issuance of bonds or notes in the amount not to exceed \$39 million.

RATING

The Notes have been rated “MIG 1” by Moody's Ratings ("Moody's"). The underlying rating on the District’s bonds has recently been affirmed as “Aa3” by Moody's. Such rating reflects only the view of such rating agency and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Ratings, 7 World Trade Center, 250 Greenwich Street, New York, New York 10007. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that they will not be revised or withdrawn entirely by each rating agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the District's bonds and notes.

BOOK-ENTRY-ONLY TRANSFER SYSTEM

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Notes in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry-only transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its related subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmation providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

certificates representing their ownership interests in the Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes. DTC's records reflect only the identity of the Direct Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Notes in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue as to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been provided by DTC. The District takes no responsibility for the accuracy thereof.

REPLACEMENT NOTES

The District will provide for issuance of fully-registered Note certificates directly to beneficial Owners of the Notes, and or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the District fails to identify another qualified securities depository for the Notes to replace DTC; or (b) the District determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Notes. A Beneficial Owner of the Notes, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Notes.

DTC PRACTICES

The District can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

SECURITY AND REMEDIES

The Notes will be general obligations of Regional School District Number 13 of the State of Connecticut (the “District”) and the Member Towns of Durham and Middlefield. The District will pledge its full faith and credit to pay the principal of and interest on the Notes when due.

Unless paid from other sources, the Notes are payable from general property tax revenues of the Member Towns. The Member Towns have the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Member Towns without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. On the last completed Grand Lists of the Member Towns, there were no such acres of certified forest land. Under existing statutes, the State of Connecticut is obligated to pay the Member Towns the amount of tax revenues which the Member Towns would have received except for the limitation on their power to tax such dwelling houses or the Town may place a lien on the property for the amount of tax relief granted plus interest.

Payment of the Notes is not limited to property tax revenues or any other revenue sources, but certain revenues of the District and its Member Towns may be restricted as to use and therefore may not be available to pay debt service on the Notes.

Section 10-58a of the Connecticut General Statutes, as amended, provides that upon verification of a default by a regional school district in the payment of principal or interest on its bonds or notes the State Comptroller is required to withhold future payments of State aid and assistance in such amounts as may be required to remedy the default. If the amounts withheld from the District are insufficient for this purpose, payments of State aid and assistance due to the Member Towns must similarly be withheld and applied. The withheld payments are to be forwarded promptly to the paying agent or agents for the bonds or notes in default for the sole purpose of paying the defaulted principal of and interest on such obligations.

Section 10-63f of the Connecticut General Statutes, as amended, provides that the withdrawal of a member town from a regional school district or the dissolution of a school district pursuant to the provisions of Section 10-63a *et seq.* of said General Statutes will not impair the obligation of the withdrawing member town or the District to the holders of bonds or other indebtedness issued prior to the withdrawal or dissolution.

There is no statutory provision for priorities in the payment of general obligations of the District, or for a lien on any portion of the tax levies or other revenues of the District or its Member Towns to secure the Notes, or judgments thereon, in priority to other claims.

The District and its Member Towns are subject to suit on their general obligation bonds and notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the District or its Member Towns. Courts of competent jurisdiction also have power in appropriate proceedings to order payment of a judgment on such bonds or notes from funds lawfully available therefore or, in the absence thereof, to order the District or its Member Towns to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the District and its Member Towns and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on the Notes would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws effecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough and metropolitan district and to any other political subdivision of the State having the power to levy taxes and issue Notes or other obligations. The District does not have the direct power to levy taxes.

CONSIDERATION FOR BONDHOLDERS

In making an investment decision with respect to the Notes, investors should consider carefully the information in the Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factors:

PUBLIC HEALTH CONSIDERATIONS

Commencing in late 2019, an outbreak of a respiratory disease caused by a new strain of coronavirus (“COVID-19”) resulted in a global public health crisis. The federal and State governments both declared public health emergencies and, along with

local governments, took action to limit the spread of the outbreak and reduce the resulting economic impact. The federal and State public health emergency declarations have since been terminated.

To date, the COVID-19 outbreak has had no material adverse effect on the finances of the District. However, prospective investors should assume that restrictions and limitations related to COVID-19 and any future variants or pandemics may be instituted by the federal or State governments and that any resurgence of COVID-19 or another infectious disease could have a material adverse effect on the District and its financial and operational performance.

CYBERSECURITY

The District like many other public and private entities, relies on technology to conduct its operations. The District and its departments face cyber threats from time to time, including but not limited to hacking, viruses, malware, phishing, and other attacks on computers and other sensitive digital networks and systems. To mitigate the risk of business operations impact and/or damage from cyber incidents or cyber-attacks, the District invests in various forms of cybersecurity and operational controls, including a comprehensive policy relating to the security of the District's government networks. No assurances can be given, however, that such security and operational control measures will be completely successful to guard against cyber threats and attacks. The results of any such attack could impact business operations and/or damage the District's digital networks and systems and the costs of remedying any such damage could be substantial. The District carries commercially available cyber insurance.

CLIMATE CHANGE

Numerous scientific studies have detailed changing global weather patterns and the potential for increasing extreme weather events across the world. Like much of Connecticut, the District and its member towns are vulnerable to inland wetland, small river and stream flooding. Furthermore, the District and the Member Towns face other threats due to climate change, including damaging wind that could become more severe and frequent. The District addresses climate change risks to its facilities through its capital plan. The Member Towns have active programs for tree inspections and removals, in coordination with their respective electrical utility provider. Additionally, the Member Towns participate in the Lower Connecticut River Valley Council of Governments which in calendar year 2020 developed a regional Hazard Mitigation Plan (the "Mitigation Plan") in accordance with the requirements of federal Disaster Mitigation Act of 2000. The Mitigation Plan identifies resources, information and strategies for reducing risk from natural hazards and seeks to coordinate mitigation activities throughout the region. The Mitigation Plan was recently updated in May 2021. The District cannot predict the timing, extent or severity of climate change and its impact on its operations and finances or those of the Member Towns.

QUALIFICATION FOR FINANCIAL INSTITUTIONS

The Notes shall **NOT** be designated "qualified tax-exempt obligations" under Section 265(b)(5) of the Internal Revenue Code of 1986, as amended (the "Code"), for purposes of calculating the deduction by financial institutions (as defined by Section 265(b) of the Code) for interest expense allocable to interest on the Notes.

AVAILABILITY OF CONTINUING DISCLOSURE

Regional School District Number 13 of the State of Connecticut prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The District provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided notices of the occurrence of certain events within ten (10) business days after the occurrence of the events, pursuant to a Continuing Disclosure Agreement to be executed by the District substantially in the form of Appendix C to this Official Statement.

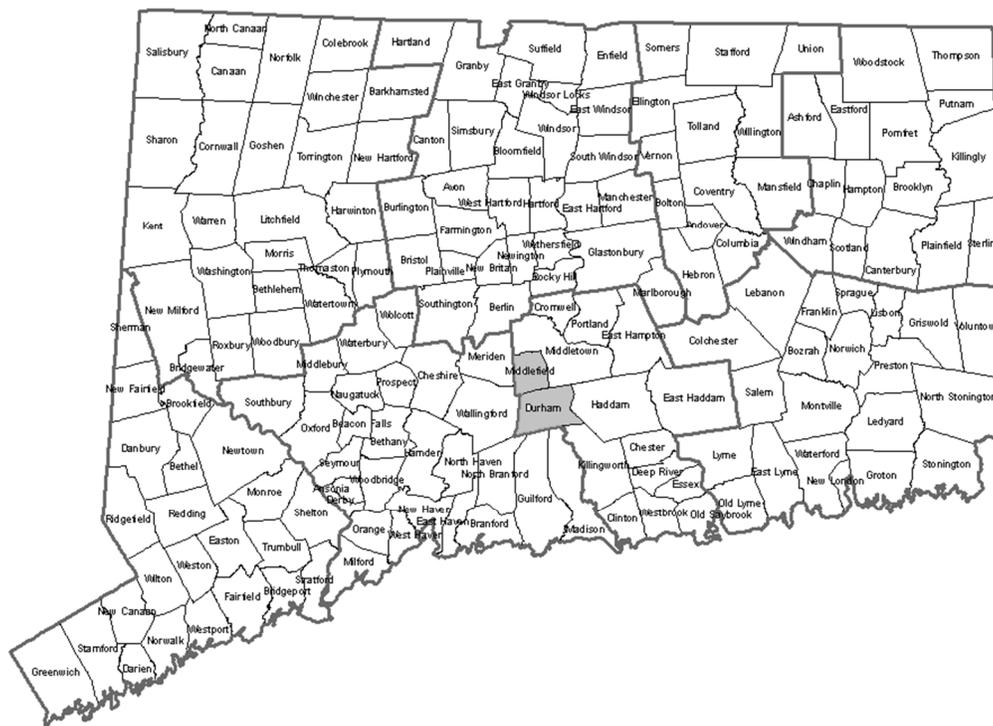
The District has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). Except as described below, in the past five years the District has not failed to comply in any material respect with its undertakings under such agreements, with the exception of the filing for fiscal year ending June 30, 2023. The District's and the member town of Middlefield's audited financial statements were on time, however the audited financial statements for the member town of Durham were not completed until June 2023. A failure to file notice was filed prior to the deadline and the

Town of Durham's audited financial statements and the District's annual financial information and operating data were promptly filed upon completion.

The District is not responsible for any failure by EMMA or any other nationally recognized municipal securities information repository to timely post disclosure submitted to it by the District or any failure to associate such submitted disclosure to all related CUSIPs.

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II. THE ISSUER



DISCRIPTION OF THE DISTRICT

There follows in this Official Statement a brief description of the District and its Member Towns together with certain information concerning their economy, governmental organization, indebtedness, current major revenue sources, and general and specific funds.

Regional School District Number 13 (the “District”) was organized in April 1968 with approval of the voters of Durham and Middlefield (collectively the “Member Towns” and each a “Member Town”) under the provisions of the Connecticut General Statutes, Chapter 164, Section 10-45. The District presently serves all public-school pupils in grades pre-kindergarten through twelve residing in the Member Towns of Durham and Middlefield. A regional school board of education made up of ten elected members (the “Board”), six from Durham and four from Middlefield elected on an “at-large basis” for overlapping three-year terms, administers the school system. The Board has decision-making authority, the power to designate management, the responsibility to significantly influence operations, and primary accountability for fiscal matters, including preparing and presenting the annual District budget as defined in Chapter 164, Section 10-51d of the Connecticut General Statutes.

The District’s operating and debt service expenses are paid directly from State grants for education, transportation, tuition reimbursement, miscellaneous revenues of the District, and by the Member Towns in proportion to the number of students attending school from each Town. Percentages for fiscal year 2025–26 are Durham 65.57% and Middlefield 34.43%. Payments are made by the Member Towns in monthly installments and are budgeted to operate the District on a current cash basis.

Pursuant to the Connecticut General Statutes, if a Member Town of the District fails to include in its annual Town budget amounts necessary to pay for its proportionate share of the annual District budget, ten or more taxable inhabitants of a Town within such regional school district, a majority of the board of selectmen of any such Town, the State attorney general, a holder or owner of bonds or notes of such regional school district, the board of education of such regional school district or the State Board of Education may petition the Superior Court to determine the amount of the alleged deficiency. If the court finds such deficiency to exist, it shall order such delinquent Member Town, through it’s treasurer, selectmen and assessor, to provide a sum of money equal to such deficiency, together with a sum of money equal to twenty-five percent thereof. The amount of the deficiency shall be paid by the delinquent Member Town of the regional school district as soon as it is available; the additional sum of twenty-five percent shall be kept in a separate account by such Town and shall be applied toward payment of such Member Town’s share of the annual budget of the regional school district in the following year. If such order is made after the

fixing of the annual tax rate of such delinquent Member Town, the sums included in such order shall be provided by the Town from any available cash surplus, from any contingent fund, from borrowing, through a rate bill under the provisions of Section 12-123 of the Connecticut General Statutes, or from any combination thereof.

Under the provisions of Section 10-63f of the Connecticut General Statutes, the withdrawal of a Member Town from the district or the dissolution of the district shall not impair the obligation of the withdrawing Member Town or the district to the holders of district Notes or other outstanding indebtedness issued prior to such withdrawal or dissolution.

DESCRIPTION OF THE MEMBER TOWNS

Town of Durham

The Town of Durham was incorporated as a Town in May 1708. The Town has an area of 23.3 square miles. It is located in central Connecticut approximately 10 miles south of Middletown, 22 miles south of Hartford, and 14 miles northeast of New Haven, with easy access to the interstate highway system, I-91, I-84, I-691, I-95 and Connecticut Route 9. It is bounded to the north by Middlefield and Middletown, to the east by Haddam, to the west by Wallingford, and to the south by North Branford, Guilford, Madison and Killingworth. Principal industries include The Durham Manufacturing Co., Hobson Motzer, Tilcon, and Perma Treat Corporation. Durham is primarily a rural-residential community.

Durham is home to the Durham Agricultural Fair (the “Fair”), established in 1916. The Fair is the largest agricultural fair in Connecticut and the largest fair in North America without a paid manager or staff. Over 200,000 visitors regularly attend the three-day event held on the last weekend in September. The Fair features a vast array of competitive exhibits, with well over 3,000 exhibitors and 11,000 entries. The Durham Agricultural Fair Association Inc. (the “Fair Association”) is the private, nonprofit association that owns and operates the Durham Fair in addition to a wide variety of off-season events, exhibits, and entertainment and recreational activities on the fairgrounds throughout the year. The Fair Association also staffs the Durham Fair Farm Museum, which is available by appointment for school field trips, historical societies, and other interested groups.

The Town of Durham is governed by the General Statutes of the State of Connecticut and a Town Charter that became effective in 1972, with amendments in 1977 and 1981. The form of government includes a Board of Selectmen consisting of a First Selectman, who is the chief administrative and executive officer, and two other members. The Town Meeting has the legislative power of the Town and may enact ordinances consistent with the General Statutes and specific provisions of the Town Charter.

The Town Charter provides for the election of a Board of Selectmen, Board of Finance, Treasurer, Tax Collector and Town Clerk. The Board of Finance is responsible for presenting fiscal operating budgets for Town Meeting approval and establishing the annual tax rate.

There are no separate taxing districts located within the territorial limits of Durham. The Town has the power to incur indebtedness by issuing bonds or notes as prescribed by the Connecticut General Statutes and authorized by the Town Charter.

Town of Middlefield

The Town of Middlefield succeeded from Middletown and incorporated as a Town in May 1866. The Town has an area of 13.3 square miles. It is located in central Connecticut approximately 18 miles south of Hartford, 19 miles north of New Haven, and borders the cities of Meriden and Middletown and the towns of Wallingford and Durham. The Town is served by State Routes 147, 157, and 66 which connects to Interstate 91 approximately one mile from the northwest corner of the Town.

Middlefield’s principal industries include Zygo Corp., Rogers Mfg. Co., and Lyman Orchards. Lyman Orchards, established in 1741, sits on a 1,100-acre farm in Middlefield and is the Town’s oldest family-owned business. The orchard grows a variety of apples, peaches, pears, berries and pumpkins. The property also includes two 18-hole golf courses at the Lyman Orchard Golf Club. The Lyman Homestead is included in the National Register of Historic Places and may be rented for social or corporate gatherings. Other activities at the orchard include a sunflower maze, corn maze, horse-drawn wagon and pony rides, and fruit picking. Beseck Lake, and the public golf courses Lyman Meadow, Lyman Orchard and Indian Springs are major recreational facilities located in Middlefield.

Middlefield is a rural-residential community that has a balanced residential, commercial, and industrial tax base. The Town’s population has remained at approximately 4,236 according to the U.S. Census Bureau’s American Community Survey, 2019-2023.

There are no separate taxing districts located within the territorial limits of Middlefield. The Town has the power to incur indebtedness by issuing bonds or notes as prescribed by the Connecticut General Statutes and authorized by the Town Charter.

SUMMARY OF MUNICIPAL SERVICES IN THE MEMBER TOWNS

Each Town provides a broad range of services including public safety, public roads, solid waste disposal, health, social services, parks and recreation, education, public facilities, planning, development, zoning, and general administrative services.

Public Works: The Towns of Middlefield and Durham each have a fully staffed Public Works Department that provides general highway maintenance services.

Police Protection: The Towns of Durham and Middlefield each employ Resident State Troopers who are assisted by the Connecticut State Police Department out of Troop F, Westbrook. In addition, Middlefield employs two full-time police officers.

Fire Protection: The Towns of Durham and Middlefield each maintain fully equipped volunteer fire departments. Each department is organized as a private corporation and is funded by its respective Town. The Towns own the buildings, land, and all major pieces of equipment. The departments belong to a mutual aid system with the abutting communities.

Emergency Medical Assistance: The Durham Volunteer Ambulance Corp., Inc., a not-for-profit organization, serves the Town of Durham with a fully equipped ambulance staffed by volunteer State-certified Emergency Medical Technicians. The Town of Middlefield is served by Hunter's Ambulance Service located in the adjoining cities of Middletown and Meriden.

Solid Waste: The Towns of Durham and Middlefield have entered into an interlocal agreement creating the Durham-Middlefield Interlocal Agreement Advisory Board ("DMIAAB") which is responsible for the operation and management of a transfer station for municipal solid waste, and a bulky waste and composting area serving both towns on a cost-shared basis, based upon the estimated population of each town. The percentage for the fiscal year ended June 30, 2025 was Middlefield 37.1% and Durham 62.9%. Town residents either take their solid and bulky waste directly to the transfer station or privately contract with commercial haulers for said purpose.

In partnership with the Middlefield Board of Selectmen, the Durham Board of Selectmen created the DMIAAB Task Force on June 14, 2010. The task force is charged with evaluating the current interlocal agreement for up-to-date utility, researching contemporary models for interlocal, regional municipal agreements, conducting an efficiency review of current operations, conducting management/operational review and research best practice models or alternate service delivery models, and making recommendations for modifications and reapproval of interlocal agreements.

On July 1, 2025, each of the towns of Durham and Middlefield entered into an identical separate five-year Solid Waste Management Services Contract (the "Service Contract") with the Reworld (formerly Covanta). Each town may terminate the Service Contract and may reduce its joint minimum commitment with six months' prior written notice without penalty or further obligation to the Towns.

Each Town is required to pay a tipping fee that is currently \$97.85 per ton (the "Service Fee"). Rates are subject to annual review and adjustment. Each Town has pledged its full faith and credit for the payment of the Service Fee so long as the Service Contract remains in effect.

Sewage: Developed properties in the Towns of Durham and Middlefield are served primarily by private on-site septic systems. In Middlefield, the \$7.6 million Lake Besock sewer project was completed in 2001, and approximately 25% of the community is serviced by either the City of Middletown or the City of Meriden sewerage facility and system.

Water: Individual wells are the primary water supplies in both the Town of Durham and the Town of Middlefield. The City of Middletown Water Department also services the Brookside Drive Industrial Park on the east side of Middlefield. Located in the central section of Durham, there is a U.S. Environmental Protection Agency ("E.P.A.") Superfund site called the Durham Meadows Superfund Site. In connection with the environmental clean-up of the Durham Meadows Superfund site, the EPA is installing a new drinking water supply for affected properties. The project includes 30,000 linear feet of water main being installed in Durham to connect to the existing Town of Middletown water distribution system. A 800,000-gallon water storage tank is being installed in Middletown to provide gravity pressure for the system and support fire protection to approximately 120 homes and businesses, including Regional School District No. 13 and the Durham Fair grounds.

Services for the Elderly: The Town of Durham provides transportation for its elderly residents by contracting with Middletown Area Transit. Dial-A-Ride transportation is available to both Durham and Middlefield senior citizens through the Estuary Transit District for medical appointments, grocery shopping, senior center activities, etc. The Middlefield Senior Center is a multipurpose agency that provides health services, nutrition, educational and recreational activities, transportation, wellness

programs, volunteer opportunities, and other supportive services. The Town of Middlefield, through the local Housing Authority, has built and maintains 30 elderly housing units.

Public Health and Social Services: The Towns of Durham and Middlefield receives public health services through the South Central Health District. The Town of Durham has a part-time Social Services Director. The Town of Middlefield has a part-time Senior/Social Services Director.

Parks and Recreation: Recreation programs in the Town of Middlefield are sponsored by the Parks and Recreation Department at the school fields, Peckham Field Park, Beseck Lake Town Beach, and Levi E. Coe Library. The Town of Middlefield has an active year-round program for residents of all ages. The Public Works Department does maintenance of facilities for the Town of Middlefield.

The Town of Durham’s Recreation Committee sponsors recreation programs at Town-owned and maintained playground, tennis courts, and picnic area. The Town of Durham has an active year-round program for residents of all ages.

Libraries: The Town of Durham maintains and operates the Durham Public Library. The library, in addition to regular library services, provides numerous programs and activities for residents of all ages, including story hours, poetry readings, musical programs, book discussions, travel shows, and a course on parenting.

The Levi E. Coe Library Association maintains and operates the Town of Middlefield’s public library. In addition to regular library services, the library provides pre-school programs, a reference service, special summer programs, and special services for elderly residents.

DISTRICT OFFICIALS

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Current Term</u>
Board of Education			
Chairman.....	Robert Moore.....	Elected	12/23-12/27
Vice Chairman.....	Dr. Linda Darcy.....	Elected	7/22-6/28
Treasurer.....	Jason Stone.....	Elected	12/23-12/27
Secretary.....	Lucy Petrella.....	Elected	7/22-6/28
Member.....	Maura Caramanello.....	Elected	7/23-6/26
Member.....	Christine Cowan.....	Elected	6/25-12/25
Member.....	Lindsay Dahlheimer.....	Elected	12/21-12/25
Member.....	Stephen DeVecchio.....	Elected	12/23-12/27
Member.....	John Mennone.....	Elected	12/21-12/25
Member.....	James Roraback.....	Elected	7/23 - 6/26
Superintendent of Schools.....	Dr. Sydney Leggett.....	Appointed	Indefinite
Director of Finance.....	Kimberly Neubig.....	Appointed	Indefinite
Principal.....	Debra Stone, CRHS.....	Appointed	Indefinite
Principal.....	Katie Trainer, CRHS Asst.....	Appointed	Indefinite
Principal.....	Dave Kimball, Strong School.....	Appointed	Indefinite
Principal.....	Noelle Durkin, Memorial Elementary School...	Appointed	Indefinite
Principal.....	Thomas Ford, Lyman Elementary School.....	Appointed	Indefinite
Principal.....	Debra Murray, Brewster Elementary School....	Appointed	Indefinite

Source: Office of the District Director of Finance and Administration.

DISTRICT’S EDUCATIONAL SYSTEM

Regional School District Number 13 currently has three elementary schools. (1) Brewster Elementary serving grades pre-kindergarten through grade two (located in the Town of Durham), (2) Middlefield Memorial School serving grades three through five (located in the Town of Middlefield) and (3) Lyman Elementary serving grades K through four (located in the Town of Middlefield). The District also has Strong Middle School serving grades six to eight (located in the Town of Durham) and Coginchaug Regional High School serving grades nine through twelve (located in the Town of Durham). Enrollment in the District system as of October 1, 2024 was 1,348 students with a design capacity of 2,093.

