

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Financial Statements
and Independent Auditors' Report**

For the Year Ended June 30, 2020

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Financial Statements
For the Year Ended June 30, 2020**

Table of Contents

	<u>Page</u>
<u>Financial Section</u>	
Independent Auditors' Report	1-3
Management's Discussion and Analysis	4-8
<u>Exhibits</u>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	9
B Statement of Revenues, Expenses and Changes in Net Position	10
C Statement of Cash Flows	11
D Notes to Financial Statements	12-24
<u>RSI</u>	
<u>Required Supplementary Information</u>	
<u>Connecticut State Teachers' Retirement System</u>	
1A Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions	25
1B Notes to Required Supplementary Information	26
<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
2A Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions	27
2B Notes to Required Supplementary Information	28
<u>Schedule</u>	
<u>Supplemental Schedule</u>	
1 Combining Schedule of Revenues, Expenses and Changes in Net Position	29-31

Financial Section



Independent Auditors' Report

**Board of Directors
State Education Resource Center**

Report on the Financial Statements

We have audited the accompanying financial statements of the State Education Resource Center ("SERC"), a component unit of the State of Connecticut, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the State Education Resource Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

**Board of Directors
State Education Resource Center**

Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the State Education Resource Center as of June 30, 2020, and the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the State Education Resource Center's basic financial statements. The supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements.

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

**Board of Directors
State Education Resource Center**

Page 3

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2021, on our consideration of State Education Resource Center'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 State Education Resource Center'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 State Education Resource Center's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
January 14, 2021

Management's Discussion and Analysis For the Year Ended June 30, 2020

As management of the State Education Resource Center ("SERC"), we offer readers of SERC's financial statements this narrative overview and analysis of the financial activities of SERC for the fiscal year ended June 30, 2020.

Financial highlights

- The assets of SERC exceeded its liabilities at the close of the most recent fiscal year by \$1,631,105.
- SERC's total net position increased by \$113,439. The increase is due to the following:
 - positive operating results of the African American/Black and Puerto Rican/Latino

Overview of the basic financial statements

This discussion and analysis is intended to serve as an introduction to SERC's basic financial statements. SERC's basic financial statements comprise two components: 1) fund financial statements and 2) notes to financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Fund financial statements. The *statement of net position* presents information on all of SERC's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between those accounts being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of SERC is improving or deteriorating.

The fund financial statements present current year's revenues and expenses, which are accounted for in the statement of revenues, expenses and changes in net position. 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. These statements measure the success of SERC's operations over the past year and can be used to determine whether SERC has successfully recovered its costs through its user fees and other charges, profitability and credit worthiness.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- Schedules to demonstrate SERC's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate SERC's progress in funding its obligation to provide other post-employment benefits.

Financial analysis

Net position may serve over time as a useful indicator of SERC's financial position. In the case of