At a referendum held on August 27, 2024, voters of the towns of Durham and Middlefield approved a plan to adopt a three-school model with grades pre-K to 5 at Memorial School in Middlefield, grades 6 to 8 at Strong Middle School in Durham and grades 9-12 at Coginchaug Regional High School in Durham. Subsequently, on November 5, 2024 voters of the member towns approved \$76.13 million for the renovation and expansion of Memorial School and the authorization of bonds to finance the renovation and expansion in the amount not to exceed \$39.0 million.

EDUCATIONAL FACILITIES

<u>Schools</u>	<u>Grades</u>	<u>Date of Construction (Last Renovated)</u>	<u>Number of Classrooms</u>	<u>Enrollment 10/1/2024</u>	<u>Design Capacity</u>
F. Brewster Elementary ¹	Pre-K-2	1955 (2002)	24	214	350
John Lyman Elementary ¹	K-4	1966 (1996)	14	207	374
Middlefield Memorial ¹	3-5	1954 (1996)	-	206	400
Frank Ward Strong	6-8	1923 (2002)	31	319	390
Coginchaug Regional High.....	9-12	1970 (2002)	46	362	579
Total			115	1,308	2,093

¹ The District is currently in the process of constructing swing-space at Brewster and Lyman schools in anticipation of the closing of Memorial school for renovation and expansion to a Pre-K to 5 school. Once the renovation and expansion at Memorial School is completed, both Brewster and Lyman schools will be closed.

Source: Office of the District Director of Finance.

SCHOOL ENROLLMENT

<u>Actual</u>				
<u>As of October 1</u>	<u>Grades Pre-K-5</u>	<u>Grades 6-8</u>	<u>Grades 9 - 12</u>	<u>Total Enrollment</u>
2015	720	444	587	1,751
2016	724	446	575	1,745
2017	714	405	556	1,675
2018	663	411	543	1,617
2019	658	356	503	1,517
2020	634	345	461	1,440
2021	642	299	425	1,366
2022	649	312	404	1,365
2023	650	314	386	1,350
2024	627	319	362	1,308
<u>Projections</u>				
<u>As of October 1</u>	<u>Grades Pre-K-5</u>	<u>Grades 6-8</u>	<u>Grades 9 - 12</u>	<u>Total Enrollment</u>
2025	629	324	386	1,339
2026	641	317	367	1,325
2027	643	322	371	1,336
2028	656	310	371	1,337
2028	656	316	373	1,345

Source: District Officials.

DISTRICT MEMBERSHIP BY TOWN

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Town of Durham.....	1,035	951	925	918	908
Town of Middlefield.....	527	474	509	502	475

Source: District Officials.

DISTRICT EMPLOYMENT

<u>Fiscal Year</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2024</u>	<u>2026</u>
Administrators/principals.....	8.0	7.0	10.0	11.0	10.0
Teachers.....	149.0	143.0	142.0	143.0	141.0
Guidance, library & other professionals.	26.0	25.0	24.0	24.0	23.0
Other support.....	157.0	151.0	148.0	148.0	140.0
Totals	<u>340.0</u>	<u>326.0</u>	<u>324.0</u>	<u>326.0</u>	<u>314.0</u>

Source: District Officials.

DISTRICT EMPLOYEES BARGAINING ORGANIZATIONS

<u>Bargaining Group</u>	<u>Organization</u>	<u>Number of Members</u>	<u>Current Expiration Date</u>
Teachers.....	Regional Education Association.....	149	6/30/2026
Custodians.....	AFSCME Local #1303.....	14	6/30/2027
Administrators.....	Administrators Association.....	10	6/30/2027
Support Staff.....	American Federation of Teachers, 4914.....	44	6/30/2027
Cafeteria.....	AFSCME Local 1303.....	11	6/30/2027
Nurses.....	AFL-CIO.....	4	6/30/2026
	Total Employees.....	<u>232</u>	

Source: District Officials.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrebutable presumption that a budget reserve of (i) 5% or less with respect to teachers' contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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III. ECONOMIC AND DEMOGRAPHIC INFORMATION

POPULATION TRENDS

Year	Town of	Town of	The District	Lower CT River	Middlesex	State of
	Durham	Middlefield		Valley Planning	County	Connecticut
				Region		
2000	6,627	4,203	10,830	n/a	155,071	3,405,565
2010	7,293	4,413	11,706	n/a	164,774	3,545,837
2023	7,182	4,236	11,418	176,215	n/a	3,598,348

Source: US Census Bureau, American Community Survey, 2019-2023.

AGE CHARACTERISTICS OF THE POPULATION

Age	Town of Durham		Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Under 5.....	320	4.5	128	3.0	6,800	3.9	181,240
5 - 9.....	171	2.4	140	3.3	8,687	4.9	195,390	5.4
10 - 14.....	419	5.8	291	6.9	7,664	4.3	217,297	6.0
15 - 19.....	387	5.4	242	5.7	9,795	5.6	238,145	6.6
20 - 24.....	315	4.4	127	3.0	11,042	6.3	233,423	6.5
25 - 34.....	753	10.5	421	9.9	20,527	11.6	449,771	12.5
35 - 44.....	1,103	15.4	404	9.5	22,254	12.6	451,461	12.5
45 - 54.....	1,033	14.4	838	19.8	20,848	11.8	462,543	12.9
55 - 59.....	630	8.8	266	6.3	13,142	7.5	260,758	7.2
60 - 64.....	599	8.3	395	9.3	15,185	8.6	257,548	7.2
65 - 74.....	893	12.4	690	16.3	22,612	12.8	376,023	10.4
75 - 84.....	489	6.8	211	5.0	11,855	6.7	187,378	5.2
85 and over..	70	1.0	83	2.0	5,804	3.3	87,371	2.4
Total	7,182	100.0	4,236	100.0	176,215	100.0	3,598,348	100.0

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

EDUCATIONAL ATTAINMENT

	Town of Durham		Town of Middlefield		Lower CT River Valley Planning Region		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
	Less than 9th grade.....	158	3	38	1	2,012	2	101,530
9th to 12th grade.....	160	3	91	3	4,101	3	118,019	5
High School Graduate.....	1,467	26	1,107	33	31,618	24	647,094	26
Some College.....	755	14	452	14	20,392	15	410,591	16
Associate Degree.....	361	6	206	6	11,087	8	193,216	8
Bachelor Degree.....	1,336	24	715	22	34,570	26	581,935	23
Graduate or Professional Degree..	1,333	24	699	21	28,447	22	480,468	19
Total.....	5,570	100	3,308	100	132,227	100	2,532,853	100
Total high school graduate or higher (%)		94.3%		96.1%		95.4%		91.3%
Total bachelor degree or higher (%)		47.9%		42.7%		47.7%		41.9%

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

SELECTED WEALTH AND INCOME INDICATORS

	<u>Median Family Income</u>		<u>Per Capita Income</u>	
	<u>(2000)</u>	<u>(2023)</u>	<u>(2000)</u>	<u>(2023)</u>
Town of Durham.....	\$ 82,864	\$157,625	\$ 29,306	\$ 63,051
Town of Middlefield.....	69,267	144,500	25,711	59,402
Middlesex County.....	71,319	n/a	28,251	n/a
Lower CT River Valley Planing Region...	n/a	127,307	n/a	56,906
Connecticut.....	65,521	120,011	28,766	54,409
United States.....	50,046	96,922	21,587	43,289

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

INCOME DISTRIBUTION

	<u>Town of Durham</u>		<u>Town of Middlefield</u>		<u>Lower CT River Valley Planning Region</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ -0- to 9,999.....	12	0.5	-	0.0	1,178	2.5	22,973	2.5
10,000 to 14,999.....	-	0.0	8	0.7	385	0.8	12,547	1.4
15,000 to 24,999.....	23	1.0	24	2.0	1,040	2.2	29,893	3.3
25,000 to 34,999.....	16	0.7	37	3.1	2,266	4.7	35,598	3.9
35,000 to 49,999.....	67	2.9	35	3.0	1,501	3.1	61,793	6.7
50,000 to 74,999.....	129	5.6	143	12.1	5,819	12.1	108,046	11.8
75,000 to 99,999.....	157	6.8	81	6.9	6,098	12.7	108,216	11.8
100,000 to 149,999..	478	20.7	277	23.4	10,394	21.6	185,242	20.2
150,000 to 199,999..	823	35.7	199	16.8	7,127	14.8	128,574	14.0
200,000 or more.....	602	26.1	378	32.0	12,269	25.5	224,258	24.5
Total.....	<u>2,307</u>	<u>100.0</u>	<u>1,182</u>	<u>100.0</u>	<u>48,077</u>	<u>100.0</u>	<u>917,140</u>	<u>100.0</u>

Source: U.S. Census Bureau, American Community Survey, 2019-2023.

MAJOR EMPLOYERS

<u>Name of Employer</u>	<u>Nature of Entity</u>	<u>Estimated Number of Employees</u>
Zygo Corparation.....	Optical Instruments & Lenses.....	250-499
Regional School District #13.....	Education.....	250-499
Hobson & Motzer Inc.....	Metal Stamping.....	250-499
Marquee Events Featuring.....	Resorts.....	250-499
Lyman Orchards.....	Orchard, retail store.....	100-249
Durham Manufacturing.....	Metal Goods Manufacturing.....	100-249
Cooper-Atkins Corporation.....	Temperature Measuring Material Manufacturer...	100-249
Rogers Manufacturing.....	Plastic Molds Manufacturer.....	100-249
Morgan Advanced Materials.....	Carbon & Graphite Products Manufacturer.....	50-99
United Cleaning & Restoration.....	Roofing Contractor.....	50-99

Source: Connecticut Department of Labor.

UNEMPLOYMENT RATE STATISTICS

Yearly Average	Town of Durham %	Town of Middlefield %	Hartford Labor Market %	State of Connecticut %
2015	3.9	4.5	5.6	5.6
2016	3.3	4.3	4.8	4.8
2017	3.1	3.5	4.4	4.4
2018	2.9	3.1	3.9	3.9
2019	2.5	3.3	3.6	3.6
2020	5.0	6.2	7.8	8.0
2021	3.7	4.8	6.4	6.4
2022	2.9	3.4	4.1	4.1
2023	2.6	3.1	3.7	3.8
2024	2.4	2.9	3.5	3.5
2025 Monthly				
January.....	2.7	3.9	4.0	4.0
February.....	3.1	4.2	4.4	4.5
March.....	2.9	4.1	4.1	4.1
April	2.1	2.7	3.5	3.4
May.....	2.7	3.2	3.9	3.9
June.....	2.3	2.8	3.5	3.4
July.....	3.0	3.7	4.3	3.8

Source: State of Connecticut, Department of Labor, United States Department of Labor, Bureau of Labor Statistics.

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IV. TAX BASE DATA

TAX COLLECTION PROCEDURE AND ASSESSMENT PRACTICES

The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Member Towns for inclusion onto the Grand List, is the responsibility of the Assessor's Office of each Member Town. The Grand Lists represent the total of assessed values for all taxable real and personal property and motor vehicles located within the Member Towns on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's lists on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

The Member Towns recently had general property revaluations as follows: Durham effective October 1, 2020 and Middlefield effective October 1, 2021. Prior to the completion of each revaluation, the respective Assessor shall conduct a field review. When a new structure, or modification to an existing structure, is undertaken, the respective Assessor's Office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically. Assessments for both personal property and motor vehicles are computed at 70 percent of value.

Property taxes are levied on all assessed property on the Grand Lists of October 1 prior to the beginning of the fiscal year. At the discretion of each Member Town and for the convenience of the taxpayers, real property taxes in excess of \$100 are payable in two installments, July 1 and January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessor errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. A modest estimate for delinquent taxes and outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Delinquent taxes are billed at least twice a year, with interest charged at the rate of one and one-half percent per month, with a minimum charge of \$2. In accordance with State statutes, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are automatically lienied each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Real estate accounts and other accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

Section 12-124a of the Connecticut General Statutes permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed 8% of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income. The owner must agree to pay the amount of taxes abated with interest at 6% per annum or at such rate as approved by the legislative body at such time that the residence is sold or transferred or on the death of the last surviving owner. A lien for such amounts is recorded in the land records but does not take precedence over any mortgage recorded before the lien.

Public Act 06-176 permits a municipality upon approval by its legislative body, to freeze the property taxes due from certain low income elderly residents. Any municipality providing such property for relief may place a lien upon such property in the amount of total tax relief granted plus interest.

For assessment years commencing on or after October 1, 2024, assessments for motor vehicles are computed at 70% of the vehicle's depreciated manufacturer's suggested retail price ("MSRP") pursuant to Section 12-63(7) of the Connecticut General Statutes. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits.

MOTOR VEHICLE PROPERTY TAX RATE

Connecticut General Statutes Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The statute provides that (1) for the assessment year October 1, 2016 (the fiscal year ending June 30, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the fiscal year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located

would result in a combined motor vehicle mill rate in excess of these mill rate caps. For fiscal year 2025-26 the Town of Durham and Middlefield issued motor vehicles tax bills based on a mill rate of 32.46 and 29.80 mills, respectively.

For the fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

ASSESSED VALUATIONS

The following table sets forth the net taxable grand lists of the Member Towns:

Town of Durham

Grand List Dated	FY Ending 30-Jun	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	% Growth
2024	2026	79.6	10.5	9.9	\$798,641,950	\$29,437,677	\$769,204,273	-1.0%
2023	2025	78.4	10.0	11.6	808,227,510	31,057,288	777,170,222	-0.1%
2022	2024	78.2	9.5	12.3	808,223,300	30,362,465	777,860,835	0.9%
2021	2023	78.7	9.5	11.8	799,605,505	28,801,024	770,804,481	3.6%
2020 ¹	2022	81.7	8.7	9.6	768,493,842	24,808,076	743,685,766	4.8%
2019	2021	82.3	8.2	9.5	735,049,034	25,664,811	709,384,223	1.2%
2018	2020	83.5	7.4	9.2	723,755,053	23,048,647	700,706,406	-1.0%
2017	2019	84.0	8.4	9.4	731,644,206	23,853,017	707,791,189	1.2%
2016	2018	83.7	7.7	9.2	723,200,769	23,921,821	699,278,948	0.6%
2015 ¹	2017	83.4	7.5	9.1	718,704,805	23,627,885	695,076,920	-7.1%

¹ Revaluation

Source: Town annual audit reports.

Town of Middlefield

Grand List Dated	FY Ending 30-Jun	Real Property (%)	Personal Property (%)	Motor Vehicle Property (%)	Gross Taxable Grand List	Less Exemptions	Net Taxable Grand List	% Growth
2024	2026	80.6	11.5	7.8	\$578,116,020	\$56,135,770	\$521,980,250	-1.2%
2023	2025	80.3	10.5	9.2	578,655,678	50,138,140	528,517,538	0.1%
2022	2024	80.4	9.7	9.9	575,511,970	47,647,208	527,864,762	1.2%
2021 ¹	2023	81.1	9.4	9.5	569,550,050	48,168,776	521,381,274	20.0%
2020	2022	80.1	11.3	8.6	481,529,500	47,209,570	434,319,930	0.2%
2019	2021	80.0	12.0	8.0	481,455,534	47,877,540	433,577,994	2.7%
2018	2020	82.1	10.2	7.8	468,073,150	45,935,910	422,137,240	10.8%
2017	2019	82.0	9.3	8.5	427,373,074	46,238,410	381,134,664	2.9%
2016 ¹	2018	80.8	8.0	8.2	416,059,640	45,834,650	370,224,990	-4.2%
2015	2017	84.6	7.1	8.3	428,557,080	42,249,670	386,307,410	-5.5%

¹ Revaluation

Source: Town annual audit reports.

LARGEST TAXPAYERS

Town of Durham

<u>Business-Name</u>	<u>Nature Of Business</u>	<u>Estimated Assessment 10/1/2024</u>	<u>Rank</u>	<u>Percent of Total</u>
Connecticut Light & Power Company.....	Utility.....	\$19,321,790	1	2.51%
Yankee Gas Service Co.....	Utility.....	12,781,580	2	1.66%
Hobson & Motzer Inc.....	Manufacturing, metal stamping.....	13,877,310	3	1.80%
Durham Manufacturing Co.....	Manufacturing, industrial storage products..	12,615,250	4	1.64%
Morgan Crucible.....	Manufacturing furnace/foundry products.....	2,813,240	5	0.37%
Tilcon Inc.....	Real Estate.....	2,562,000	6	0.33%
Dinatale Rentals LLC.....	Real Estate, warehouse.....	2,455,600	7	0.32%
CSK realty LLC.....	Real Estate.....	2,105,180	8	0.27%
Greenbacker Charles & Sons, LLC.....	Real Estate.....	1,329,110	9	0.17%
J&T Route 68 Property Management.....	Real Estate.....	1,319,990	10	0.17%
Total		<u>\$71,181,050</u>		<u>9.25%</u>

Source: Town Officials.

Town of Middlefield

<u>Business-Name</u>	<u>Nature Of Business</u>	<u>Estimated Assessment 10/1/2024</u>	<u>Rank</u>	<u>Percent of Total</u>
Eversource Energy.....	Utility.....	\$22,299,660	1	4.27%
Zygo Corp.....	Manufacturing, optical instruments.....	19,887,180	2	3.81%
Lyman Farm Inc.....	Farm and Retail Store.....	7,649,810	3	1.47%
Powder Ridge Mountain Park Holding.....	Ski Mountain.....	3,772,530	4	0.72%
Connecticut Self Storage of Middlefield..	Self-storage.....	2,732,900	5	0.52%
Rogers Manufacturing.....	Manufacturing, plastic products.....	3,052,760	6	0.58%
T E T Manufacturing Co. Inc.....	Manufacturing, machine tools.....	1,205,940	7	0.23%
Ramar Hall Inc.....	Real Estate.....	1,128,830	8	0.22%
Cooper Atkins Corp.....	Manufacturing, measuring instruments.....	960,800	9	0.18%
890 Main Street LLC.....	Real Estate.....	913,200	10	0.17%
Total		<u>\$63,603,610</u>		<u>12.17%</u>

Source: Town Officials.

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TAX LEVIES AND COLLECTIONS

The following table sets forth the net taxable grand lists, the amount of annual property tax levy, and the tax collection record of the Member Towns:

Town of Durham

Grand List	FY Ending	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Uncollected End of Each Fiscal Year	Percent Annual Levy Uncollected 6/30/2024	Amount Uncollected as of 6/30/2024
2024	2026	\$769,204,273	37.39	\$28,556,146	In Process	In Process	In Process	In Process
2023	2025	777,170,222	35.70	27,533,298	In Process	In Process	In Process	In Process
2022	2024	777,860,835	34.78	26,926,909	99.1%	0.9%	0.9%	\$243,604
2021	2023	770,804,481	34.57	26,531,312	99.8%	0.2%	0.2%	62,925
2020 ¹	2022	743,685,766	35.56	26,363,069	99.9%	0.1%	0.1%	26,580
2019	2021	709,384,223	35.78	25,460,198	100.0%	0.0%	0.0%	6,460
2018	2020	700,706,406	35.89	25,194,632	98.7%	1.3%	0.0%	7,198
2017	2019	707,791,189	36.94	25,887,457	99.0%	1.0%	0.0%	9,509
2016	2018	699,278,948	36.85	25,924,400	98.9%	1.1%	0.0%	8,735
2015 ¹	2017	695,076,920	35.31	24,620,801	98.8%	1.2%	0.0%	5,859

¹ Revaluation

Sources: Assessor’s Office

Town of Middlefield

Grand List	FY Ending	Net Taxable Grand List	Mill Rate	Tax Levy	Percent Collected End of Each Fiscal Year	Percent Uncollected End of Each Fiscal Year	Percent Annual Levy Uncollected 6/30/2025¹	Amount Uncollected As of 6/30/2025¹
2024	2026	\$522,014,970	29.80	\$15,490,140	In process	In process	In process	In process
2023	2025	528,517,538	28.06	14,892,692	98.8%	1.2%	1.2%	\$ 180,061
2022	2024	527,864,762	28.24	14,935,911	99.7%	0.3%	0.3%	40,545
2021 ²	2023	521,381,274	27.56	14,393,449	99.9%	0.1%	0.1%	14,705
2020	2022	434,319,930	31.82	13,812,631	99.9%	0.1%	0.1%	12,158
2019	2021	433,577,994	32.23	14,033,647	100.0%	0.0%	0.0%	6,851
2018	2020	422,137,240	32.47	13,729,977	98.0%	2.0%	0.0%	188
2017	2019	381,134,664	34.49	14,356,338	97.9%	2.1%	0.0%	183
2016 ²	2018	370,224,990	34.96	13,978,474	98.4%	1.6%	0.0%	321
2015	2017	386,307,410	32.84	13,665,986	98.4%	1.6%	0.1%	7,062

¹ Unaudited estimate.

² Revaluation

Sources: Assessor’s Office

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EQUALIZED NET GRAND LIST

Town of Durham

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2023	\$1,549,977,081	5.1%
2022	1,475,009,366	8.5%
2021	1,359,968,477	28.0%
2020 ¹	1,062,373,464	0.1%
2019	1,061,426,007	3.6%
2018	1,024,699,541	-3.1%
2017	1,057,191,266	2.7%
2016	1,029,057,511	3.7%
2015 ¹	992,588,484	-5.1%
2014	1,046,399,211	3.5%

¹ Revaluation

Town of Middlefield

<u>Grand List of 10/1</u>	<u>Equalized Net Grand List</u>	<u>% Growth</u>
2023	\$1,005,441,001	9.7%
2022	916,879,936	22.7%
2021 ¹	746,970,728	-1.9%
2020	761,588,773	16.0%
2019	656,614,906	2.3%
2018	641,544,039	0.7%
2017	637,122,387	11.2%
2016 ¹	572,716,343	-4.1%
2015	597,503,926	2.6%
2014	582,193,266	-0.1%

¹ Revaluation

Sources: Assessor's Office, State of Connecticut Office of Policy and Management.

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V. FINANCIAL INFORMATION

FISCAL YEAR

The District's fiscal year begins July 1 and ends June 30.

ACCOUNTING POLICIES

The District's accounting policies are summarized in Note 1 "Summary of Significant Accounting Policies" in the Notes to Financial Statements (Appendix A).

BASIS OF ACCOUNTING

See Note 1 "Measurement Focus, Basis of Accounting and Financial Statement Presentation" in the Notes to Financial Statements (Appendix A).

ANNUAL AUDIT

Pursuant to the provisions as delineated in the Municipal Auditing Act (Chapter 111 of the Connecticut General Statutes), the District is obligated to undergo an annual examination by an independent certified public accountant. The firm of CliftonLarsonAllen LLP of West Hartford, Connecticut, are the auditors, and are required to conduct an examination under the guidelines issued by the State of Connecticut, Office of Policy & Management, who receive a copy of said audit report when completed.

The District's finances are operated primarily through the General Fund. All assessments from the Member Towns, and most other revenues, are paid into the General Fund and all current operating expenditures are made from it. Financial statements of the District are included in the audited "Financial Statements" herein (Appendix A).

BUDGETARY PROCEDURES

It is the policy of the Board of Education to ask the Superintendent to direct the preparation of the budget and to submit it to the Board for its tentative approval and for later public hearing and approval. The Superintendent is asked to confer with the school staff on budgetary needs, as well as to consider priorities that have been determined by the Board.

The following deadlines pertaining to budget adoption are set by Connecticut law:

1. The budget must be presented for vote of the electors of the Member Towns at the Annual Meeting of the District, which meeting must be held on the first Monday or Tuesday of May.
2. Not less than two weeks prior to such Annual Meeting, the Board must hold a public hearing on the proposed budget, at which time any person may recommend inclusion or deletion of expenditures.
3. At least five days before the Annual Meeting of the District, the Board must deliver copies of its completed budget to the Town Clerks of each of the Member Towns and make available other copies on request.
4. If the budget is rejected by a majority vote at the Annual Meeting of the District, the Board must, within four weeks, and upon notice of not less than one week, call another District meeting to consider the same or a revised budget. Such meetings must be convened at such intervals until a budget is passed.
5. If a District budget is not approved before the beginning of a fiscal year, the disbursing officer for each member town, or the designee of such officer, shall make necessary expenditures to the District in amounts equal to a total of the town's appropriation to the District for the previous year and the town's proportionate share in any increment in debt service over the previous fiscal year, until a budget is approved. The town shall receive credit for such expenditures once the District budget is approved for the fiscal year.

EMPLOYEE PENSION SYSTEMS

The District

The District is the administrator of a single-employer pension employee system ("PERS") established and administered by the District to provide pension benefits for its employees. The plan covers substantially all regular employed, permanent noncertified employees of the District. Contribution requirements of the plan members and the District are established and may

be amended by the Board of Education. Plan members are required to contribute 5% of their earnings to the plan. The District is required to contribute at an actuarially determined rate. Administrative costs of the plan are financed through investment earnings of the plan's assets.

The District implemented Government Accounting Standards Board's ("GASB") Statement No. 67 effective Fiscal Year 2015. Net position is based on fair market value as of June 30 for the District employees. The Total Pension Liability is based on the actuarial assumptions as of the prior valuation date updated to July 1, 2024. The date of the District's most recent actuarial valuation was July 1, 2023.

In accordance with GASB Statement No. 67, the components of the net pension liability of the District's pension plans as of June 30 were as follows:

	Public Employees Retirement System (PERS) Plan				
	2024	2023	2022	2021	2020
Total pension liability.....	\$13,418,735	\$12,825,248	\$12,194,058	\$11,416,138	\$10,906,158
Plan fiduciary net position.....	12,377,106	11,366,137	10,574,450	11,869,510	9,474,108
Net pension liability.....	<u>\$1,041,629</u>	<u>\$1,459,111</u>	<u>\$1,619,608</u>	<u>(\$453,372)</u>	<u>\$1,432,050</u>
Plan fiduciary net position as a % of total pension liability.	92.2%	88.6%	86.7%	104.0%	86.9%

The following represents the net pension liability of the District's pension plan, calculated using the discount rates listed below, 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 or 1 percentage point higher than the current rate:

	Fiscal year ending June 30, 2024		
	1% Decrease	Current	1% Increase
	5.75%	Discount Rate	7.75%
PERS Plan:			
Net Pension Liability.....	\$ 2,416,840	\$ 1,041,629	\$ (131,845)

The following represents the actuarially determined employer contribution with the annual contribution made annually over the last five years:

Actuarial Valuation Date	Actuarially Determined Employer Contribution (ADEC)	Annual Contribution	% of ADEC Contributed
<i>PERS Plan</i>			
2025 ¹	\$345,062	\$345,062	100.00%
2024	342,252	342,252	100.00%
2023	335,145	335,145	100.00%
2022	314,916	314,916	100.00%
2021	307,673	307,673	100.00%

¹ Unaudited estimate.

All teachers and certified administrators employed by Regional School District Number 13 participate in a contributory defined benefit plan (the "Benefit Plan") established under Chapter 167a of the Connecticut General Statutes which is administered by the Connecticut State Teachers' Retirement Board. Certain part-time and all full-time certified teachers are eligible to participate in the Benefit Plan and are required to contribute 7% of their annual earnings to the Benefit Plan. The retirement system is funded by the State based on the recommendation of the Teachers' Retirement Board. Such contribution includes

amortization of the actuarially computed unfunded liability. The District does not and is not legally responsible to contribute to the Benefit Plan.

For further information and descriptions of the plan see Appendix A, Notes to Financial Statements, herein.

The Town of Durham

The Town of Durham is the administrator of a single-employer, contributory, defined benefit public employee’s retirement system (“PERS”) plan to provide pension benefits to substantially all Town employees. Participation in the plan is available to all eligible employees who have attained the age of 21 and who have completed one year of service. Employees are required to contribute 5.99% of their regular earnings to the plan. The Town is required to contribute the remaining amount necessary to finance the benefits for its employees as are actuarially determined.

In accordance with GASB Statement No. 67, the components of the net pension liability of the Town of Durham's pension plans as of June 30 were as follows:

	Public Employees Retirement System (PERS) Plan				
	2024	2023	2022	2021	2020
Total pension liability.....	\$5,931,297	\$5,812,365	\$5,571,682	\$5,166,558	\$4,654,687
Plan fiduciary net position.....	5,088,399	4,765,424	4,432,957	4,540,093	3,599,415
Net pension liability.....	<u>\$842,898</u>	<u>\$1,046,941</u>	<u>\$1,138,725</u>	<u>\$626,465</u>	<u>\$1,055,272</u>
Plan fiduciary net position as a % of total pension liability.	85.8%	82.0%	79.6%	87.9%	77.3%

The following represents the net pension liability of the Town of Durham's pension plan, calculated using the discount rates listed below, as well as what the Town of Durham's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Fiscal year ending June 30, 2024		
	Current		
	1% Decrease	Discount Rate	1% Increase
	5.500%	6.500%	7.500%
PERS Plan:			
Net Pension Liability.....	\$ 1,485,286	\$ 842,898	\$ 291,158

The following represents the actuarially determined employer contribution with the annual contribution made annually over the last five years:

Actuarial	Actuarially	Annual	% of ADC
Valuation	Determined	Contribution	Contributed
Date	Employer	Contribution	Contributed
	Contribution		
	(ADEC)		
<i>PERS Plan</i>			
2024	\$164,376	\$164,376	100.00%
2023	180,226	180,226	100.00%
2022	184,600	184,600	100.00%
2021	157,795	157,795	100.00%
2020	153,302	153,302	100.00%

Defined Contribution Plan:

Effective July 1, 2017, the Town adopted a defined contribution 401(a) plan for Town of Durham employees. Plan benefits and contribution requirements are established by plan documents and approved by the Board of Selectmen. After one year of

service, Town employees are required to contribute 6% of their earnings on a pre-tax basis. The Town will contribute 3% of the earnings. Total contributions by employees and the Town were \$52,344 and \$30,342, respectively for the fiscal year ended June 30, 2024.

The Town of Middlefield

Town of Middlefield employees and full-time police participate in the Municipal Employees’ Retirement Fund (“MERF”), a multiple-employer public employee retirement system (“PERS”) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. MERF is a part of the State of Connecticut financial reporting entity and is included in the State’s financial reports as a pension trust fund.

Covered employees are required by State statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate.

	Connecticut Municipal Employees' Retirement System (General Employees)				
	2024	2023	2022	2021	2020
Town's porportion of Net Pension Liability.....	0.198323%	0.205476%	0.202786%	0.164151%	0.210108%
Town's proportionate share of the Net Pension Liability.....	\$ 904,852	\$ 923,828	\$ 479,947	\$ 644,624	\$ 775,469
Town's covered-employee payroll.....	\$ 598,571	\$ 578,810	\$ 549,108	\$ 420,392	\$ 540,128
Town's proportionate share of the Net Pension Liability as a percentage of its covered-employee payroll.....	151.17%	159.61%	87.40%	153.34%	143.57%
Plan fiduciary position as percentage of the Total Pension Liability.....	69.54%	68.71%	82.59%	71.18%	72.69%

The following represents the net pension liability of the Town of Durham's pension plan, calculated using the discount rates listed below, as well as what the Town of Durham's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Fiscal year ending June 30, 2024		
	Current		
	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
CMERS Plan:			
Net Pension Liability.....	\$ 1,255,738	\$ 904,852	\$ 609,220

The following represents the actuarially determined employer contribution with the annual contribution made annually over the last five years:

Actuarial Valuation Date	Actuarially Determined Employer Contribution (ADEC)	Annual Contribution	% of ADC Contributed
<i>CMERS Plan</i>			
2024	\$101,585	\$101,585	100.00%
2023	86,791	86,791	100.00%
2022	61,611	61,611	100.00%
2021	58,190	58,190	100.00%
2020	65,749	65,749	100.00%

OTHER POST-EMPLOYMENT BENEFITS

The District

The District administers a single employer defined benefit healthcare plan, the Regional School District No. 13 Retiree Health Plan (RHP), to provide medical and life insurance benefits for eligible retirees and their spouses. All employees of the District are eligible to participate in the plan. Benefit provisions are established through negotiations between the District and the various unions representing the employees. The District currently pays for postemployment health care benefits on a pay-as-you-go basis. Administrative costs are financed from current operations.

As of July 1, 2024, the date of the last actuarial valuation, membership in the plan consisted of 305 active members and 12 retirees for a total of 317 members.

The District implemented GASB Statement No. 74 effective in Fiscal Year 2017. In accordance with GASB Statement No. 74, the components of the net pension liability of the District's OPEB plans as of June 30 were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance - July 1, 2023.....	\$4,782,666	\$3,817,280	\$4,460,819	\$5,758,636	\$4,746,613
Changes for the year:					
Service Cost.....	45,690	67,785	84,828	127,805	95,735
Interst on Total OPEB Liability.....	170,972	133,562	96,786	128,758	167,477
Difference Bewtween Expected and.....					
Acutal Experience.....	15,039	889,836	22,609	(1,469,726)	(1,426)
Change in Assumptions or Other Inputs....	(143,259)	100,459	(717,464)	36,572	893,270
Benefit Payments.....	(291,004)	(226,256)	(130,298)	(121,226)	(143,033)
Net Changes.....	<u>(202,562)</u>	<u>965,386</u>	<u>(643,539)</u>	<u>(1,297,817)</u>	<u>1,012,023</u>
Balance - June 30, 2024.....	<u>\$4,580,104</u>	<u>\$4,782,666</u>	<u>\$3,817,280</u>	<u>\$4,460,819</u>	<u>\$5,758,636</u>

The following represents the net OPEB liability of the District's OPEB plan, calculated using the discount rates listed below, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Fiscal year ending June 30, 2024</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>2.93%</u>	<u>3.93%</u>	<u>4.93%</u>
Net OPEB Liability.....	\$ 5,123,408	\$ 4,580,104	\$4,117,710

The following represents the net OPEB liability of the District's OPEB plan, calculated using the healthcare cost trend rates listed below, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Fiscal year ending June 30, 2024</u>		
	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
	<u>(5.50% decreasing to 3.40%)</u>	<u>(6.50% decreasing to 4.40%)</u>	<u>(7.50% decreasing to 5.40%)</u>
Net OPEB Liability.....	\$ 4,027,370	\$ 4,580,104	\$ 5,233,541

The Town of Durham

The Town of Durham provides post-employment medical benefits to eligible retirees and their spouses through a single-employer, contributory, defined benefit healthcare OPEB plan. No assets are accumulated in a trust that meets the requirements of GASB 75.

As of July 1, 2023, the date of the most recent actuarial valuation, membership in the plan consisted of 16 active members and no retirees and dependents for a total of 16 members.

The Town of Durham implemented GASB Statement No. 74 effective in Fiscal Year 2017. In accordance with GASB Statement No. 74, the components of the net pension liability of the District's OPEB plans as of June 30 were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Balance - July 1, 2023.....	\$ 23,616	\$ 21,321	\$ 32,505	\$ 28,794	\$ 73,674
Changes for the year:					
Service Cost.....	3,153	3,064	4,831	4,608	8,046
Interest on Total OPEB Liability.....	948	863	806	738	2,868
Difference Between Expected and.....					
Actual Experience.....	(15,034)	(1,512)	4,901	(1,685)	(57,803)
Change in Assumptions or Other Inputs....	(121)	(120)	(21,722)	50	2,009
Net Changes.....	<u>(11,054)</u>	<u>2,295</u>	<u>(11,184)</u>	<u>3,711</u>	<u>(44,880)</u>
Balance - June 30, 2024.....	<u>\$ 12,562</u>	<u>\$ 23,616</u>	<u>\$ 21,321</u>	<u>\$ 32,505</u>	<u>\$ 28,794</u>

The following represents the net OPEB liability of the Town of Durham's OPEB plan, calculated using the discount rates listed below, as well as what the Town of Durham's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	<u>Fiscal year ending June 30, 2024</u>		
	Current		
	1% Decrease	Discount Rate	1% Increase
	<u>1.16%</u>	<u>2.16%</u>	<u>3.16%</u>
Net OPEB Liability.....	\$ 13,033	\$ 12,562	\$ 12,072

The following represents the net OPEB liability of the Town of Durham's OPEB plan, calculated using the healthcare cost trend rates listed below, as well as what the Town of Durham's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>Fiscal year ending June 30, 2024</u>		
	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
	<u>(5.50% decreasing to 3.60%)</u>	<u>(6.50% decreasing to 4.60%)</u>	<u>(7.50% decreasing to 5.60%)</u>
Net OPEB Liability.....	\$ 11,130	\$ 12,562	\$ 14,265

The Town of Middlefield

The Town of Middlefield does not provide post-employment benefits to its retirees.

STATE AND FEDERAL AID FOR OPERATING PURPOSES

Fiscal Year	General Fund Revenues	Intergovernmental Revenue	Intergovernmental Revenue as a % General Fund Revenue
2026 ¹	\$ 42,542,547	\$ 714,631	1.7%
2025 ²	40,237,579	743,081	1.8%
2024	44,570,901	6,235,741	14.0%
2023	42,520,594	5,874,045	13.8%
2022	40,901,256	5,210,180	12.7%
2021	40,672,718	5,436,698	13.4%
2020	40,215,412	5,417,181	13.5%
2019	38,325,342	2,635,379	6.9%
2018	42,786,758	6,991,152	16.3%
2017	41,203,550	6,274,468	15.2%

¹ Adopted Budget, excludes on-behalf payments for Teachers' Pension Fund.

² Unaudited estimate excludes on-behalf payment for Teachers' Pension Fund.

Source: Annual audited financial statements, fiscal year 2024-25 unaudited estimate; fiscal year 2025-26 adopted budget.

EXPENDITURES

The District's major expenditure is for salaries. Approximately 55% of fiscal year 2025-26 General Fund expenditures are budgeted for that purpose. Other major expenditures and their approximate percentages include benefits at 16%, operational services at 17%, capital outlays at 7% and debt service at 2%.

District expenditures are summarized for fiscal years 2020 - 2024 in "Statement of Revenues, Expenditures and Changes in Fund Balance, General Fund", herein.

MUNICIPAL BUDGET EXPENDITURES CAP

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. For fiscal year ending June 30, 2024, the Towns of Durham and Middlefield received a municipal revenue sharing grant in the amounts of \$244,059 and \$108,810, respectively. For fiscal year ending June 30, 2025, the Towns of Durham and Middlefield did not receive any municipal revenue sharing grants.

COMPARATIVE GENERAL FUND OPERATING STATEMENT
(BUDGET AND ACTUAL – BUDGETARY BASIS)

The District

	Fiscal Year 2023-24			2024-25 Unaudited Estimate	2025-26 Adopted Budget
	Final Budget	Actual Operations	Variance Favorable (Unfavorable)		
REVENUES					
Member Town assessments.....	\$ 38,155,714	\$ 38,155,714	\$ -	\$ 39,297,812	\$ 41,647,916
Intergovernmental.....	589,863	428,850	(161,013)	743,081	714,631
Charges for services.....	58,000	72,077	14,077	71,670	80,000
Interest income.....	45,000	46,961	1,961	46,273	50,000
Other revenues.....	87,200	60,408	(26,792)	78,743	50,000
TOTAL REVENUES.....	38,935,777	38,764,010	(171,767)	40,237,579	42,542,547
EXPENDITURES					
Salaries.....	22,035,118	22,454,355	(419,237)	23,710,008	23,788,173
Employee benefits.....	6,291,326	6,539,731	(248,405)	6,712,048	7,113,866
Purchased services.....	1,519,129	1,152,652	366,477	1,255,786	1,437,086
Property services.....	1,223,414	1,218,453	4,961	1,434,155	1,791,150
Operational services.....	4,401,447	4,063,593	337,854	4,972,019	5,400,429
Supplies.....	1,588,750	1,167,077	421,673	1,240,547	1,547,882
Capital Outlays.....	1,365,978	1,305,732	60,246	1,293,003	1,378,848
Dues and fees.....	-	-	-	61,207	85,113
Debt Services:					
Principal.....	680,000	680,000	-	335,694	360,000
Interest.....	321,413	321,413	-	290,506	266,200
TOTAL EXPENDITURES.....	39,426,575	38,903,006	523,569	41,304,973	43,168,747
Excess (deficiency) of revenues over expenditures.....	(490,798)	(138,996)	351,802	(1,067,394)	(626,200)
Other financing sources (uses):					
Cancellation of prior year's encumbrances.....	-	-	-	-	-
Appropriated fund balance.....	490,798	-	(490,798)	-	626,200
Transfers in.....	-	-	-	626,200	-
Transfers out.....	-	(15,000)	(15,000)	-	-
Total other financing sources (uses).....	490,798	(15,000)	(505,798)	626,200	626,200
Net change in fund balances.....	\$ -	\$ (153,996)	\$ (153,996)	\$ (441,194)	\$ -

Source: Annual audited financial statements, fiscal year 2024-25 unaudited estimate and 2025-26 adopted budget.

Town of Durham

	Fiscal Year 2023-24			Fiscal Year	Fiscal Year
	Final	Actual	Variance	2024-25	2025-26
	Budget	Operations	Favorable	Adopted	Adopted
REVENUES			(Unfavorable)	Budget	Budget
Property taxes.....	\$ 27,291,658	\$ 27,196,222	\$ (95,436)	\$ 28,102,089	\$ 29,038,986
Intergovernmental.....	4,181,611	4,340,656	159,045	4,298,165	4,411,910
Local revenues.....	1,252,182	2,033,337	781,155	964,232	908,865
Miscellaneous.....	-	2,073	-	-	-
TOTAL REVENUES.....	32,725,451	33,572,288	844,764	33,364,486	34,359,761
EXPENDITURES					
Current:					
Elected officials.....	506,819	475,538	31,281	570,906	564,390
Professional Services.....	693,811	640,896	52,915	731,796	731,301
Town Commissions.....	105,150	73,065	32,085	80,862	96,584
Buildings and grounds.....	428,085	422,038	6,047	455,455	330,687
General Expenses.....	1,487,022	1,244,475	242,547	1,338,814	1,465,911
Public Works.....	1,550,384	1,485,526	64,858	1,320,981	1,321,648
Public Safety.....	634,357	610,539	23,818	585,303	616,688
Health and welfare.....	305,503	286,881	18,622	268,201	331,373
Library.....	533,425	531,043	2,382	545,257	549,530
Recreation.....	164,085	162,434	1,651	228,523	240,868
Education.....	24,667,668	24,667,668	-	25,799,015	26,935,401
Capital Improvements.....	1,299,110	669,380	629,730	782,488	1,052,570
Environmental Services.....	333,608	325,564	8,044	364,525	415,527
Debt Service.....	137,685	137,685	-	134,895	132,105
Miscellaneous.....	45,180	44,280	900	124,068	230,518
TOTAL EXPENDITURES	32,891,892	31,777,012	1,114,880	33,331,089	35,015,101
Revenues over (under) expenditures.....	(166,441)	1,795,276	1,959,644	33,397	(655,340)
Other financing sources (uses):					
Operating transfers in.....	-	-	-	-	-
Operating transfers out.....	(705,589)	(705,589)	-	(236,397)	(344,660)
Appropriated fund balance.....	872,030	872,030	-	203,000	1,000,000
Total other financing sources (uses).....	166,441	166,441	-	(33,397)	655,340
Net change in fund balances.....	\$ -	\$ 1,961,717	\$ 1,959,644	\$ -	\$ -

Source: Annual audited financial statements, and fiscal year 2024-25 and 2025-26 adopted budgets.

Town of Middlefield

	Fiscal Year 2023-24			Fiscal Year	Fiscal Year
	Final	Actual	Variance	2024-25	2025-26
	Budget	Operations	Favorable	Unaudited	Adopted
			(Unfavorable)	Estimate	Budget
REVENUES					
Property taxes.....	\$ 14,866,263	\$ 15,112,949	\$ 246,686	\$ 15,010,220	\$ 15,490,140
Intergovernmental.....	2,246,560	2,360,757	114,197	2,399,239	2,391,158
Charges for services.....	156,100	231,606	75,506	184,203	186,500
Investment income.....	220,000	724,861	504,861	549,413	400,000
Other.....	68,362	156,486	88,124	123,731	64,675
TOTAL REVENUES	17,557,285	18,586,659	1,029,374	18,266,806	18,532,473
EXPENDITURES					
Current:					
General government.....	2,560,430	2,425,407	135,023	2,693,126	2,814,208
Public safety.....	603,975	513,505	90,470	532,577	571,089
Public works.....	578,239	519,541	58,698	648,800	603,547
Senior/social services.....	70,399	70,397	2	74,414	82,491
Parks and recreation.....	171,687	155,538	16,149	176,320	185,971
Regional School District 13.....	13,488,046	13,488,046	-	13,498,797	14,143,447
Debt service.....	50,736	50,735	1	50,736	50,736
TOTAL EXPENDITURES	17,523,512	17,223,169	300,343	17,674,770	18,451,489
Revenues over (under) expenditures.....	33,773	1,363,490	1,329,717	592,036	80,984
Other financing sources (uses):					
Use of fund balance.....	910,824	-	-	-	1,057,750
Operating transfers in.....	49,494	48,331	(1,163)	51,613	58,425
Operating transfers out.....	(994,091)	(994,091)	-	(1,276,642)	(1,197,159)
Total other financing sources (uses).....	(33,773)	(945,760)	(1,163)	(1,225,029)	(80,984)
Net change in fund balances.....	\$ -	\$ 417,730	\$ 1,328,554	\$ (632,993)	\$ -

Source: Annual audited financial statements, and fiscal year 2024-25 unaudited estimate and 2025-26 adopted budget.

COMPARATIVE BALANCE SHEETS - GENERAL FUND

The District

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSETS					
Cash and cash equivalents.....	\$ 2,504,684	\$ 1,708,453	\$ 884,717	\$ 270,566	\$ 194,152
Accounts receivable.....	-	-	-	-	464,535
Intergovernmental receivable.....	43,915	-	-	7,573	-
Due from other funds.....	116,999	177,404	-	15,000	-
TOTAL ASSETS.....	<u>\$ 2,665,598</u>	<u>\$ 1,885,857</u>	<u>\$ 884,717</u>	<u>\$ 293,139</u>	<u>\$ 658,687</u>
LIABILITIES AND FUND BALANCES..					
LIABILITIES					
Accounts and other payables.....	\$ 196,857	\$ 227,368	\$ 101,114	\$ 79,414	\$ 66,726
Unearned revenue	-	-	3,000	-	-
Due to other funds	-	-	-	-	464,535
TOTAL LIABILITIES.....	<u>196,857</u>	<u>227,368</u>	<u>104,114</u>	<u>79,414</u>	<u>531,261</u>
FUND BALANCES					
Nonspendable.....	-	-	-	-	-
Restricted.....	1,909,927	1,116,458	493,856	-	-
Committed.....	-	-	-	-	-
Assigned.....	558,814	542,031	286,747	247,191	222,522
Unassigned.....	-	-	-	(33,466)	(95,096)
TOTAL FUND BALANCES.....	<u>2,468,741</u>	<u>1,658,489</u>	<u>780,603</u>	<u>213,725</u>	<u>127,426</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES FUND BALANCES.....	<u>\$ 2,665,598</u>	<u>\$ 1,885,857</u>	<u>\$ 884,717</u>	<u>\$ 293,139</u>	<u>\$ 658,687</u>

Source: Annual audited financial statements.

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Town of Durham

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSETS					
Cash and cash equivalents.....	\$ 6,272,188	\$ 7,203,248	\$ 6,719,012	\$ 7,397,707	\$ 7,800,691
Receivables, net:					
Property taxes.....	757,429	864,337	709,660	600,012	524,825
Other	89,935	110,571	119,278	163,163	24,367
Due from other funds.....	441,660	424,902	390,727	432,777	2,681,432
Prepaid items.....	2,500	2,500	2,500	2,500	2,500
TOTAL ASSETS	<u>\$ 7,563,712</u>	<u>\$ 8,605,558</u>	<u>\$ 7,941,177</u>	<u>\$ 8,596,159</u>	<u>\$11,033,815</u>
LIABILITIES					
Accounts payables	\$ 737,161	\$ 481,853	\$ 668,540	\$ 654,211	\$ 698,134
Accrued expenses.....	53,922	63,494	35,439	42,319	49,727
Unearned revenue.....	-	-	-	-	78,611
Due to other funds.....	560,092	1,559,785	458,492	120,446	1,375,098
TOTAL LIABILITIES.....	<u>1,351,175</u>	<u>2,105,132</u>	<u>1,162,471</u>	<u>816,976</u>	<u>2,201,570</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes.....	701,563	769,250	594,468	478,123	449,419
Advance collection of property taxes...	43,300	62,293	8,862	513	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>744,863</u>	<u>831,543</u>	<u>603,330</u>	<u>478,636</u>	<u>449,419</u>
FUND BALANCES					
Nonspendable.....	2,500	2,500	2,500	2,500	2,500
Restricted.....	-	-	-	-	-
Assigned.....	891,399	602,142	570,245	479,942	1,221,048
Unassigned.....	4,573,775	5,064,241	5,602,631	6,818,105	7,159,278
TOTAL FUND BALANCES.....	<u>5,467,674</u>	<u>5,668,883</u>	<u>6,175,376</u>	<u>7,300,547</u>	<u>8,382,826</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	<u>\$ 7,563,712</u>	<u>\$ 8,605,558</u>	<u>\$ 7,941,177</u>	<u>\$ 8,596,159</u>	<u>\$11,033,815</u>

Source: Annual audited financial statements.

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Town of Middlefield

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
ASSETS					
Cash and cash equivalents.....	\$ 6,508,241	\$ 8,544,344	\$ 8,780,949	\$ 8,451,115	\$10,456,463
Receivables, net:					
Property taxes, interest and liens.....	592,585	399,043	463,444	422,999	432,898
Other	30,489	51,042	29,183	42,244	14,586
Leases.....	-	-	258,681	205,702	158,843
Prepaid items.....	56,856	86,802		805,509	77,286
Due from other funds.....	-	-		80,076	56,941
TOTAL ASSETS.....	<u>\$ 7,188,171</u>	<u>\$ 9,081,231</u>	<u>\$ 9,532,257</u>	<u>\$10,007,645</u>	<u>\$11,197,017</u>
LIABILITIES					
Accounts payables and accrued expenses...	82,113	554,256	568,815	535,895	528,270
Unearned revenue - grants.....	39,490	-	-		
Due to other funds.....	\$ 3,162,940	\$ 4,091,925	\$ 4,369,000	\$ 4,857,693	\$ 3,566,958
TOTAL LIABILITIES.....	<u>3,284,543</u>	<u>4,646,181</u>	<u>4,937,815</u>	<u>5,393,588</u>	<u>4,095,228</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes.....	416,029	353,272	337,974	377,857	326,194
Unavailable revenue - leases.....	-	-	254,963	199,830	2,321,495
Advance collection of property taxes.....	9,072	5,701		-	-
TOTAL DEFERRED INFLOWS OF RESOURCES.....	<u>425,101</u>	<u>358,973</u>	<u>592,937</u>	<u>577,687</u>	<u>2,647,689</u>
FUND BALANCES					
Nonspendable.....	56,856	86,802	55,428	805,509	77,286
Committed.....	250,000	500,000	800,000	850,000	1,068,486
Assigned.....	-	-			
Unassigned.....	3,171,671	3,489,275	3,298,831	2,380,861	3,308,328
TOTAL FUND BALANCES.....	<u>3,478,527</u>	<u>4,076,077</u>	<u>4,154,259</u>	<u>4,036,370</u>	<u>4,454,100</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....	<u>\$ 7,188,171</u>	<u>\$ 9,081,231</u>	<u>\$ 9,685,011</u>	<u>\$10,007,645</u>	<u>\$11,197,017</u>

Source: Annual audited financial statements.

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STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GENERAL FUND
(GAAP BASIS)

The District

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Assessments from district					
member towns.....	\$34,602,207	\$34,602,207	\$35,470,647	\$36,435,313	\$38,155,714
Intergovernmental revenue.....	5,417,181	5,436,698	5,210,180	5,874,045	6,235,741
Charges for services.....	63,346	30,025	53,163	68,051	72,077
Investment income.....	10,822	2,631	2,519	37,113	46,961
Miscellaneous.....	121,856	601,157	164,747	106,072	60,408
TOTAL REVENUES	<u>40,215,412</u>	<u>40,672,718</u>	<u>40,901,256</u>	<u>42,520,594</u>	<u>44,570,901</u>
EXPENDITURES					
Current:					
Salaries.....	21,244,211	19,954,175	20,030,091	20,512,500	21,096,621
Special education.....	-	7,933,757	8,682,477	9,246,771	9,386,676
Student services.....	-	1,691,168	1,812,732	2,250,225	2,250,916
Administration.....	-	5,688,343	5,236,384	4,829,999	4,195,861
Buildings.....	-	2,490,791	2,340,210	2,377,292	2,303,919
Transportation.....	-	1,676,867	1,859,092	1,949,364	2,372,699
Employee benefits.....	10,587,152	-	-	-	-
Purchased services.....	1,349,581	-	-	-	-
Property services.....	709,850	-	-	-	-
Operational services.....	3,340,883	-	-	-	-
Supplies.....	1,301,440	-	-	-	-
Capital outlay.....	4,830,169	851,752	778,292	675,866	3,211,927
Debt service.....	1,449,665	1,329,935	807,557	830,600	1,769,163
TOTAL EXPENDITURES	<u>44,812,951</u>	<u>41,616,788</u>	<u>41,546,835</u>	<u>42,672,617</u>	<u>46,587,782</u>
Excess (deficiency) of revenues over expenditures.....	(4,597,539)	(944,070)	(645,579)	(152,023)	(2,016,881)
Other financing sources (uses):					
Capital lease proceeds.....	4,518,771	354,414	-	290,995	2,663,297
Issuance of notes payable.....	-	-	330,562	-	-
Transfers in.....	60,000	150,000	155,262	-	-
Transfers out.....	(490,340)	(370,596)	(718,131)	(714,850)	(793,000)
Technology arrangement.....	-	-	-	9,000	60,285
Total other financing sources (uses)..	<u>4,088,431</u>	<u>133,818</u>	<u>(232,307)</u>	<u>(414,855)</u>	<u>1,930,582</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses.....	(509,108)	(810,252)	(877,886)	(566,878)	(86,299)
Fund Balance - Beginning of year.....	<u>2,977,849</u>	<u>2,468,741</u>	<u>1,658,489</u>	<u>780,603</u>	<u>213,725</u>
Fund Balance - End of year.....	<u>\$ 2,468,741</u>	<u>\$ 1,658,489</u>	<u>\$ 780,603</u>	<u>\$ 213,725</u>	<u>\$ 127,426</u>

Source: Annual audited financial statements.

Town of Durham

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Property taxes.....	\$25,202,839	\$ 25,631,034	\$ 26,773,225	\$ 26,821,798	\$ 27,196,222
Intergovernmental.....	4,044,273	3,966,480	3,899,971	4,317,982	4,340,656
Fee and fines.....	458,574	518,668	611,538	515,321	911,685
Other.....	-	-	-	144,744	2,073
Investment income.....	153,399	33,065	30,033	170,891	475,608
TOTAL REVENUES.....	<u>29,859,085</u>	<u>30,149,247</u>	<u>31,314,767</u>	<u>31,970,736</u>	<u>32,926,244</u>
EXPENDITURES					
General government.....	2,666,677	2,623,878	2,733,903	2,667,557	2,724,903
Public safety.....	670,304	625,863	599,749	628,537	640,409
Public works.....	1,273,471	1,233,866	1,533,505	1,376,150	1,511,301
Health and welfare.....	114,759	216,600	232,196	298,651	286,881
Culture and recreation.....	195,153	162,350	197,734	215,766	256,217
Education.....	22,989,706	22,927,423	23,673,110	23,500,777	24,667,668
Library.....	531,458	523,748	525,384	546,337	564,412
Environmental services.....	285,908	279,769	305,020	320,246	325,564
Debt service.....	36,359	147,105	144,289	140,474	137,685
Capital outlay.....	1,178,763	713,936	626,712	861,543	669,380
TOTAL EXPENDITURES	<u>29,942,558</u>	<u>29,454,538</u>	<u>30,571,602</u>	<u>30,556,038</u>	<u>31,784,420</u>
Revenues over (under) expenditures	<u>(83,473)</u>	<u>694,709</u>	<u>743,165</u>	<u>1,414,698</u>	<u>1,141,824</u>
Other financing sources (uses)					
Transfers in.....	504,555	23,334	337,579	446,499	646,044
Transfers out.....	<u>(495,068)</u>	<u>(516,834)</u>	<u>(574,251)</u>	<u>(736,026)</u>	<u>(705,589)</u>
Total other financing sources (uses)..	<u>9,487</u>	<u>(493,500)</u>	<u>(236,672)</u>	<u>(289,527)</u>	<u>(59,545)</u>
Net change in fund balances.....	(73,986)	201,209	506,493	1,125,171	1,082,279
Fund Balance - July 1.....	<u>5,541,660</u>	<u>5,467,674</u>	<u>5,668,883</u>	<u>6,175,376</u>	<u>7,300,547</u>
Fund Balance - June 30.....	<u>\$ 5,467,674</u>	<u>\$ 5,668,883</u>	<u>\$ 6,175,376</u>	<u>\$ 7,300,547</u>	<u>\$ 8,382,826</u>

Source: Audited financial statements.

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Town of Middlefield

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
REVENUES					
Property taxes, interest and lien fees.....	\$ 13,897,678	\$ 14,193,330	\$ 13,930,576	\$ 14,439,721	\$ 15,112,949
Intergovernmental.....	2,198,164	2,205,543	2,202,494	2,286,061	2,360,757
Licenses, fees and charges for services...	166,519	252,696	203,933	188,704	231,606
Investment income.....	61,497	15,176	12,036	232,308	724,861
Miscellaneous.....	<u>150,525</u>	<u>107,018</u>	<u>114,248</u>	<u>131,095</u>	<u>156,486</u>
TOTAL REVENUES.....	<u>16,474,383</u>	<u>16,773,763</u>	<u>16,463,287</u>	<u>17,277,889</u>	<u>18,586,659</u>
EXPENDITURES					
General government.....	2,090,911	2,117,953	2,272,067	2,331,909	2,425,407
Public safety.....	541,442	538,429	565,675	535,475	513,505
Public works.....	456,884	475,531	510,542	512,565	519,541
Health and welfare.....	70,536	67,057	72,442	63,918	70,397
Parks and recreation.....	124,117	89,857	132,094	154,324	155,538
Education.....	11,612,501	11,674,784	11,797,537	12,934,536	13,488,046
Debt service.....	<u>486,128</u>	<u>413,368</u>	<u>126,867</u>	<u>50,736</u>	<u>50,735</u>
TOTAL EXPENDITURES.....	<u>15,382,519</u>	<u>15,376,979</u>	<u>15,477,224</u>	<u>16,583,463</u>	<u>17,223,169</u>
Excess (deficiency) of revenues over expenditures.....	<u>1,091,864</u>	<u>1,396,784</u>	<u>986,063</u>	<u>694,426</u>	<u>1,363,490</u>
Other financing sources (uses)					
Transfers in.....	246,400	84,486	34,751	48,449	48,331
Transfers out.....	<u>(993,383)</u>	<u>(883,720)</u>	<u>(942,632)</u>	<u>(860,764)</u>	<u>(994,091)</u>
Total other financing sources (uses).....	<u>(746,983)</u>	<u>(799,234)</u>	<u>(907,881)</u>	<u>(812,315)</u>	<u>(945,760)</u>
Net change in fund balances.....	344,881	597,550	78,182	(117,889)	417,730
Fund Balance - July 1.....	<u>3,133,646</u>	<u>3,478,527</u>	<u>4,076,077</u>	<u>4,154,259</u>	<u>4,036,370</u>
Fund Balance - June 30.....	<u>\$ 3,478,527</u>	<u>\$ 4,076,077</u>	<u>\$ 4,154,259</u>	<u>\$ 4,036,370</u>	<u>\$ 4,454,100</u>

Source: Annual audited financial statements.

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VI. DEBT SUMMARY

PRINCIPAL AMOUNT OF LONG-TERM INDEBTEDNESS

The District and Member Towns
Pro Forma as of October 22, 2025

The District

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding As of 10/22/2025</u>	<u>Date of Fiscal Year Maturity</u>
<i>Schools</i>					
5/17/2022	School Bonds.....	4.00 - 5.00%	\$6,900,000	\$6,200,000	2042
	Total Long-Term Debt.....		\$6,900,000	\$6,200,000	

REGIONAL SCHOOL DISTRICT NUMBER 13 OF THE STATE OF CONNECTICUT HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.

Capital Leases payments as of June 30, 2025:

2026.....	\$774,076
2027.....	765,736
2028.....	742,042
2029.....	722,089
Thereafter.....	2,218,031
Total Miminum lease payments.....	5,221,974
Less amount representing interest....	(907,971)
	<u>\$4,314,003</u>

Town of Durham

<u>Date</u>	<u>Purpose</u>	<u>Rate %</u>	<u>Original Issue</u>	<u>Debt Outstanding As of 10/22/2025</u>	<u>Date of Fiscal Year Maturity</u>
<i>General Purpose</i>					
7/10/2019	General Purpose Bonds.....	2.61%	\$1,500,000	\$963,000	2034
	Total Long-Term Debt.....		\$1,500,000	\$963,000	

Capital Leases:

The Town of Durham has no capital leases outstanding.

Town of Middlefield

The Town of Middlefield has no outstanding bonded debt as of October 22, 2025. However, the Town of Middlefield expects to issue \$12,275,000 of bond anticipation notes on October 15, 2025.

Capital Leases payments:

	<u>Principal</u>	<u>Interest</u>
2026	\$48,177	\$2,558
2027	<u>49,439</u>	<u>1,296</u>
Total	<u>\$97,616</u>	<u>\$3,854</u>

OUTSTANDING SHORT-TERM INDEBTEDNESS - THE DISTRICT AND MEMBER TOWNS

Following this issue, the District will have \$20,000,000 in outstanding short-term indebtedness.

The Town of Middlefield plans to issue \$12,275,000 in short-term indebtedness on October 15, 2025. The Town of Durham does not have any short-term indebtedness.

OVERLAPING AND UNDERLYING INDEBTEDNESS

Apart from the District, there are no political subdivisions with power to issue debt or cause taxes to be levied on taxable property in the District. The gross outstanding indebtedness of the Member Towns, as of October 22, 2025, based on information furnished by these entities, is as follows:

<u>Member Town</u>	<u>Net Direct Indebtedness</u>	<u>Applicable to District's Net Debt</u>
Durham.....	\$ 963,000	\$ 963,000
Middlefield.....	<u>12,372,616</u> ¹	<u>12,372,616</u> ¹
Total.....	\$ 13,335,616	\$ 13,335,616

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

The outstanding indebtedness of Regional School District Number 13 is considered overlapping of the Town of Durham and Middlefield:

<u>District's Net Direct Indebtedness</u>	<u>Applicable to Town of Durham (65.57%)</u>	<u>Applicable to Town of Middlefield (34.43%)</u>
\$26,200,000	\$17,179,340	\$9,020,660

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SCHEDULE OF LONG-TERM DEBT

As of October 22, 2025

(Pro Forma)

The District

Fiscal Year Ending 30-Jun	General Obligation Bonds ¹			Percent Retired
	Principal	Interest	Total	
2026	\$ 360,000	266,200	\$ 626,200	5.81%
2027	365,000	248,200	613,200	11.69%
2028	365,000	229,950	594,950	17.58%
2029	365,000	211,700	576,700	23.47%
2030	365,000	193,450	558,450	29.35%
2031	365,000	175,200	540,200	35.24%
2032	365,000	160,600	525,600	41.13%
2033	365,000	146,000	511,000	47.02%
2034	365,000	131,400	496,400	52.90%
2035	365,000	116,800	481,800	58.79%
2036	365,000	102,200	467,200	64.68%
2037	365,000	87,600	452,600	70.56%
2038	365,000	73,000	438,000	76.45%
2039	365,000	58,400	423,400	82.34%
2040	365,000	43,800	408,800	88.23%
2041	365,000	29,200	394,200	94.11%
2042	365,000	14,600	379,600	100.00%
Total	\$ 6,200,000	\$2,288,300	\$ 8,488,300	

¹ Does not include capital lease obligations.

Source: District Fiscal Office.

Town of Durham

Fiscal Year Ending 30-Jun	General Obligation Bonds ¹			Percent Retired
	Principal	Interest	Total	
2026	\$ 107,000	\$ 25,105	\$ 132,105	11.11%
2027	107,000	22,316	129,316	22.22%
2028	107,000	19,526	126,526	33.33%
2029	107,000	16,737	123,737	44.44%
2030	107,000	13,947	120,947	55.56%
2031	107,000	11,158	118,158	66.67%
2032	107,000	8,368	115,368	77.78%
2033	107,000	5,579	112,579	88.89%
2034	107,000	2,790	109,790	100.00%
Total	\$ 963,000	\$ 125,526	\$ 1,088,526	

¹ Does not include capital lease obligations.

Source: Town of Durham Finance Director.

Town of Middlefield

The Town of Middlefield has no outstanding bonded debt as of October 22, 2025.

CURRENT DEBT STATEMENT

As of October 22, 2025

(Pro Forma)

The District

Long-Term Indebtedness	
Schools.....	\$ 6,200,000
Total Long-Term Indebtedness.....	<u>6,200,000</u>
Short-Term Indebtedness	
<i>Bond Anticipation Notes (This Issue).....</i>	<u>20,000,000</u>
Total Short-Term Indebtedness.....	<u>20,000,000</u>
Total Direct Indebtedness.....	<u>26,200,000</u>
Exclusions:	
n/a.....	-
Net Direct Indebtedness.....	<u>26,200,000</u>
Overlapping/Underlying Indebtedness.....	<u>13,335,616</u> ¹
Total Overall Net Direct Indebtedness.....	<u>\$ 39,535,616</u>

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

Town of Durham

Long-Term Indebtedness	
General Obligation Bonds.....	\$ 963,000
Total Long-Term Indebtedness.....	<u>963,000</u>
Short-Term Indebtedness	
Bond Anticipation Notes payable.....	-
Total Short-Term Indebtedness.....	<u>-</u>
Total Direct Indebtedness.....	<u>963,000</u>
Exclusions:	
n/a.....	-
Net Direct Indebtedness.....	<u>963,000</u>
Overlapping/Underlying Indebtedness.....	<u>17,179,340</u>
Total Overall Net Direct Indebtedness.....	<u>\$ 18,142,340</u>

Town of Middlefield

Long-Term Indebtedness	
General Obligation.....	\$ -
Total Long-Term Indebtedness.....	-
Short-Term Indebtedness	
Bond Anticipation Notes payable.....	12,275,000 ¹
Capital Leases payable.....	97,616
Total Short-Term Indebtedness.....	12,372,616
Total Direct Indebtedness.....	12,372,616
Exclusions:	
n/a.....	-
Net Direct Indebtedness.....	12,372,616
Overlapping/Underlying Indebtedness.....	9,020,660
Total Overall Net Direct Indebtedness.....	\$ 21,393,276

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

CURRENT DEBT RATIOS

As of October 22, 2025
(Pro Forma)

The District

Total Direct Indebtedness	\$26,200,000 ¹
Total Net Direct Indebtedness.....	\$26,200,000 ¹
Total Overall Net Direct Indebtedness.....	\$39,535,616 ¹
Population.....	11,418
Net Taxable Grand List (10/1/24).....	\$1,291,184,523
Estimated Full Value.....	\$1,844,549,319
Equalized Net Taxable Grand List (10/1/23)..	\$2,555,418,082
Total Direct Indebtedness:	
Per Capita.....	\$2,294.62
To Net Taxable Grand List.....	2.03%
To Estimated Full Value.....	1.42%
To Equalized Net Taxable Grand List.....	1.03%
Net Direct Indebtedness:	
Per Capita.....	\$2,294.62
To Net Taxable Grand List.....	2.03%
To Estimated Full Value.....	1.42%
To Equalized Net Taxable Grand List.....	1.03%
Total Overall Net Direct Indebtedness:	
Per Capita.....	\$3,462.57
To Net Taxable Grand List.....	3.06%
To Estimated Full Value.....	2.14%
To Equalized Net Taxable Grand List.....	1.55%

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

Town of Durham

Total Direct Indebtedness	\$963,000
Total Net Direct Indebtedness.....	\$963,000
Total Overall Net Direct Indebtedness.....	\$18,142,340
Population.....	7,182
Net Taxable Grand List (10/1/24).....	\$769,204,273
Estimated Full Value.....	\$1,098,863,247
Equalized Net Taxable Grand List (10/1/23)..	\$1,549,977,081
Total Direct Indebtedness:	
Per Capita.....	\$134.09
To Net Taxable Grand List.....	0.13%
To Estimated Full Value.....	0.09%
To Equalized Net Taxable Grand List.....	0.06%
Net Direct Indebtedness:	
Per Capita.....	\$134.09
To Net Taxable Grand List.....	0.13%
To Estimated Full Value.....	0.09%
To Equalized Net Taxable Grand List.....	0.06%
Total Overall Net Direct Indebtedness:	
Per Capita.....	\$2,526.08
To Net Taxable Grand List.....	2.36%
To Estimated Full Value.....	1.65%
To Equalized Net Taxable Grand List.....	1.17%

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Town of Middlefield

Total Direct Indebtedness	\$12,372,616 ¹
Total Net Direct Indebtedness.....	\$12,372,616 ¹
Total Overall Net Direct Indebtedness.....	\$21,393,276 ¹
Population.....	4,236
Net Taxable Grand List (10/1/24).....	\$521,980,250
Estimated Full Value.....	\$745,686,071
Equalized Net Taxable Grand List (10/1/23).....	\$1,005,441,001
Total Direct Indebtedness:	
Per Capita.....	\$2,920.83
To Net Taxable Grand List.....	2.37%
To Estimated Full Value.....	1.66%
To Equalized Net Taxable Grand List.....	1.23%
Net Direct Indebtedness:	
Per Capita.....	\$2,920.83
To Net Taxable Grand List.....	2.37%
To Estimated Full Value.....	1.66%
To Equalized Net Taxable Grand List.....	1.23%
Total Overall Net Direct Indebtedness:	
Per Capita.....	\$5,050.35
To Net Taxable Grand List.....	4.10%
To Estimated Full Value.....	2.87%
To Equalized Net Taxable Grand List.....	2.13%

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

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LIMITATION OF INDEBTEDNESS

The Connecticut General Statutes provides that the aggregate indebtedness of a regional school district shall not exceed:

- for a district empowered to provide for the member towns all programs under the general supervision and control of the State Board of Education 4.5 times the annual receipts from taxation of its member town for the prior fiscal year;
- for a district serving the same towns as are served by two or more town school district 2.25 times the annual receipts from taxation of its member towns for the prior fiscal year.

In no case, however, shall total indebtedness exceed 3.5 times the member towns’ annual receipts from taxation less the member towns’ aggregate indebtedness. “Annual receipts from taxation,” (the “base,”) are defined as total tax collections of the member towns including interest, penalties, late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

In computing the aggregate indebtedness of a regional school district, excluded is debt issued in anticipation of the receipt of: (1) State or member town payments for the operation of the district’s schools, (2) State or Federal grant proceeds for which the district has received a written commitment or for which an allocation has been approved by the State Board Commission, and (3) the proceeds from contracts with the State, a State agency, or another municipality providing for the reimbursement of capital costs, but only to the extent such debt can be paid from such proceeds.

The statutes also provide for exclusion from the debt limitation any debt upon placement in escrow of the proceeds of refunding bonds in an amount to pay such debt.

STATEMENT OF STATUTORY DEBT LIMITATION

As of October 22, 2025
(Pro Forma)

The District

	<u>Durham</u>	<u>Middlefield</u>	<u>District Total</u>
Total Receipts Fiscal Year ending June 30, 2024 (including interest and lien fees).....	\$ 27,167,742	\$ 14,987,431	\$ 42,155,173
State Reimbursement for Revenue Loss on:			
Tax Relief for Elderly.....	-	-	-
Base for Establishing Debt Limit	<u>\$ 27,167,742</u>	<u>\$ 14,987,431</u>	<u>\$ 42,155,173</u>

DEBT LIMITATION:	<u>Schools</u>
(4.50 times base).....	\$ 189,698,279
INDEBTEDNESS:	
Bonds Payable.....	\$ 6,200,000
<i>Bond Anticipation Notes (This Issue)</i>	20,000,000
Underlying Debt.....	13,335,616 ¹
Authorized but Unissued Debt.....	<u>19,000,000</u>
Total Bonded Indebtedness.....	\$ 58,535,616
	-
Net Bonded Indebtedness	58,535,616
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$ 131,162,663</u>

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

Town of Durham

Total Fiscal Year Ending 2024 Receipts (including interest and lien fees).....	\$ 27,167,742
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly.....	-
Base for Establishing Debt Limit	<u>\$ 27,167,742</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 61,127,420					
(4.50 times base).....		\$122,254,839				
(3.75 times base).....			\$101,879,033			
(3.25 times base).....				\$ 88,295,162		
(3.00 times base).....					\$ 81,503,226	
(7.00 times base).....						\$190,174,194
Indebtedness						
Bonds Payable.....	\$ 963,000	\$ -	\$ -	\$ -	\$ -	\$ 963,000
Overlapping Debt - RSD 13....	-	17,179,340	-	-	-	17,179,340
Authorized but						
Unissued Debt.....	-	-	-	-	-	-
Total Bonded Indebtedness	963,000	17,179,340	-	-	-	18,142,340
Sewer Assessments.....	-	-	-	-	-	-
Net Bonded Indebtedness	963,000	17,179,340	-	-	-	18,142,340
Excess of Limit Over						
Outstanding and						
Authorized Debt.....	\$ 60,164,420	\$105,075,499	\$101,879,033	\$ 88,295,162	\$ 81,503,226	\$172,031,854

Source: Town of Durham Finance Director.

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Town of Middlefield

Total Fiscal Year Ending 2024 Receipts (including interest and lien fees).....	\$ 14,987,431
State Reimbursement for Revenue Loss on:	
Tax Relief for Elderly.....	-
Base for Establishing Debt Limit	<u>\$ 14,987,431</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Past Pension</u>	<u>Total Debt</u>
(2.25 times base).....	\$ 33,721,720					
(4.50 times base).....		\$ 67,443,440				
(3.75 times base).....			\$ 56,202,866			
(3.25 times base).....				\$ 48,709,151		
(3.00 times base).....					\$ 44,962,293	
(7.00 times base).....						\$104,912,017
Indebtedness						
Bonds Payable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable.....	12,372,616 ¹	-	-	-	-	12,372,617
Overlapping Debt - RSD 13....	-	\$9,020,660	-	-	-	9,020,660
Authorized but Unissued Debt.....	650	-	-	-	-	650
Total Bonded Indebtedness.....	<u>12,373,266</u>	<u>9,020,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,393,927</u>
	-	-	-	-	-	-
Net Bonded Indebtedness.....	<u>12,373,266</u>	<u>9,020,660</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,393,927</u>
Excess of Limit Over Outstanding and Authorized Debt.....	<u>\$ 21,348,454</u>	<u>\$ 58,422,780</u>	<u>\$ 56,202,866</u>	<u>\$ 48,709,151</u>	<u>\$ 44,962,293</u>	<u>\$ 83,518,090</u>

¹ Includes \$12,275,000 of short-term indebtedness that the Town of Middlefield plans to issue on October 15, 2025.

Source: Town of Middlefield Finance Director.

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HISTORY OF OUTSTANDING INDEBTEDNESS - THE DISTRICT AND MEMBER TOWNS

The District

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Long-Term Debt					
Bonds.....	\$ 2,025,000	\$ 8,240,000	\$ 7,560,000	\$ 6,880,000	\$ 6,200,000
Note payable.....	722,929	604,022	388,817	215,537	67,956
Short-Term Debt					
Bond Anticipation Notes....	-	-	-	-	-
Total.....	\$ 2,747,929	\$ 8,844,022	\$ 7,948,817	\$ 7,095,537	\$ 6,267,956

Town of Durham

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Long-Term Debt					
Bonds.....	\$ 1,392,000	\$ 1,284,000	\$ 1,177,000	\$ 1,070,000	\$ 963,000
Note payable.....	-	-	-	-	-
Short-Term Debt					
Bond Anticipation Notes....	-	-	-	-	-
Total.....	\$ 1,392,000	\$ 1,284,000	\$ 1,177,000	\$ 1,070,000	\$ 963,000

Town of Middlefield

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025¹</u>
Long-Term Debt					
Bonds.....	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable.....	350,505	234,890	190,311	144,563	97,616
Short-Term Debt					
Bond Anticipation Notes....	-	-	-	-	-
Total.....	\$ 350,505	\$ 234,890	\$ 190,311	\$ 144,563	\$ 97,616

Source: Fiscal Year audited financial statements.

SCHOOL PROJECTS

The State of Connecticut provides proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996. Under the current program, the State of Connecticut will make proportional progress payments for eligible construction costs during the construction of the projects at the estimated reimbursement rates. The following represents current reimbursable school construction projects:

<u>Project</u>	<u>Total Authorization</u>	<u>Reimbursement Rate</u>	<u>Estimated Grant¹</u>
Memorial School Renovation & Expansion....	\$ 76,130,000	53.21%	\$ 40,508,773

¹ Estimated grants receivable are based upon eligibility of reimbursable project costs. Final eligible costs will be determined upon completion of a post-project audit.

LEGAL REQUIREMENTS FOR APPROVAL OF BORROWING

The District has the power to incur indebtedness by issuing its bonds and notes as authorized by the Connecticut General Statutes subject to statutory debt limitations and the requirements of the District for the authorization of indebtedness.

TEMPORARY FINANCING

When general obligation bonds have been authorized by the District, bond anticipation notes may be issued maturing in not more than four years. Temporary notes may be renewed up to ten years from their original date of issue as long as all project

grant payments are applied toward payment of project costs or temporary notes when they become due and payable, and budgeted principal reductions by the end of the fifth year and for each subsequent year during which such temporary notes remain outstanding, in an amount equal to a minimum of 1/20th (1/30th for certain school projects) of the estimated net project cost. Temporary notes must be permanently funded no later than ten years from their initial borrowing date. The term of the bond issue is reduced by the amount of time temporary financing exceeds four years (CGS Secs. 10-56, 7-378a).

EXISTING AND FUTURE CAPITAL PROJECT FINANCING - THE DISTRICT

The District develops and modifies annually a five-year capital plan for educational program enhancements, infrastructure upgrades, or large items identified as needing replacement or additions to the District.

The District is currently undertaking a \$76.1 million renovation and expansion at Memorial School. The District has authorized \$39 million in bonding for the project. The District expects to borrow between \$9 million and \$10 million annually for the next four years.

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VII. LEGAL AND OTHER INFORMATION

LITIGATION

Following consultation with the attorney for the District and other attorneys providing legal services to the District, District officials advise that the Regional School District Number 13 of the State of Connecticut, its officers, employees and boards are named defendants in a number of lawsuits. With regard to these pending lawsuits, it is the District officials' opinion that such pending litigation will not be finally determined so as to result individually or in the aggregate in final judgments against the District which would materially adversely affect its financial position.

The Towns of Durham and Middlefield, and each of their officers, employees, boards and commissions are defendants in a number of lawsuits. It is the opinion of the respective Town Attorneys that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the respective Member Town which would materially adversely affect its financial position.

MUNICIPAL ADVISOR

The District has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Notes. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The District may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

LEGAL MATTERS

Shipman & Goodwin LLP, Hartford, Connecticut is serving as Bond Counsel with respect to the authorization and issuance of the Notes and will render its opinion in substantially the form included in the Official Statement as Appendix B.

TRANSCRIPT AND CLOSING DOCUMENTS

Upon delivery of the Notes, the original purchaser will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay the principal and interest on the Notes;
2. A certificate on behalf of the District, signed by the Chairman of the Board of Education and the Treasurer, dated the date of delivery of the Notes and attached to a signed copy of the Official Statement, certifying that to the best of said officials' knowledge and belief, at the time the bids on the Notes were accepted, the descriptions and statements in the Official Statement relating to the District and its Member Towns and each of their finances were true and correct in all material respects, and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the District or its Member Towns from that set forth in or contemplated by the Official Statement;
3. The approving opinion of Shipman & Goodwin LLP, of Hartford, Connecticut;
4. A receipt for the purchase price of the Notes;
5. An executed Continuing Disclosure Agreement for the Notes in substantially the form of Appendix C to the Official Statement; and
6. Within seven business days of the bid opening, the District will furnish the winning purchaser with a reasonable number of copies of the Official Statement, as prepared by the District.

The District has prepared a Preliminary Official Statement for the Notes which is dated October 1, 2025. The District deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c-12(b)(1), but it is subject to revision or amendment. The District will make available to the winning bidder of the Notes a reasonable number of copies of the final Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

A transcript of the proceedings taken by the District in authorizing the Notes will be kept on file at the offices of U.S. Bank Trust Company, National Association, of Hartford, Connecticut and will be available for examination upon reasonable request.

CONCLUDING STATEMENT

This Official Statement is not to be construed as a contract or agreement between the District and the purchaser or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

This Official Statement has been duly prepared and delivered by the District, and executed for and on behalf of the District by the following officials:

REGIONAL SCHOOL DISTRICT NUMBER 13

By: _____
Robert Moore
Chairman of the Board of Education

By: _____
Jason Stone
Treasurer

Dated: October __, 2025

APPENDIX A - FINANCIAL STATEMENTS



INDEPENDENT AUDITORS' REPORT

Board of Education
Regional School District No. 13
Durham, Connecticut

Report on the Audit of the Financial Statements

Opinions

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. 13, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Regional School District No. 13's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Regional School District No. 13, as of June 30, 2024, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Regional School District No. 13 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional School District No. 13's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Regional School District No. 13's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Regional School District No. 13's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required

supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Regional School District No. 13's basic financial statements. The combining and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The schedule of debt limitation accompanying the financial statements has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we did not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 9, 2024, on our consideration of the Regional School District No. 13's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Regional School District No. 13's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Regional School District No. 13's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
October 9, 2024

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**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Management of Regional School District No. 13 (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, 2024.

Financial Highlights

- The assets of the Region exceeded its liabilities at the close of the most recent fiscal year by \$23,635,030 (net position).
- The Region's total net position increased by \$197,943.
- As of the close of the current fiscal year, the Region's governmental funds reported a combined ending fund balance of \$5,909,744, a decrease of \$230,808 in comparison with the prior year balance due to the use of fund balance to balance the budget.
- At the end of the current fiscal year, the fund balance for the general fund was \$127,426, a decrease of \$86,299 which is designated for subsequent year budgets.
- Long-term bonds payable decreased by \$680,000 in bond payments.

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.

**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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 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 nine 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 Special School Grants and Programs Fund, the Capital Reserve Fund and the School Cafeteria Fund, all of which are considered to be major funds. Data from the other five 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.

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 A-1 and A-2.

**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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 \$23,635,030 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 is \$(4,309,197).

NET POSITION

	Governmental Activities	
	2024	2023
Assets:		
Current and Other Assets	\$ 6,254,708	\$ 6,844,672
Capital Assets, Net of Accumulated Depreciation	37,366,201	35,500,754
Total Assets	43,620,909	42,345,426
Deferred Outflows of Resources	1,987,493	2,393,824
Liabilities:		
Long-Term Liabilities Outstanding	19,221,605	18,601,000
Other Liabilities	169,684	207,948
Total Liabilities	19,391,289	18,808,948
Deferred Inflows of Resources	2,582,083	2,493,215
Net Position:		
Net Investment in Capital Assets	27,084,226	26,607,358
Restricted	860,001	581,882
Unrestricted	(4,309,197)	(3,752,153)
Total Net Position	\$ 23,635,030	\$ 23,437,087

Governmental Activities. The Region's net position increased by \$197,943 during the current fiscal year. The increase is attributed to a decrease in capital assets and bond debt payment.

**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

CHANGES IN NET POSITION

	Governmental Activities	
	2024	2023
Revenues:		
Program Revenues:		
Charges for Services:		
General Instruction	\$ 28,239	\$ 25,557
Special Education	743,226	613,286
Student Services	637,063	493,369
Buildings	43,838	42,494
Operating Grants and Contributions	6,856,921	8,762,706
Capital Grants and Contributions	446,988	-
General Revenues:		
Assessments from Member Towns	38,155,714	36,435,312
Investment Income	181,784	132,420
Miscellaneous	60,408	106,072
Total Revenues	47,154,181	46,611,216
Expenses:		
General Instruction	21,361,106	22,385,828
Special Education	10,425,160	10,501,587
Student Services	3,193,094	3,381,302
Administration	3,893,175	4,837,504
Buildings	4,455,557	5,218,664
Transportation	2,581,762	2,008,819
Interest Expense	1,046,384	98,190
Total Expenses	46,956,238	48,431,894
Change in Net Position	197,943	(1,820,678)
Net Position - Beginning of Year	23,437,087	25,257,765
Net Position - End of Year	\$ 23,635,030	\$ 23,437,087

The Region's net position increased by \$197,943 during the current fiscal year. The increase is attributed to a decrease from bond debt payment.

**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

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, unreserved fund balance may serve as a useful measure of the Region's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the Region's governmental funds reported a combined ending fund balance of \$5,909,744, a decrease of \$230,808 in comparison with the prior year. Fund balance is reserved to indicate that it is not available for new spending because it has already been committed as capital reserves and other governmental projects or funds.

General Fund Budgetary Highlights

There were differences between the original budget individual line items and the final amended budget of revenues and expenditures. Budgetary variances can be briefly summarized as follows:

Final Budget to Actual

Revenues

- Positive variances (over budget) in the area of building rentals and negative variances were experienced in state grants, tuition, and miscellaneous.

Expenditures

- Positive variances (under budget) in the areas of purchased services, snow removal, repairs, transportation, supplies, electricity and oil. Negative variances (over budget) were experienced in salaries being budgeted at a 96.5% vacancy factor resulting in a negative adjustment to budgeted salaries in the amount of by \$419,237, employee benefits, leases and liability insurance.

Capital Assets and Debt Administration

Capital Assets. The Region's investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$37,366,201 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and machinery and equipment. The net increase of \$1,865,447 in the Region's capital assets for the current fiscal year is a result of adjustments for normal depreciation/amortization and acquisitions and dispositions of assets.

**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

**CAPITAL ASSETS
(NET OF DEPRECIATION/AMORTIZATION)**

	Governmental Activities	
	2024	2023
Land	\$ 200,000	\$ 200,000
Construction in progress	436,410	14,700
Buildings and improvements	26,064,698	27,144,992
Land improvements	3,938,730	3,133,032
Equipment	875,021	1,299,328
Vehicles	13,269	-
SBITA's	54,844	18,796
Right-to-Use Leased Asset	5,783,229	3,689,906
Total	\$ 37,366,201	\$ 35,500,754

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

Long-Term Debt. At the end of the current fiscal year, the Region had total bonded debt outstanding of \$6,880,000. All of this debt comprises debt backed by the full faith and credit of the Region.

**OUTSTANDING DEBT
GENERAL OBLIGATION BONDS**

	Governmental Activities	
	2024	2023
General Obligation Bonds	\$ 6,880,000	\$ 7,560,000

The Region's outstanding general obligation bonds decreased by \$680,000 during the current fiscal year. The Region's rating is Aa3 from Moody's for general obligation debt.

State Statutes limit the amount of general obligation debt a regional school district may issue to 4.5 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant of the member towns. The current debt limitation for the Region is \$185,760,936, which is significantly in excess of the Region's outstanding general obligation debt.

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 3D of this report.
Requests for Information

**REGIONAL SCHOOL DISTRICT NO. 13
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
JUNE 30, 2024**

Economic Factors and Future Year's Budgets

Offsetting school budgets with taxpayer fiduciary responsibility is a strategy that requires careful balancing between fiscal accountability and meeting educational needs. Over the next few years, the region hopes to move forward with consolidating schools to reduce operational and capital costs.

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 Kimberly Neubig, Director of Finance, Regional School District No. 13, 135A Pickett Lane, Durham, Connecticut 06422.

BASIC FINANCIAL STATEMENTS

REGIONAL SCHOOL DISTRICT NO. 13
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 5,464,614
Accounts Receivable	769,025
Inventory	21,069
Capital Assets not Being Depreciated	636,410
Capital Assets Net of Accumulated Depreciation and Amortization	36,729,791
Total Assets	43,620,909
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflows - OPEB	1,619,654
Deferred Outflows - Pension	367,839
Total Deferred Outflows of Resources	1,987,493
LIABILITIES	
Current Liabilities:	
Accounts and Other Payables	78,947
Accrued Interest Payable	41,709
Unearned Revenue	49,028
Noncurrent Liabilities:	
Due Within One Year	2,029,878
Due in More than One Year	17,191,727
Total Liabilities	19,391,289
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflows Related to OPEB	2,359,654
Deferred Inflows Related to Pension	222,429
Total Deferred Inflows of Resources	2,582,083
NET POSITION	
Net Investment in Capital Assets	27,084,226
Restricted for:	
Student Activities	282,994
Capital Projects	213,876
Grants	10,384
School Lunch Program	352,747
Unrestricted	(4,309,197)
Total Net Position	\$ 23,635,030

See accompanying Notes to Financial Statements.

**REGIONAL SCHOOL DISTRICT NO. 13
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
GOVERNMENTAL ACTIVITIES					
General Instruction	\$ 21,361,106	\$ 28,239	\$ 3,647,831	\$ -	\$ (17,685,036)
Special Education	10,425,160	743,226	1,843,872	-	(7,838,062)
Student Services	3,193,094	637,063	576,282	-	(1,979,749)
Administration	3,893,175	-	788,936	-	(3,104,239)
Buildings	4,455,557	43,838	-	446,988	(3,964,731)
Transportation	2,581,762	-	-	-	(2,581,762)
Debt Service Interest and Related Costs	1,046,384	-	-	-	(1,046,384)
	\$ 46,956,238	\$ 1,452,366	\$ 6,856,921	\$ 446,988	(38,199,963)
GENERAL REVENUES					
Assessments from District Member Towns					38,155,714
Investment Income					181,784
Miscellaneous					60,408
Total General Revenues					38,397,906
CHANGE IN NET POSITION					197,943
Net Position - Beginning of Year					23,437,087
NET POSITION - END OF YEAR					\$ 23,635,030

See accompanying Notes to Financial Statements.

**REGIONAL SCHOOL DISTRICT NO. 13
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024**

	General	School Cafeteria Fund	Special School Grants and Programs	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and Cash Equivalents	\$ 194,152	\$ 331,142	\$ 572	\$ 4,556,378	\$ 382,370	\$ 5,464,614
Intergovernmental Receivable	-	42,101	48,513	213,876	-	304,490
Accounts Receivable	464,535	-	-	-	-	464,535
Due from Other Funds	-	-	-	464,535	-	464,535
Inventory	-	21,069	-	-	-	21,069
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 658,687</u>	<u>\$ 394,312</u>	<u>\$ 49,085</u>	<u>\$ 5,234,789</u>	<u>\$ 382,370</u>	<u>\$ 6,719,243</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts and Other Payables	\$ 66,726	\$ -	\$ 10,169	\$ -	\$ 2,051	\$ 78,946
Due to Other Funds	464,535	-	-	-	-	464,535
Unearned Revenue	-	20,496	28,532	-	-	49,028
Total Liabilities	<u>531,261</u>	<u>20,496</u>	<u>38,701</u>	<u>-</u>	<u>2,051</u>	<u>592,509</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue - Grants	-	-	3,114	213,876	-	216,990
Total Deferred Inflow of Resources	<u>-</u>	<u>-</u>	<u>3,114</u>	<u>213,876</u>	<u>-</u>	<u>216,990</u>
FUND BALANCES						
Nonspendable	-	21,069	-	-	-	21,069
Restricted	-	352,747	7,270	3,219,888	282,994	3,862,899
Committed	-	-	-	1,120,756	97,261	1,218,017
Assigned	222,522	-	-	680,269	64	902,855
Unassigned	(95,096)	-	-	-	-	(95,096)
Total Fund Balances	<u>127,426</u>	<u>373,816</u>	<u>7,270</u>	<u>5,020,913</u>	<u>380,319</u>	<u>5,909,744</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 658,687</u>	<u>\$ 394,312</u>	<u>\$ 49,085</u>	<u>\$ 5,234,789</u>	<u>\$ 382,370</u>	<u>\$ 6,719,243</u>

See accompanying Notes to Financial Statements.

REGIONAL SCHOOL DISTRICT NO. 13
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

RECONCILIATION TO THE STATEMENT OF NET POSITION

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

Total Fund Balances (Exhibit III)	\$ 5,909,744
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Governmental Capital Assets	69,800,197
Less: Accumulated Depreciation and Amortization	(32,433,996)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds:	
Intergovernmental Receivables	216,990
Deferred outflows of resources and deferred inflows of resources for pension and OPEB are applicable to future periods, and, therefore, are not reported in the governmental funds:	
Deferred Outflows - OPEB	1,619,654
Deferred Outflows - Pension	367,839
Deferred Inflows - OPEB	(2,359,654)
Deferred Inflows - Pension	(222,429)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds Payable	(6,880,000)
Notes Payable	(215,537)
Bond Premium	(373,518)
Compensated Absences	(98,009)
Net Pension Liability	(1,041,629)
Total OPEB Liability	(4,580,104)
Lease Liability	(5,986,351)
Subscription - Based Information Technology Agreement Liability	(46,457)
Accrued Interest Payable	<u>(41,710)</u>
Net Position of Governmental Activities (Exhibit I)	<u>\$ 23,635,030</u>

See accompanying Notes to Financial Statements.

REGIONAL SCHOOL DISTRICT NO. 13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	General	School Cafeteria Fund	Special School Grants and Programs	Capital Reserve Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Assessments from District Member Towns	\$ 38,155,714	\$ -	\$ -	\$ -	\$ -	\$ 38,155,714
Intergovernmental	6,235,741	366,879	831,553	446,988	-	7,881,161
Charges for Services	72,077	316,651	-	-	743,226	1,131,954
Other	-	-	-	-	320,412	320,412
Investment Income	46,961	6,957	-	127,866	-	181,784
Miscellaneous	60,408	-	-	-	-	60,408
Total Revenues	<u>44,570,901</u>	<u>690,487</u>	<u>831,553</u>	<u>574,854</u>	<u>1,063,638</u>	<u>47,731,433</u>
EXPENDITURES						
Current:						
General Instruction	21,096,621	23,384	281,127	-	-	21,401,132
Special Education	9,386,676	-	536,820	-	615,297	10,538,793
Student Services	2,250,916	668,139	-	-	18,824	2,937,879
Administration	4,195,861	1,200	54	-	-	4,197,115
Buildings	2,303,919	-	-	-	13,745	2,317,664
Transportation	2,372,699	-	-	-	59,866	2,432,565
Education	-	-	-	-	272,942	272,942
Capital Outlay	3,211,927	1,629	-	1,605,014	-	4,818,570
Debt Service	1,769,163	-	-	-	-	1,769,163
Total Expenditures	<u>46,587,782</u>	<u>694,352</u>	<u>818,001</u>	<u>1,605,014</u>	<u>980,674</u>	<u>50,685,823</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,016,881)	(3,865)	13,552	(1,030,160)	82,964	(2,954,390)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	15,000	-	778,000	-	793,000
Transfers Out	(793,000)	-	-	-	-	(793,000)
Issuance of Lease	2,663,297	-	-	-	-	2,663,297
Issuance of Subscription-Based Information Technology Arrangement	60,285	-	-	-	-	60,285
Total Other Financing Sources (Uses)	<u>1,930,582</u>	<u>15,000</u>	<u>-</u>	<u>778,000</u>	<u>-</u>	<u>2,723,582</u>
NET CHANGE IN FUND BALANCES	(86,299)	11,135	13,552	(252,160)	82,964	(230,808)
Fund Balances - Beginning of Year	<u>213,725</u>	<u>362,681</u>	<u>(6,282)</u>	<u>5,273,073</u>	<u>297,355</u>	<u>6,140,552</u>
FUND BALANCES - END OF YEAR	<u>\$ 127,426</u>	<u>\$ 373,816</u>	<u>\$ 7,270</u>	<u>\$ 5,020,913</u>	<u>\$ 380,319</u>	<u>\$ 5,909,744</u>

See accompanying Notes to Financial Statements.

**REGIONAL SCHOOL DISTRICT NO. 13
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

RECONCILIATION TO THE STATEMENT OF ACTIVITIES

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

Net change in fund balances - total governmental funds (Exhibit IV)	\$	(230,808)
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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. The capital outlay and depreciation expense are as follows for the current period:

Capital Outlay		4,476,276
Depreciation and Amortization Expense		(2,610,829)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

Change in Deferred Outflows - OPEB		(178,764)
Change in Deferred Outflows - Pension		(227,567)
Intergovernmental Receivables		(319,930)

The issuance of long-term debt (e.g., bonds, capital 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 position. Also, governmental funds report 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 details of these differences in the treatment of long-term debt and related items are as follows:

Principal Payments on General Obligation Bonds		680,000
Principal Payments on Notes Payable		173,280
Lease Proceeds		(2,663,297)
Principal Payments on Leases		568,574
Subscription - Based Information Technology Agreement Proceeds		(60,287)
Principal Payments on Subscription Based Information Technology Arrangements		25,896

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:

Total OPEB Liability		202,562
Net Pension Liability		417,483
Accrued Interest Payable		(962)
Compensated Absences		(8,558)
Bond Premium		43,742
Change in Deferred Inflows - OPEB		130,908
Change in Deferred Inflows - Pension		(219,776)

Change in Net Position of Governmental Activities (Exhibit II)	\$	<u>197,943</u>
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See accompanying Notes to Financial Statements.

REGIONAL SCHOOL DISTRICT NO. 13
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Pension Trust Fund</u>	<u>Custodial Fund Middlesex Consortium</u>
ASSETS		
Cash and Cash Equivalents	\$ 374,723	\$ 105,753
Accrued Interest Receivable	32,886	-
Investments, at Fair Value:		
Corporate Bonds	3,641,387	-
U.S. Government Obligations	4	-
Common Stocks	8,267,265	-
Mutual Funds	53,691	-
Preferred Stocks	7,150	-
Total Investments, at Fair Value	<u>11,969,497</u>	<u>-</u>
Total Assets	12,377,106	105,753
NET POSITION		
Restricted for Middlesex Consortium	-	105,753
Restricted for Pension	<u>12,377,106</u>	<u>-</u>
Total Net Position	<u>\$ 12,377,106</u>	<u>\$ 105,753</u>

See accompanying Notes to Financial Statements.

**REGIONAL SCHOOL DISTRICT NO. 13
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024**

	<u>Pension Trust Fund</u>	<u>Custodial Fund Middlesex Consortium</u>
ADDITIONS		
Contributions:		
Employer	\$ 342,252	\$ -
Employee	194,686	-
Other	-	290
Total Contributions	<u>536,938</u>	<u>290</u>
Investment Income:		
Net Change in Fair Value of Investments	910,437	-
Interest and Dividends	204,539	-
Total Investment Income	<u>1,114,976</u>	<u>-</u>
Less: Investment Management Fees	1,106	-
Net Investment Income	<u>1,113,870</u>	<u>-</u>
 Total Additions	 1,650,808	 290
DEDUCTIONS		
Benefits	639,839	-
Other	-	13,058
Total Deductions	<u>639,839</u>	<u>13,058</u>
CHANGE IN NET POSITION	1,010,969	(12,768)
Net Position - Beginning of Year	<u>11,366,137</u>	<u>118,521</u>
NET POSITION - END OF YEAR	<u>\$ 12,377,106</u>	<u>\$ 105,753</u>

See accompanying Notes to Financial Statements.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Regional School District No. 13 (the District) 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 District are described below.

A. Reporting Entity

The District was organized under provisions of the Connecticut General Statutes in 1970 for the purpose of providing education for grades 1 through 12 to the residents of the towns of Durham and Middlefield, Connecticut. The District consists of three elementary schools, one middle school, and one high school.

The District is governed by a Regional Board of Education consisting of six members from Durham and four members from Middlefield. The members of the Board from Durham serve four-year terms and the members from Middlefield serve three-year terms. The Superintendent of Schools, selected by the Board of Education, manages the day-to-day affairs of the District and the schools of Durham and Middlefield.

The District's operating and debt service expenses are paid by the member towns in proportion to the number of attending pupils. The fiscal year 2024 assessment percentages are 64.65% for Durham and 35.35% for Middlefield.

Accounting principles generally accepted in the United States of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component units as detailed below.

Fiduciary Component Units

The District has established a single-employer retirement plan to provide retirement benefits to employees and their beneficiaries. The District performs the duties of a governing board for the Pension plan and is required to make contributions to the pension plan.

The financial statements of the fiduciary component unit is reported as a Pension Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by member town assessments, intergovernmental revenues, and revenues from local sources.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those expenses 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 funds, including fiduciary component units, 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 fiduciary fund financial statements. 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. For this purpose, the District considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, lease liabilities and subscription-based information technology arrangement (SBITA) liabilities, are recorded only when payment is due.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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, including the state interest and bond subsidy grant, are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

General Fund

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

School Cafeteria Fund

The School Cafeteria Fund accounts for the revenues and expenditures associated with the school lunch program.

Special School Grants and Programs

The Special School Grants and Programs Fund accounts for the revenues and expenditures associated with the District's grant-related activity.

Capital Reserve Fund

The Capital Reserve Fund accounts for the revenues and expenditures relating to reserves for capital items.

Additionally, the District reports the following fund types:

The Pension Trust Fund

The Pension Trust Fund accounts for the fiduciary activities of the Regional School District No. 13 Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The Middlesex Consortium Custodial Fund

The Middlesex Consortium accounts fiduciary activities related to various self-funding school activity programs.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements, except for any interfund services provided by one fund used by another fund. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The Middlesex Consortium Custodial Fund (Continued)

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.

When both restricted and unrestricted resources are available for use, it is the District'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, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity

Deposits and Investments

Deposits

The District 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.

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."

Investments

Investments are reported at fair value.

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.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF). 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.

E. Receivables

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

F. Interfund Activity

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is 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).

G. 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.

H. 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 vehicles and \$20,000 for buildings and improvements, land and land 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 acquisition 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.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets (Continued)

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

Buildings	45 to 50 Years
Building Improvements	45 to 50 Years
Land Improvements	10 to 40 Years
Vehicles	5 to 15 Years
Office Equipment	5 to 15 Years
Computer Equipment	5 to 7 Years

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports deferred outflows related to pension and OPEB in the government-wide statement of net position. A deferred outflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The District reports deferred inflows of resources related to pension and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). Also, for governmental funds, the District reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from grants receivable. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Unearned Revenues

Unearned revenues arise when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received before the District has legal claim to them, as when grant monies are received prior to the issuance of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has legal claim to the resource, the unearned revenues is removed from the balance sheet, and revenue is recognized.

K. Compensated Absences

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent that they are paid during the year. Unpaid benefits lapse at year end, and any amounts payable during an employee's active term cannot exceed a full year's budgeted payroll and, as such, no liability is accrued.

All vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

L. Net Pension Liability

The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

M. Total Other Postemployment Benefits Other than Pensions (OPEB) Liability

The total OPEB liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year and no later than the end of the current fiscal year, consistently applied from period to period.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. 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 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, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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.

O. Fund Equity and Net Position

In the fund financial statements, fund balance is classified into the following categories:

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

Restricted Fund Balance – This category presents 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 category presents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Regional School District No. 13 Board of Education).

Assigned Fund Balance – This category presents amounts constrained for the intent to be used for a specific purpose by the Board of Education or the Business Manager who has been delegated authority to assign amounts by the District Charter.

Unassigned Fund Balance – This category presents 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.

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets – This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for noncapital purposes is excluded.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Fund Equity and Net Position (Continued)

Restricted Net Position – This category presents the net position restricted by external parties (creditors, grantors, contributors, or laws and regulations).

Unrestricted Net Position – This category presents the net position of the District that is not restricted.

P. Estimates

The preparation of the financial statements in conformity with GAAP 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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

The District establishes its General Fund budget in accordance with provisions of the Connecticut General Statutes.

A budget for the General Fund is authorized annually by the Board of Education. The Board of Education follows these procedures in establishing the budgetary data reflected in the financial statements:

- The citizens of the District vote on the recommended budget.
- All budget transfers must be approved by the Board of Education.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All unencumbered appropriations of the General Fund lapse at year end.
- The legal level of budgetary control (the level at which expenditures may not legally exceed appropriations) is at the total expenditure level for the General Fund.
- Additional appropriations may be made during the year by the Board of Education. An additional appropriation requires approval at a District meeting if it exceeds \$50,000 or is a second request. There were no additional appropriations made during the year ended June 30, 2024.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- 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 appropriated for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Budgets for Special Revenue and School Cafeteria Funds that are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies, and therefore are not legally adopted. In some instances, such budgets comprehend more than one fiscal year or a fiscal period that does not coincide with the District's fiscal year.

NOTE 3 DETAILED NOTES

A. Cash and Investments

Deposits

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District currently has an agreement with its primary banking institution to collateralize 100% of its deposits as part of a collateral pool. 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 District 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*, \$6,019,321 of the District's bank balance of \$6,324,330 was exposed to custodial credit risk as follows:

Uninsured and Uncollateralized	\$ -
Uninsured and Collateral Held by the Pledging Bank's Trust Department, Not in the District's Name	6,019,321
Total Amount Subject to Custodial Credit Risk	<u>\$ 6,019,321</u>

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Cash Equivalents

At June 30, 2024, the District's cash equivalents amounted to \$374,723. The following table provides a summary of the District's cash equivalents (excluding U.S. Government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

Charles Schwab Money Market*	\$	189,318
Morgan Stanley*		185,405

*Not Rated

B. Investments

The investments in the Pension Fund are covered by the Securities Investor Protection Corporation (SIPC) up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as money market funds.

As of June 30, 2024, the District had the following investments:

	Fair Value	Investment Maturities (Years)		
		Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:				
U.S. Government Agencies	\$ 4	\$ -	\$ -	\$ 4
Corporate Bonds	3,641,387	809,605	2,381,782	-
Total	3,641,391	<u>\$ 809,605</u>	<u>\$ 2,381,782</u>	<u>\$ 4</u>
Other Investments:				
Common Stock	8,267,265			
Preferred Stock	7,150			
Mutual Funds	53,691			
Total Investments	<u>\$ 11,969,497</u>			

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

B. Investments (Continued)

Presented below is the rating of investments for each debt investment type:

Average Rating	Corporate Bonds	U.S. Government Agencies
Aaa	\$ -	\$ 4
Aa3	103,821	-
A1	214,524	-
A2	442,305	-
A3	758,447	-
Baa1	1,072,958	-
Baa2	907,509	-
Baa3	109,337	-
Unrated	32,486	-
Total	\$ 3,641,387	\$ 4

In accordance with GASB Statement No. 72, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The District has the following recurring fair value measurements as of June 30, 2024:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Agencies	\$ 4	\$ 4	\$ -	\$ -
Corporate Bonds	3,641,387	3,641,387	-	-
Mutual Funds	53,691	53,691	-	-
Common Stock	8,267,265	8,267,265	-	-
Preferred Stock	7,150	7,150	-	-
Total Investments by Fair Value Level	\$ 11,969,497	\$ 11,969,497	\$ -	\$ -

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

B. Investments (Continued)

Interest Rate Risk

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

Credit Risk - Investments

The District has no formal investment policy that would limit its investment choices with respect to credit risk other than State Statutes governing investments in obligations of any state or political subdivision.

Concentration of Credit Risk

The District does not have a formalized investment policy that restricts the amount invested in any one issuer.

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 District or that sells investments to or buys them for the District), 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 does not have a policy for custodial credit risk.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 200,000	\$ -	\$ -	\$ 200,000
Construction in Progress	14,700	421,710	-	436,410
Total Capital Assets not Being Depreciated	<u>214,700</u>	<u>421,710</u>	<u>-</u>	<u>636,410</u>
Capital Assets Being Depreciated:				
Buildings and Improvements	51,260,876	119,276	-	51,380,152
Land Improvements	6,660,509	1,179,840	-	7,840,349
Equipment	3,016,577	13,494	331,529	2,698,542
Vehicles	177,295	18,372	14,966	180,701
Total Capital Assets Being Depreciated	<u>61,115,257</u>	<u>1,330,982</u>	<u>346,495</u>	<u>62,099,744</u>
Less: Accumulated Depreciation for:				
Buildings	24,115,884	1,199,570	-	25,315,454
Land Improvements	3,527,477	374,142	-	3,901,619
Equipment	1,717,249	437,801	331,529	1,823,521
Vehicles	177,295	5,103	14,966	167,432
Total Accumulated Depreciation	<u>29,537,905</u>	<u>2,016,616</u>	<u>346,495</u>	<u>31,208,026</u>
Right-to-Use, Lease Asset				
Buildings	3,717,034	-	6,984	3,710,050
Land Improvements	-	-	-	-
Equipment	623,085	348,780	1,676	970,189
Vehicles	-	2,314,517	-	2,314,517
Total Right-to-Use, Lease Asset	<u>4,340,119</u>	<u>2,663,297</u>	<u>8,660</u>	<u>6,994,756</u>
Less: Accumulated Amortization				
Buildings	480,608	236,811	6,984	710,435
Equipment	169,605	196,672	1,676	364,601
Vehicles	-	136,491	-	136,491
Total Accumulated Amortization	<u>650,213</u>	<u>569,974</u>	<u>8,660</u>	<u>1,211,527</u>
Subscription-Based Information Technology Arrangement Assets *				
Subscription-Based Information Technology Arrangements	44,639	60,287	35,639	69,287
Less Accumulated Amortization:				
Subscription-Based Information Technology Arrangements	<u>25,843</u>	<u>24,239</u>	<u>35,639</u>	<u>14,443</u>
Total Capital Assets Being Depreciated/ Amortized, Net	<u>35,286,054</u>	<u>1,443,737</u>	<u>-</u>	<u>36,729,791</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,500,754</u>	<u>\$ 1,865,447</u>	<u>\$ -</u>	<u>\$ 37,366,201</u>

Depreciation and Amortization expense was charged as follows:

Administration	\$ 658,712
Buildings	1,810,523
Transportation	141,594
Total	<u>\$ 2,610,829</u>

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES (CONTINUED)

D. Interfund Receivables, Payables, and Transfers

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund receivables and payables as of June 30, 2024 is as follows:

Receivable Fund	Payable Fund	Amount
Capital Reserve Fund	General Fund	\$ 464,535

A summary of interfund transfers as of June 30, 2024 is as follows:

	Transfers In			Total Transfers Out
	General Fund	School Cafeteria Fund	Capital Reserve Fund	
Transfers Out:				
General Fund	\$ -	\$ 15,000	\$ 778,000	\$ 793,000

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

E. Changes in Long-Term Obligations

Summary of Changes

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

	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:									
Bonds Payable:									
Improvement Bond		7/15/09	7/15/24	2.50-4.50	\$ 660,000	\$ -	\$ 330,000	\$ 330,000	\$ 330,000
Improvement Bond		5/11/22	5/15/42	4.00-5.00	6,900,000	-	350,000	6,550,000	350,000
Subtotal					7,560,000	-	680,000	6,880,000	680,000
Plus Deferred Amounts:									
Bond Premium					417,260	-	43,742	373,518	-
Total Bonds Payable					7,977,260	-	723,742	7,253,518	680,000
Notes Payable					388,817	-	173,280	215,537	147,581
Lease Liability					3,891,628	2,663,297	568,574	5,986,351	764,377
Subscription Based Information Technology Arrangement Liability *					12,066	60,287	25,896	46,457	19,808
Compensated Absences					89,451	322,586	314,028	98,009	98,009
Net Pension Liability					1,459,112	625,366	1,042,849	1,041,629	-
Total OPEB Liability					4,782,666	231,701	434,263	4,580,104	320,103
Total Governmental Activities					\$ 18,601,000	\$ 3,903,237	\$ 3,282,632	\$ 19,221,605	\$ 2,029,878
Long-Term Liabilities					\$ 18,601,000	\$ 3,903,237	\$ 3,282,632	\$ 19,221,605	\$ 2,029,878

All long-term liabilities are generally liquidated by the General Fund with the exception of the bonds payable which were liquidated in both the General Fund and the Capital Reserve Fund.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

Summary of Changes (Continued)

The annual requirements to amortize all bonds payable as of June 30, 2024 and the amounts to be provided by the state of Connecticut for the retirement of school bonds and of debt principal and interest maturities are as follows:

<u>Year Ending June 30,</u>	Bond Principal	Bond Interest
2025	\$ 680,000	\$ 290,507
2026	360,000	266,200
2027	365,000	248,200
2028	365,000	229,950
2029	365,000	211,700
2030-2034	1,825,000	806,650
2035-2039	1,825,000	438,000
2040-2042	1,095,000	87,600
Total	<u>\$ 6,880,000</u>	<u>\$ 2,578,807</u>

Lease Liability

The District leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2039.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	Lease Principal	Lease Interest
2025	\$ 764,377	\$ 214,642
2026	774,076	179,341
2027	765,736	143,641
2028	742,042	107,646
2029	722,089	71,674
2030-2034	1,386,858	167,443
2035-2039	831,173	23,584
Total	<u>\$ 5,986,351</u>	<u>\$ 907,971</u>

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

Equipment	\$ 970,189
Buildings	3,710,050
Vehicles	2,314,517
Less: Accumulated Amortization	(1,211,527)
Total	<u>\$ 5,783,229</u>

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 3 DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

Notes Payable – Direct Placement

The District has financing agreements for various technology equipment. These agreements vary in duration through June 30, 2026, with interest rates ranging from 0% to 4.47%. The notes payable are secured by the underlying equipment.

The following is a schedule of future payments as of June 30, 2024:

<u>Year Ending June 30.</u>	<u>Note Principal</u>	<u>Note Interest</u>
2025	\$ 147,581	\$ 7,184
2026	67,956	2,130
Total	<u>\$ 215,537</u>	<u>\$ 9,314</u>

Subscription-Based Information Technology Arrangements

The District has entered into subscription-based information technology arrangements (SBITA) for educational software. The SBITAs expire at various dates through 2028 and provide for renewal options.

Total future minimum payments under these agreements are as follows:

<u>Year Ending June 30.</u>	<u>SBITA Principal</u>	<u>SBITA Interest</u>
2025	\$ 19,808	\$ 1,060
2026	16,015	550
2027	10,335	215
2028	299	1
Total	<u>\$ 46,457</u>	<u>\$ 1,826</u>

SBITA assets acquired through outstanding contracts are shown below:

Subscription Based Information Technology Arrangements	\$ 69,287
Less: Accumulated Amortization	<u>(14,443)</u>
Total	<u>\$ 54,844</u>

Statutory Debt Limitations

The District's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes. The statutes allow for debt up to 4.5 times the annual receipts of taxation of the member towns. The District's debt limitation is as follows:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
Schools	<u>\$ 185,760,936</u>	<u>\$ 13,128,345</u>	<u>\$ 172,632,591</u>

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 DETAILED NOTES (CONTINUED)

F. Fund Balance

The components of fund balance for the governmental funds at June 30, 2024 are as follows:

	General Fund	School Cafeteria Fund	Special School Grants and Program	Capital Reserve Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Inventory	\$ -	\$ 21,069	\$ -	\$ -	\$ -	\$ 21,069
Restricted for:						
Student Activities	-	-	-	-	282,994	282,994
Special School Grants and Programs	-	-	7,270	-	-	7,270
School Lunch Program	-	352,747	-	-	-	352,747
Capital Projects	-	-	-	3,219,888	-	3,219,888
Committed to:						
Middlesex Transition Academy	-	-	-	-	97,261	97,261
Capital Projects	-	-	-	1,120,756	-	1,120,756
Assigned to:						
Administration Encumbrances:						
Employee Benefits	137	-	-	-	-	137
Purchased Services	102,316	-	-	-	64	102,380
Property Services	69,940	-	-	-	-	69,940
Operational Services	26,781	-	-	-	-	26,781
Supplies	16,655	-	-	-	-	16,655
Capital Improvements/ Equipment	6,693	-	-	680,269	-	686,962
Unassigned	(95,096)	-	-	-	-	(95,096)
Total Fund Balances	<u>\$ 127,426</u>	<u>\$ 373,816</u>	<u>\$ 7,270</u>	<u>\$ 5,020,913</u>	<u>\$ 380,319</u>	<u>\$ 5,909,744</u>

Significant encumbrances of \$222,522 and \$680,269 are included in the General Fund and Capital Reserve fund, respectively, as of June 30, 2024.

NOTE 4 RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; thefts of, damage to or destruction of assets; errors or omissions; injuries to employees; or natural disasters.

The District purchases commercial insurance for all risks of loss, including workers' compensation, blanket, and umbrella policies.

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.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS

Regional School District No. 13 Employee Retirement Plan

A. Plan Description and Benefits Provided

The District is the administrator of a single-employer pension employee retirement system (PERS) established and administered by the District to provide pension benefits for its employees. The Pension Committee, consisting of employees from the District as well as community members, makes recommendations for plan provisions. The recommendations are then approved by the Board of Education. The PERS is considered to be part of the District's financial reporting entity and is included in the District's financial statements as a pension trust fund.

Investment management of the plan rests with the Board of Education, which consists of 10 members. Administration of the plan rests with a five-member committee appointed by the Board of Education.

B. 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.

C. Classes of Employees Covered

As of July 1, 2023, the date of the last actuarial valuation, the plan's membership consisted of the following:

Retirees, Disabled, and Beneficiaries Currently Receiving Benefits	\$	54
Terminated Employees Entitled to Benefits but Not Yet Receiving Them		22
Current Plan Members		69
Total	<u>\$</u>	<u>145</u>

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Regional School District No. 13 Employee Retirement Plan (Continued)

C. Classes of Employees Covered (Continued)

Benefit Provisions

The plan covers substantially all regularly employed, permanent noncertified employees of the District. In order to be eligible for the plan, the employee must complete 1 year of service, work 1,000 hours in a year and attain a minimum age of 21.

The death benefit for the plan is the present value of accrued benefits.

Participants are vested after 10 years of service.

Contributions

Contribution requirements of the plan members and the District are established and may be amended by the Board of Education. Plan members are required to contribute 5% of their earnings to the plan. The District is required to contribute at an actuarially determined rate. The District's contribution for the year ended June 30, 2024 represented 9.94% of covered payroll. Administrative costs of the plan are financed through investment earnings of the plan's assets.

D. Investments

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Education by a majority vote of its members. It is the policy of the Board of Education to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2024:

<u>Asset Class</u>	<u>Target Allocation</u>
Large Cap Core Equity	30.00%
Mid Cap Core Equity	7.50
Small Cap Core Equity	7.50
International Equity	10.00
Emerging Market Equity	5.00
US Fixed Income Taxable	25.00
Short Duration Investment Grade Taxable Fixed Income	15.00
Total	<u>100.00%</u>

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Regional School District No. 13 Employee Retirement Plan (Continued)

D. Investments (Continued)

Rate of Return

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

E. Net Pension Asset of the District

The components of the net pension liability of the District at June 30, 2024 were as follows:

Total Pension Liability	\$ 13,418,735
Plan Fiduciary Net Position	12,377,106
District's Net Pension Liability	<u>\$ 1,041,629</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.24%

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of July 1, 2023, rolled forward to June 30, 2024, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary Increases	3.30%
Investment Rate of Return	6.75%

Mortality rates were based on the Pub-2010 Public Retirement Plans Amount-Weighted Mortality Table projected to the valuation date with Scale MP-2021.

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 as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Regional School District No. 13 Employee Retirement Plan (Continued)

E. Net Pension Asset of the District (Continued)

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Large Cap Core Equity	5.00%
Mid Cap Core Equity	5.30
Small Cap Core Equity	5.30
International Equity	6.40
Emerging Market Equity	7.70
US Fixed Income Taxable	2.30
Short Duration Investment Grade Taxable Fixed income	0.05

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. 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 District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 local pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances as of July 1, 2023	\$ 12,825,248	\$ 11,366,137	\$ 1,459,111
Changes for the Year:			
Service Cost	391,522	-	391,522
Interest on Total Pension Liability	870,890	-	870,890
Differences Between Expected and Actual Experience	(233,806)	-	(233,806)
Changes in Assumptions	204,720	-	204,720
Employer Contributions	-	342,252	(342,252)
Member Contributions	-	194,686	(194,686)
Net Investment Income	-	1,114,976	(1,114,976)
Benefit Payments, Including Refund to Employee Contributions	(639,839)	(639,839)	-
Administrative Expenses	-	(1,106)	1,106
Net Changes	593,487	1,010,969	(417,482)
Balances as of June 30, 2024	<u>\$ 13,418,735</u>	<u>\$ 12,377,106</u>	<u>\$ 1,041,629</u>

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 6.75%, as well as what the District's pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Regional School District No. 13 Employee Retirement Plan (Continued)

E. Net Pension Asset of the District (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate (Continued)

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Total Net Pension Liability (Asset)	\$ 2,416,840	\$ 1,041,629	\$ (131,845)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the District recognized pension expense of \$372,112. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Employees' Pension Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 133,741	\$ (186,092)
Changes of Assumptions	234,098	-
Net Difference Between Projected and Actual Earning on Pension Plan Investments	-	(36,337)
Total	\$ 367,839	\$ (222,429)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending June 30,	Amount
2025	\$ (17,856)
2026	334,385
2027	(96,028)
2028	(75,091)
2029	-
Total	\$ 145,410

Connecticut Teachers Retirement System – Pension

A. Plan Description

Teachers, principals, superintendents, or administrators engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

B. Benefit Provisions

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

Normal Retirement

Retirement benefits for employees are calculated as 2% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement

Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement

Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

C. Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the state of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the state of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$5,728,931 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

C. Contributions (Continued)

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of salary for the pension benefit.

January 1, 2018, each teacher is required to contribute 7% of salary for the pension benefit.

D. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2024, the District reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's Proportionate Share of the Net Pension Liability	\$	-
State's Proportionate Share of the Net Pension Liability		
Associated with the District		61,743,454
Total	\$	<u>61,743,454</u>

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. At June 30, 2024, the District has no proportionate share of the net pension liability.

For the year ended June 30, 2024, the District recognized pension expense and revenue of \$5,911,578 in Exhibit II.

E. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increase	3.00-6.50%, Including Inflation
Investment Rate of Return	6.90%, Net of Pension Plan Investment Expense, Including Inflation

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

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the five-year period ending June 30, 2019.

Assumption changes since the prior year are as follows:

- There were no changes in assumptions that affected the measurement of the TPL since the prior measurement date.

Benefit changes since the prior year are as follows:

- There were no changes in benefits that affected the measurement of the TPL since the prior measurement date.

Cost-of-Living Allowance

For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum.

For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%.

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and target asset allocation as provided by the state of Connecticut Treasurer's Office are summarized in the following table:

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 5 PENSION PLANS (CONTINUED)

Connecticut Teachers Retirement System – Pension (Continued)

E. Actuarial Assumptions (Continued)

Long-Term Rate of Return (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.00 %	6.80 %
Public Credit	2.00	2.90
Core Fixed Income	13.00	0.40
Liquidity Fund	1.00	(0.40)
Risk Mitigation	5.00	0.10
Private Equity	15.00	11.20
Private Credit	10.00	6.10
Real Estate	10.00	6.20
Infrastructure and Natural Resources	7.00	7.70
Total	100.00 %	

F. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that state contributions will be made at the actuarially determined contribution rates in the 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.

G. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The District's proportionate share of the net pension liability is \$-0-, and, therefore, the change in the discount rate would only impact the amount recorded by the state of Connecticut.

H. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the District has no obligation to contribute to the plan.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS

Retiree Health Plan

A. Plan Description

The Region 13 Retiree Health Plan (RHP) is a single-employer defined benefit healthcare plan administered by the District. The RHP provides medical and life insurance benefits to eligible retirees and their spouses. All employees of the District are eligible to participate in the plan. Benefit provisions are established through negotiations between the District and the various unions representing the employees.

The District currently pays for postemployment health care benefits on a pay-as-you-go basis. As of June 30, 2024, the District has not established a trust fund to irrevocably segregate assets to fund liability associated with the postemployment benefits, which would require the reporting of a trust fund in accordance with GASB guidelines. Administration costs are financed from current operations.

B. Funding Policy

The contribution requirements of plan members and the District are also negotiated with the various unions representing the employees. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums as follows:

Retirees Pre 65

Teachers and administrators pay 100% of active premium. Superintendent pays 5% of active premium. Business assistant to superintendent pays 20% of active premium. Board of Education employees pay 100% of active premium. The active premium for the year ended June 30, 2024 was as follows:

	Employee	Spouse
2022 CT State Partnership Plan 2.0:		
Pre-65 Medical Costs, Including Prescription Drugs	\$ 15,527	\$ 33,442
Post-65 Medical Costs, Including Prescription Drugs (Non-Medicare Eligibility)	27,623	60,069
Retiree Contribution Rates:		
BOE Certified	12,686	27,724
BOE Non-Certified	12,753	27,372

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Retiree Health Plan (Continued)

C. Employees Covered by Benefit Terms

Retirees Post 65

Teachers and administrators may continue their coverage post 65 if they are eligible for Medicare. The superintendent receives TRB Medicare supplemental coverage between the ages of 65 and 75. All others are not covered post 65.

Membership in the plan consisted of the following at July 1, 2022, the date of the last actuarial valuation.

Inactive Employees Currently Receiving Benefit Payments	12
Active Employees	305
Total	317

D. Total OPEB Liability

The District's total OPEB liability of \$4,580,104 was measured as of June 30, 2024 and was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability as of June 30, 2024, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.40%
Salary Increases	2.40%, Average, Including Inflation
Discount Rate	3.93%
Healthcare Cost Trend Rates	6.50% for 2022, Decreasing 0.2% Per Year to an Ultimate Rate of 4.40% for 2033 and Later Years
Retirees' Share of Benefit-Related Costs	Varies Based on Union

The discount rate was based on the published Bond Buyer GO 20-Bond Municipal Index effective as of June 30, 2024.

Mortality rates were based on the Pub-2010 Public Retirement Plans Mortality Tables for general employees, with separate tables for nonannuitants and annuitants, projected to the valuation date with Scale MP-2021.

The actuarial assumptions used in the July 1, 2022, valuation were based on standard tables modified for certain plan features such as eligibility for full and early retirement where applicable and input from the plan sponsor. The plan does not have credible data on which to perform an experience study. As a result, a full actuarial experience study is not applicable.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Retiree Health Plan (Continued)

E. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance - July 1, 2023	\$ 4,782,666
Changes for the Year:	
Service Cost	45,690
Interest on Total OPEB Liability	170,972
Difference Between Expected and Actual Experience	15,039
Changes in Assumptions or Other Inputs	(143,259)
Benefit Payments	(291,004)
Net Changes	(202,562)
Balance - June 30, 2024	\$ 4,580,104

Changes of assumptions and other inputs reflect a change in the discount rate from 3.65% in 2023 to 3.93% in 2024.

F. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Total OPEB Liability	\$ 5,123,408	\$ 4,580,104	\$ 4,117,710

G. Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease (5.50% Decreasing to 3.40%)	Healthcare Cost Trend Rates (6.50% Decreasing to 4.40%)	1% Increase (7.50% Decreasing to 5.40%)
Total OPEB Liability	\$ 4,027,370	\$ 4,580,104	\$ 5,233,541

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Retiree Health Plan (Continued)

H. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the District recognized OPEB expense of \$50,114. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,012,289	\$ (1,056,509)
Changes of Assumptions	607,365	(1,303,145)
Total	\$ 1,619,654	\$ (2,359,654)

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

Year Ending June 30,	Amount
2025	\$ (80,364)
2026	(80,364)
2027	(80,364)
2028	(80,364)
2029	(80,364)
Thereafter	(338,180)
Total	\$ (740,000)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan

A. Plan Description

Teachers, principals, superintendents, or administrators engaged in service of public schools plus professional employees at state schools of higher education are eligible to participate in the Connecticut State Teachers' Retirement System Retiree Health Insurance Plan (TRS-RHIP), a cost sharing multiple-employer defined benefit other postemployment benefit plan administered by the Teachers' Retirement Board (TRB), if they choose to be covered.

Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

B. Benefit Provisions

There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplement Plans provide coverage for those participating in Medicare but not receiving Subsidized Local School District Coverage.

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

Any member who is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the system. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplement Plans. Effective July 1, 2018, the system added a Medicare Advantage Plan option. Active members, retirees and the state pay equally toward the cost of the basic coverage (medical and prescription drug benefits) under the Medicare Advantage Plan. Retired members who choose to enroll in the Medicare Supplement Plan are responsible for the full difference in the premium cost between the two plans. Additionally, effective July 1, 2018, retired members who cancel their health care coverage or elect to not enroll in a CTRB-sponsored health care coverage option must wait two years to re-enroll.

Survivor Health Care Coverage

Survivors of former employees or retirees remain eligible to participate in the plan and continue to be eligible to receive either the \$220 monthly subsidy or participate in the TRB-Sponsored Medicare Supplement Plans, as long as they do not remarry.

Eligibility

Any member who is currently receiving a retirement or disability benefit is eligible to participate in the plan.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan (Continued)

B. Benefit Provisions (Continued)

Credited Service

One month for each month of service as a teacher in Connecticut public schools, maximum 10 months for each school year. Ten months of credited service constitutes one year of Credited Service. Certain other types of teaching services, State employment, or wartime military service may be purchased prior to retirement if the member pays one-half the cost.

Normal Retirement

Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.

Early Retirement

Age 55 with 20 years of Credited Service including 15 years of Connecticut service, or 25 years of Credited Service including 20 years of Connecticut service.

Proratable Retirement

Age 60 with 10 years of Credited Service.

Disability Retirement

No service requirement if incurred in the performance of duty, and five years of Credited Service in Connecticut if not incurred in the performance of duty.

Termination of Employment

Ten or more years of Credited Service.

C. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the state of Connecticut are approved, amended, and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The state contributions are not currently actuarially funded. The state appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the state will pay for any long-term shortfall arising from insufficient active member contributions.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

C. Contributions (Continued)

Employer (School Districts)

School District employers are not required to make contributions to the plan.

For the year ended June 30, 2024, the amount of "on-behalf" contributions made by the state was \$77,960 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

Employees/Retirees

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

D. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2024, the District reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows, due to the statutory requirement that the state pay 100% of the required contribution. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the District was as follows:

District's Proportionate Share of the Net OPEB Liability	\$ -
State's Proportionate Share of the Net OPEB Liability	
Associated with the District	5,784,514
Total	<u>\$ 5,784,514</u>

The net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as June 30, 2023. At June 30, 2024, the District has no proportionate share of the net OPEB liability.

For the year ended June 30, 2024, the District recognized OPEB expense and revenue of \$(681,453) in Exhibit II.

**REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024**

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

E. Actuarial Assumptions

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

Inflation	2.50%
Health Care Costs Trend Rate	Known Increases Until Calendar Year 2024 then General Trend Decreasing to an Ultimate Rate of 4.50% by 2031
Salary Increases	3.00-6.50%, Including Inflation
Investment Rate of Return	3.64%, Net of OPEB Plan Investment Expense, Including Inflation
Year Fund Net Position will be Depleted	2028

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

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2014 – June 30, 2019.

The changes in the assumptions since the prior year are as follows:

- Based on the procedure described in GASB 74, the discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.

The changes in the benefit terms since the prior year are as follows:

- There were no changes to benefit terms since the prior Measurement Date.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)

E. Actuarial Assumptions (Continued)

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluating the long-term rate of return assumption, including the plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net investment expense and inflation) for each major asset class. The long-term expected rate of return was determined by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years. The plan is 100% invested in U.S. Treasuries (Cash Equivalents) for which the expected 10-Year Geometric Real Rate of Return is (0.77%).

F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.64%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection was based on an actuarial valuation performed as of June 30, 2022.

In addition to the actuarial methods and assumptions of the June 30, 2022, actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2028 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

REGIONAL SCHOOL DISTRICT NO. 13
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 OTHER POSTEMPLOYMENT BENEFIT PLANS (CONTINUED)

**Other Postemployment Benefit - Connecticut State Teachers Retirement Plan
(Continued)**

G. Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate and the Discount Rate

The District's proportionate share of the net OPEB liability is \$-0- and, therefore, the change in the health care cost trend rate or the discount rate would only impact the amount recorded by the state of Connecticut.

H. OPEB Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report at www.ct.gov.

I. Other Information

Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the District has no obligation to contribute to the plan.

NOTE 7 CONTINGENT LIABILITIES

There are various lawsuits and claims pending against the District, 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 District.

State and federal grants received by the District 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 that may be disallowed cannot be determined at this time, although the District's management believes such disallowance, if any, will be immaterial.

The District may owe rebate payments to the federal government of arbitrage earnings (if there were any) on investment of the proceeds of certain borrowings, or a penalty in lieu of rebate, unless an exemption applies. The District would have to provide the factual information to determine whether there were any arbitrage earnings and whether it qualified for an exemption from rebate (or from a penalty in lieu of rebate).

REQUIRED SUPPLEMENTARY INFORMATION

**REGIONAL SCHOOL DISTRICT NO. 13
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL – BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Assessments from District Member Towns	\$ 38,155,714	\$ 38,155,714	\$ 38,155,714	\$ -
Local Sources:				
Investment Income	45,000	45,000	46,961	1,961
Intergovernmental:				
Miscellaneous State Grants	579,663	579,663	417,300	(162,363)
Adult Education	10,200	10,200	11,550	1,350
Total Intergovernmental	589,863	589,863	428,850	(161,013)
Charges for Services:				
Buildings/Grounds Rentals	25,000	25,000	43,838	18,838
Tuition	33,000	33,000	28,239	(4,761)
Total Charges for Services	58,000	58,000	72,077	14,077
Other Revenue:				
Miscellaneous	87,200	87,200	60,408	(26,792)
Total Other Revenue	38,935,777	38,935,777	38,764,010	(171,767)
Other Financing Sources:				
Appropriation of Fund Balance	490,798	490,798	-	(490,798)
Total Other Financing Sources	490,798	490,798	-	(490,798)
Total Revenues and Other Financing Sources	\$ 39,426,575	\$ 39,426,575	38,764,010	\$ (662,565)

Budgetary revenues are different than GAAP revenues because:

State of Connecticut pension on-behalf payments related to the Connecticut State Teachers' Retirement System for District teachers are not budgeted.	5,728,931
State of Connecticut OPEB on-behalf payments related to the Connecticut State Teachers' Retirement System for District teachers are not budgeted.	77,960
Issuance of Lease	2,663,297
Issuance of Subscription Based Information Technology Agreement	60,285

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 47,294,483

**REGIONAL SCHOOL DISTRICT NO. 13
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL BUDGETARY BASIS
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
Salaries:				
Certified Personnel	\$ 17,009,387	\$ 17,009,387	\$ 17,387,762	\$ (378,375)
Support Personnel	5,025,731	5,025,731	5,066,593	(40,862)
Total Salaries	<u>22,035,118</u>	<u>22,035,118</u>	<u>22,454,355</u>	<u>(419,237)</u>
Employee Benefits:				
Employee Benefits	6,291,326	6,291,326	6,539,731	(248,405)
Purchased Services:				
Education	425,425	425,425	320,891	104,534
Conferences	96,744	96,744	32,209	64,535
Professional	480,564	480,564	398,902	81,662
Technical	516,396	516,396	400,650	115,746
Total Purchased Services	<u>1,519,129</u>	<u>1,519,129</u>	<u>1,152,652</u>	<u>366,477</u>
Property Services:				
Water Service	11,500	11,500	9,811	1,689
Disposal Services	28,000	28,000	41,661	(13,661)
Snow Removal	72,550	72,550	21,733	50,817
Lawn Care	138,487	138,487	122,344	16,143
Repairs and Maintenance	307,856	307,856	132,802	175,054
Rent and Leases	665,021	665,021	890,102	(225,081)
Total Property Services	<u>1,223,414</u>	<u>1,223,414</u>	<u>1,218,453</u>	<u>4,961</u>
Operational Services:				
Pupil Transportation	2,177,751	2,177,751	1,870,882	306,869
Field Trips/Athletics	253,015	253,015	224,467	28,548
Liability Insurance	190,000	190,000	229,363	(39,363)
Dues and Fees	73,780	73,780	61,922	11,858
Communication	140,511	140,511	133,495	7,016
Advertising	3,000	3,000	1,663	1,337
Printing	66,050	66,050	57,362	8,688
Tuition	1,477,820	1,477,820	1,475,103	2,717
Travel	19,520	19,520	9,336	10,184
Total Operational Services	<u>4,401,447</u>	<u>4,401,447</u>	<u>4,063,593</u>	<u>337,854</u>
Supplies:				
Supplies	561,791	561,791	422,054	139,737
Books/Resource Materials	97,928	97,928	78,304	19,624
Natural Gas	120,929	120,929	74,633	46,296
Electricity	611,998	611,998	430,353	181,645
Bottled Gas	8,500	8,500	4,098	4,402
Heating Oil	155,800	155,800	123,562	32,238
Gasoline and Oil Vehicles	31,804	31,804	34,073	(2,269)
Total Supplies	<u>1,588,750</u>	<u>1,588,750</u>	<u>1,167,077</u>	<u>421,673</u>
Capital Improvements/Equipment:				
Transfer to Capital Reserve Fund	778,000	778,000	778,000	-
Equipment	587,978	587,978	527,732	60,246
Total Capital Improvements/Equipment	<u>1,365,978</u>	<u>1,365,978</u>	<u>1,305,732</u>	<u>60,246</u>

**REGIONAL SCHOOL DISTRICT NO. 13
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL BUDGETARY BASIS (CONTINUED)
YEAR ENDED JUNE 30, 2024**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Debt Service:				
Principal	\$ 680,000	\$ 680,000	\$ 680,000	\$ -
Interest	321,413	321,413	321,413	-
Total Debt Service	1,001,413	1,001,413	1,001,413	-
 Total Expenditures	\$ 39,426,575	\$ 39,426,575	\$ 38,903,006	\$ 523,569
 Other Finance Uses:				
Transfer to School Cafeteria Fund	-	-	15,000	(15,000)
Total Other Finance Uses	-	-	15,000	(15,000)
 Total Expenditures and Other Financing Uses	\$ 39,426,575	\$ 39,426,575	\$ 38,918,006	\$ 508,569
 Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut pension on-behalf payments related to the Connecticut State Teachers' Retirement System for District teachers are not budgeted.			5,728,931	
State of Connecticut OPEB on-behalf payments related to the Connecticut State Teachers' Retirement System for District teachers are not budgeted.			77,960	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but not in the year received for financial reporting purposes.			(222,522)	
Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes.			154,825	
Capital Outlay Related to Leases			2,663,297	
Capital Outlay Related to Subscription Based Information Technology Agreements			60,285	
 Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 47,380,782	

REGIONAL SCHOOL DISTRICT NO. 13
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
DISTRICT'S RETIREMENT PLAN
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:										
Service Cost	\$ 391,522	\$ 379,749	\$ 375,502	\$ 362,804	\$ 341,419	\$ 329,873	\$ 371,087	\$ 362,003	\$ 367,442	\$ 351,588
Interest	870,890	829,540	768,892	740,943	718,714	680,726	735,283	672,025	623,204	574,926
Differences Between Expected and Actual Experience	(233,806)	-	324,799	-	(9,281)	-	(604,656)	-	(104,288)	-
Changes of Assumptions	204,720	-	123,305	-	198,394	-	(92,315)	-	356,383	-
Benefit Payments, Including Refunds of Member Contributions	(639,839)	(578,099)	(814,578)	(593,767)	(529,070)	(431,502)	(462,049)	(430,351)	(253,084)	(342,618)
Net Change in Total Pension Liability	593,487	631,190	777,920	509,980	720,176	579,097	(52,650)	603,677	989,657	583,896
Total Pension Liability - Beginning	12,825,248	12,194,058	11,416,138	10,906,158	10,185,982	9,606,885	9,659,535	9,055,858	8,066,201	7,482,305
Total Pension Liability - Ending	13,418,735	12,825,248	12,194,058	11,416,138	10,906,158	10,185,982	9,606,885	9,659,535	9,055,858	8,066,201
Plan Fiduciary Net Position:										
Contributions - Employer	342,252	335,145	314,916	307,673	253,071	246,932	335,575	326,520	330,684	322,555
Contributions - Member	194,686	181,453	172,171	184,053	184,269	168,036	158,650	160,535	179,303	165,524
Net Investment Income	1,113,870	853,188	(967,569)	2,497,443	288,312	779,037	321,014	586,996	223,087	162,629
Benefit Payments, Including Refunds of Member Contributions	(639,839)	(578,099)	(814,578)	(593,767)	(529,070)	(431,502)	(462,049)	(430,351)	(253,084)	(342,618)
Net Change in Plan Fiduciary Net Position	1,010,969	791,687	(1,295,060)	2,395,402	196,582	762,503	353,190	643,700	479,990	308,090
Plan Fiduciary Net Position - Beginning	11,366,137	10,574,450	11,869,510	9,474,108	9,277,526	8,515,023	8,161,833	7,518,133	7,038,143	6,730,053
Plan Fiduciary Net Position - Ending	12,377,106	11,366,137	10,574,450	11,869,510	9,474,108	9,277,526	8,515,023	8,161,833	7,518,133	7,038,143
Net Pension Liability (Asset) - Ending	<u>\$ 1,041,629</u>	<u>\$ 1,459,111</u>	<u>\$ 1,619,608</u>	<u>\$ (453,372)</u>	<u>\$ 1,432,050</u>	<u>\$ 908,456</u>	<u>\$ 1,091,862</u>	<u>\$ 1,497,702</u>	<u>\$ 1,537,725</u>	<u>\$ 1,028,058</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.24%	88.62%	86.72%	103.97%	86.87%	91.08%	88.63%	84.50%	83.02%	87.25%
Covered Payroll	\$ 3,441,774	\$ 3,613,593	\$ 3,491,394	\$ 3,526,881	\$ 3,407,614	\$ 3,258,483	\$ 3,148,293	\$ 3,359,920	\$ 3,215,234	\$ 3,419,417
Net Pension Liability as a Percentage of Covered Payroll	30.26%	40.38%	46.39%	-12.85%	42.03%	27.88%	34.68%	44.58%	47.83%	30.07%

**REGIONAL SCHOOL DISTRICT NO. 13
SCHEDULE OF EMPLOYER CONTRIBUTIONS
DISTRICT'S RETIREMENT PLAN
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 342,252	\$ 335,145	\$ 314,916	\$ 307,673	\$ 253,071	\$ 246,932	\$ 335,575	\$ 326,520	\$ 330,684	\$ 322,555
Contributions in Relation to the Actuarially Determined Contribution	<u>342,252</u>	<u>335,145</u>	<u>314,916</u>	<u>307,673</u>	<u>253,071</u>	<u>246,932</u>	<u>335,575</u>	<u>326,520</u>	<u>330,684</u>	<u>322,555</u>
Contribution Deficiency (Excess)	<u>\$ -</u>									
Covered Payroll	\$ 3,441,774	\$ 3,613,593	\$ 3,491,394	\$ 3,526,881	\$ 3,407,614	\$ 3,258,483	\$ 3,148,293	\$ 3,359,920	\$ 3,215,234	\$ 3,419,417
Contributions as a Percentage of Covered Payroll	9.94%	9.27%	9.02%	8.72%	7.43%	7.58%	10.66%	9.72%	10.28%	9.43%

Notes to Schedule

Valuation Date: July 1, 2023
 Measurement Date: June 30, 2024
 Actuarially determined contribution rates are calculated as of June 30, three 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	Expected asset value plus 20% of the difference between the Expected Value and the Market Value.
Inflation	2.4%
Salary Increases	3.3%
Investment Rate of Return	6.75%

**REGIONAL SCHOOL DISTRICT NO. 13
SCHEDULE OF INVESTMENT RETURNS
DISTRICT'S RETIREMENT PLAN
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	9.80%	8.05%	-8.24%	26.25%	3.11%	9.11%	3.93%	7.98%	3.28%	2.46%

**REGIONAL SCHOOL DISTRICT NO. 13
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT PLAN
LAST TEN FISCAL YEARS**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
District's Proportion of the Net Pension Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net Pension Liability Associated with the District	61,743,454	67,858,382	56,694,275	71,582,915	64,080,249	49,409,595	51,386,371	54,213,015	41,754,112	38,593,309
Total	<u>\$ 61,743,454</u>	<u>\$ 67,858,382</u>	<u>\$ 56,694,275</u>	<u>\$ 71,582,915</u>	<u>\$ 64,080,249</u>	<u>\$ 49,409,595</u>	<u>\$ 51,386,371</u>	<u>\$ 54,213,015</u>	<u>\$ 41,754,112</u>	<u>\$ 38,593,309</u>
District's Covered Payroll	\$ 17,028,587	\$ 16,808,120	\$ 17,160,060	\$ 16,786,302	\$ 16,227,631	\$ 15,901,048	\$ 15,455,931	\$ 15,756,461	\$ 15,322,385	\$ 15,189,280
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.69%	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	None
Actuarial cost method	Entry Age
Amortization method	Level Percent of Pay, Closed, Grading to a Level Dollar Amortization Method for the June 30, 2024 Valuation
Single equivalent amortization period	27.8 Years
Asset valuation method	4-Year Smoothed Market
Inflation	2.50%
Salary increase	3.00%-6.50%, Including Inflation
Investment rate of return	6.90%, Net of Investment-Related Expense

Notes:

- The measurement date is one year earlier than the employer's reporting date.

REGIONAL SCHOOL DISTRICT NO. 13
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
RETIREE HEALTH PLAN
LAST SEVEN FISCAL YEARS*

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability:							
Service Cost	\$ 45,690	\$ 67,785	\$ 84,828	\$ 127,805	\$ 95,735	\$ 173,987	\$ 172,599
Interest	170,972	133,562	96,786	128,758	167,477	203,898	187,833
Differences Between Expected and Actual Experience	15,039	889,836	22,609	(1,469,726)	(1,426)	441,957	15,766
Changes of Assumptions and Other Inputs	(143,259)	100,459	(717,464)	36,572	893,270	(1,081,623)	(196,608)
Benefit Payments	(291,004)	(226,256)	(130,298)	(121,226)	(143,033)	(170,973)	(147,436)
Net Change in Total OPEB Liability	(202,562)	965,386	(643,539)	(1,297,817)	1,012,023	(432,754)	32,154
Total OPEB Liability - Beginning	4,782,666	3,817,280	4,460,819	5,758,636	4,746,613	5,179,367	5,147,213
Total OPEB Liability - Ending	<u>\$ 4,580,104</u>	<u>\$ 4,782,666</u>	<u>\$ 3,817,280</u>	<u>\$ 4,460,819</u>	<u>\$ 5,758,636</u>	<u>\$ 4,746,613</u>	<u>\$ 5,179,367</u>
Covered Employee Payroll	\$ 22,264,375	\$ 21,742,554	\$ 21,846,670	\$ 21,334,639	\$ 19,472,465	\$ 18,979,011	\$ 21,299,064
Total OPEB Liability as a Percentage of Covered Employee Payroll	20.57%	22.00%	17.47%	20.91%	29.57%	25.01%	24.32%

Note - There are no assets accumulated in a trust to pay benefits for the OPEB plan.

*This schedule is intended to show information for ten years. Additional information will be added as it becomes available.

**REGIONAL SCHOOL DISTRICT NO. 13
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY
TEACHERS RETIREMENT PLAN
LAST SEVEN FISCAL YEARS***

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's Proportion of the Net OPEB Liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
District's Proportionate Share of the Net OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the Net OPEB Liability Associated with the District	<u>5,784,514</u>	<u>5,942,838</u>	<u>6,176,737</u>	<u>10,676,594</u>	<u>9,993,677</u>	<u>9,877,274</u>	<u>13,226,256</u>
Total	<u>\$ 5,784,514</u>	<u>\$ 5,942,838</u>	<u>\$ 6,176,737</u>	<u>\$ 10,676,594</u>	<u>\$ 9,993,677</u>	<u>\$ 9,877,274</u>	<u>\$ 13,226,256</u>
District's Covered Payroll	\$ 17,028,587	\$ 16,808,120	\$ 17,160,060	\$ 16,786,302	\$ 16,227,631	\$ 15,901,048	\$ 15,455,931
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	11.92%	9.46%	6.11%	2.50%	2.08%	1.49%	1.79%

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	Based on the procedure described in GASB 74, the discount rate used to measure plan obligations for financial accounting purposes as of June 30, 2023 was updated to equal the SEIR of 3.64% as of June 30, 2023.
Actuarial cost method	Entry age
Amortization method	Level percent of payroll over an open period
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Investment rate of return	3.00%, net of investment related expense including price inflation
Price inflation	2.50%

Notes:

- This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.
- The measurement date is one year earlier than the employer's reporting date

APPENDIX B – FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Notes are delivered, and a copy of the legal opinion will be included in the record of proceedings of the District authorizing the Notes. The opinion will be dated and given on and will speak only as of the date of original delivery of the Notes to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be substantially in the following form:

Regional School District Number 13
135A Pickett Lane
Durham, Connecticut 06422

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by Regional School District Number 13 of the State of Connecticut (the "District") of its \$20,000,000 General Obligation Bond Anticipation Notes, dated October 22, 2025, maturing October 21, 2026 (the "Notes").

In connection with our representation of the District as bond counsel with respect to the Notes, we have examined the executed Tax Certificate and Tax Compliance Agreement of the District, each dated as of October 22, 2025, the executed Notes and certified records of proceedings of the District authorizing the Notes. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Notes under the authority of the constitution and statutes of the State of Connecticut, and that the Notes are valid and binding general obligations of the District and each of its member towns of Durham and Middlefield, payable, with respect to both principal and interest, unless paid from other sources, from *ad valorem* taxes which may be levied on all property subject to taxation by each member town of the District without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the District and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the District.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Notes if interest on the Notes is to be excludable from gross income under Section 103 of the Code. The District has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Notes will not be includable in the gross income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals under the Code; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Notes. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the District with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the District to fully comply with the covenants set forth therein, may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

4. We are of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Notes and the enforceability of the Notes and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement related to the Notes.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Notes under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Notes, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Notes.

Recent Tax Legislation. The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Notes or otherwise prevent holders of the Notes from realizing the full benefit of the tax exemption of interest on the Notes.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Notes. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Notes would be impacted thereby.

Purchasers of the Notes should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Notes, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Alternative Minimum Tax. The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The District's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Notes are not "private activity bonds" so that interest on the Notes will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

Financial Institutions. The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Notes **shall not** be designated by the District as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Changes in Federal Tax Law. Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation proposed or enacted after the date of issuance of the Notes will not have an adverse effect on the tax exempt status or the market price of the Notes.

Other. Ownership of the Notes may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

STATE OF CONNECTICUT TAX ON INTEREST.

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Notes, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Notes and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Notes held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

ORIGINAL ISSUE DISCOUNT.

The initial public offering price of the Notes (the “OID Notes”) may be less than the stated principal amount. Under existing law, the difference between the stated principal amount and the initial offering price of the OID Notes to the public (excluding bond houses and brokers) at which a substantial amount of the OID Notes is sold will constitute original issue discount (“OID”). The offering price relating to the yield set forth on the cover page of this Official Statement for the OID Notes is expected to be the initial offering price to the public at which a substantial amount of the OID Notes are sold. Under existing law, OID on the Notes accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Notes is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Note, OID treated as having accrued while the owner holds the OID Note will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Note.

Prospective purchasers of OID Notes should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Notes purchasing such Notes after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Notes.

ORIGINAL ISSUE PREMIUM.

The initial public offering price of the Notes (the “OIP Notes”) may be more than the stated principal amount. An owner who purchases a Note at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner’s basis in the Note for federal income tax purposes. Prospective purchasers of OIP Notes should consult their tax advisors regarding the amortization of premium and the effect upon basis.

* * * * *

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Notes, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the District will agree to provide, or cause to be provided, timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes, pursuant to a Continuing Disclosure Agreement for the Notes in substantially the following form:

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 22nd day of October, 2025 by Regional School District Number 13 of the State of Connecticut (the "District") acting by its undersigned officers, duly authorized, in connection with the issuance of the District's \$20,000,000 General Obligation Bond Anticipation Notes (the "Notes") dated October 22, 2025 for the benefit of the beneficial owners from time to time of the Notes.

Section 1. Definitions. For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

"Rule" means Rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

"SEC" means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Listed Events.

The District agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Notes:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) Note defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the District;

- (m) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

Section 3. Use of Agents.

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the District or by any agents which may be employed by the District for such purpose from time to time.

Section 4. Termination.

The obligations of the District under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Notes, or (ii) such time as the District ceases to be an obligated person with respect to the Notes within the meaning of the Rule.

Section 5. Identifying Information.

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

Section 6. Enforcement.

The District acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Notes. In the event the District shall fail to perform its duties hereunder, the District shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the Director of Finance receives written notice from any beneficial owner of the Notes of such failure. The present address of the Director of Finance is Regional School District Number 13, District Offices, 135A Pickett Lane, Durham, Connecticut 06422. In the event the District does not cure such failure within the time specified above, the beneficial owner of any Notes shall be entitled only to the remedy of specific performance. The District expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute an event of default with respect to the Notes.

Section 7. Miscellaneous.

(a) The District shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the District from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Notes. If the District elects to provide any such additional information, data or notices, the District shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

(c) Notwithstanding any other provision of this Agreement, the District may amend this Agreement, and any provision of this Agreement may be waived, if (i) such amendment or waiver is made in connection with a change of circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the District, (ii) the Agreement as so amended or waived would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule, as well as any changes in circumstances, and (iii) such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver would not materially adversely affect the beneficial owner of the Notes. A copy of any such amendment or waiver will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following the adoption of any such amendment or waiver will explain, in narrative form, the reasons for the amendment or waiver and the impact of the change in the type of operating data or financial information being provided.

REGIONAL SCHOOL DISTRICT NUMBER 13 OF THE STATE OF
CONNECTICUT

By _____
Robert Moore
Chairman, Board of Education

By _____
Jason Stone
Treasurer, Board of Education

APPENDIX D - NOTICE OF SALE

NOTICE OF SALE

\$20,000,000

REGIONAL SCHOOL DISTRICT NO. 13 OF THE STATE OF CONNECTICUT

GENERAL OBLIGATION BOND ANTICIPATION NOTES

TELEPHONE PROPOSALS or ELECTRONIC PROPOSALS via PARITY® (“PARITY”) will be received by Regional School District No. 13 of the State of Connecticut (the “District”) at the office of Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone No. (203) 421-2880 until **11:00 A.M. (Eastern Time) on WEDNESDAY,**

October 8, 2025

for the purchase, when issued, of the District’s \$20,000,000 General Obligation Bond Anticipation Notes dated October 22, 2025, maturing October 21, 2026 (the “Notes”). The Notes are not subject to redemption prior to maturity. The Notes will be payable with interest at maturity and delivered against payment in Federal funds in New York, New York on or about October 22, 2025. The Notes will be general obligations of the District and its member towns of Durham and Middlefield (together, the “Member Towns”) and payable, as to both principal and interest, unless paid from other sources, from *ad valorem* taxes levied on all property subject to taxation by each Member Town of the District without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

Certifying, Transfer and Paying Agent; Registrar. The Notes will be certified by U.S. Bank Trust Company, National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

DTC Book-Entry. The Notes will be issued by means of a book-entry-only system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to the Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Notes will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Notes, will be required to deposit the note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the District or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The District will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

Telephone Proposals Bidding Procedure. Telephone proposals for the purchase of the Notes must be given by telephone to an authorized agent of the District’s municipal advisor, Munistat Services, Inc., at (203) 421-2880 by **11:00 A.M. (Eastern Time), on Wednesday, October 8, 2025.**

Electronic Proposals Bidding Procedure. Electronic proposals for the purchase of the Notes must be submitted through the facilities of PARITY by **11:00 A.M. (Eastern Time), on Wednesday, October 8, 2025.** Any prospective bidder must be a subscriber of Bidcomp’s competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2nd Floor, New York, New York 10018, (telephone (212) 849-5021). The District will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY is communicated to the District, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the District. By submitting a proposal for the Notes via PARITY, the bidder represents and warrants to the District that such bidder’s proposal for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the District will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described

in this Notice of Sale. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

Disclaimer- Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the District nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the District nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The District is using PARITY as a communication mechanism, and not as the District's agent, to conduct the electronic bidding for the Notes. The District is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders, and the District is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Notes, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale shall conflict with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the net interest cost to the District, as described under "Basis of Award" below, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

Proposals. Proposals may be made for all or any part of the Notes, but any proposal for a part must be for \$100,000 or a whole multiple thereof and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. No proposal for less than the minimum denomination or for less than par and accrued interest will be accepted. Each proposal must specify the amount bid for the Notes (which shall be the aggregate par value of the Notes, and, at the option of the bidder, a premium), and must specify one rate of interest in a multiple of one-hundredth (1/100) of one percent (1%) per annum for each part of the Notes bid for in the proposal. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Basis of Award. As between proposals which comply with this Notice of Sale, the Notes will be sold to the responsible bidder or bidders offering to purchase the Notes at the lowest net interest cost to the District, which will be determined by computing as to each interest rate stated the total interest to be payable at such rate and deducting therefrom any premium. If there is more than one responsible bidder making an offer to purchase all or any portion of the Notes at the same lowest net interest cost, the Notes will be sold to the responsible bidder with the proposal for the largest principal amount of the Notes specified. If more than one responsible bidder makes an offer to purchase all or any portion of the Notes at the same lowest net interest cost and for the same largest principal amount of the Notes specified, the Notes or any portion thereof will be sold to the responsible bidder who is chosen by lot. If a bidder is awarded only a part of the Notes, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the District with respect to the Notes awarded is the same as that contained in the bidder's proposal with respect to the entire amount bid, carried to four decimal places. It is requested that each proposal be accompanied by a statement of the percentage of net interest cost completed to four decimal places. Such statement shall not be considered as part of the proposal.

The District reserves the right to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Qualified Tax-Exempt Obligations. The Notes shall **NOT** be designated by the District as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

Bond Counsel Opinion. The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Notes. A copy of the opinion will be delivered to each purchaser of the Notes. The opinion of Bond Counsel will cover the following matters: (1) that the Notes will be valid and binding general obligations of the District and its Member Towns when duly certified, (2) that, assuming the accuracy of and continuing compliance by the District with its representations and covenants relating to certain requirements

contained in the Internal Revenue Code of 1986, as amended (the “Code”), based on existing law, interest on the Notes is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, such interest is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on corporations under the Code; and (3) that interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

Obligation to Deliver Issue Price Certificate. Pursuant to the Code and applicable Treasury Regulations, the District must establish the “issue price” of the Notes. **In order to assist the District, the winning bidder is obligated to deliver to the District a certificate (an “Issue Price Certificate”) and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Notes.** The District will rely on the Issue Price Certificate and such additional information in determining the issue price of the Notes. The form of Issue Price Certificate is available by contacting William N. Lindsay, Managing Director, Munistat Services, Inc., Email: bill.lindsay@munistat.com, Telephone No. (203) 421-2880, municipal advisor to the District (the “Municipal Advisor”).

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale rule relating to the establishment of the issue price of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Competitive Sale Rule”). The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Notes. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

Competitive Sale Rule Met. If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Notes, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Notes as of October 8, 2025 (the “Sale Date”).

Competitive Sale Rule Not Met. By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Notes for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Notes prior to the delivery date of the Notes. The rule selected with respect to each maturity of the Notes shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Notes. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

10% Sale Rule. To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide the District with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the District information regarding the actual prices at which at least 10 percent (10%) of the Notes of each maturity have been sold to the public;

(iii) will provide the District with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Notes, this reporting requirement will continue, beyond the closing date of the Notes, if necessary, until such date that at least 10 percent (10%) of such maturity of the Notes has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

Hold the Offering Price Rule. To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Notes at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Notes of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Notes of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5th) business day after the Sale Date of the Notes; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Notes to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Notes as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Notes that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Notes for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Notes was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Notes to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Notes to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Notes.

Preliminary Official Statement and Official Statement. The District has prepared a Preliminary Official Statement dated October 1, 2025 for this Note issue. The District deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The District will make available to each winning purchaser a reasonable number of copies of the final Official Statement at the District’s expense by the delivery of the Notes or, if earlier, by the seventh business day after the day proposals on the Notes are received. The purchaser shall arrange with the Municipal Advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

CUSIP Numbers. The deposit of the Notes with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the District’s Municipal Advisor, Munistat Services, Inc. to apply for CUSIP numbers for the Notes by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc., will provide CUSIP Global Services with the final details of the sale of the Notes in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The District will not be responsible for any delay caused by the inability to deposit the Notes with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the District in a timely manner. The District assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Continuing Disclosure Agreement. The District will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12(b)(5), to provide timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Notes. The winning purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to the delivery of the Notes, an executed copy of the Continuing Disclosure Agreement for the Notes.

Additional Information. For more information regarding this Note issue and the District, reference is made to the Preliminary Official Statement dated October 1, 2025. The Preliminary Official Statement may be accessed via the Internet at <https://MuniOs.com>. Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement and the Official Statement may be obtained from Mr. William N. Lindsay, Managing Director, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, Telephone No. (203) 421-2880.

October 1, 2025

Robert Moore,
Chairman, Board of Education

Jason Stone
Treasurer, Board of Education

ISSUE PRICE RULE SELECTION CERTIFICATE

Regional School District No. 13 of the State of Connecticut
\$20,000,000 General Obligation Bond Anticipation Notes

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned notes (the “Notes”), as described in the Notice of Sale for the Notes, dated October 1, 2025 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	10% Sale Rule (Underwriter has or will comply with 10% Sale Rule for this Maturity)		Hold the Offering Price Rule (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
October 21, 2026	\$20,000,000	_____ %	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Notes.)

[NAME OF UNDERWRITER/REPRESENTATIVE]

By: _____

Name:

Title:

Email this completed and executed certificate to the following by 5:00 P.M. (ET) on October 9, 2025:

Bond Counsel: mritter@goodwin.com

Municipal Advisor: bill.lindsay@munistat.com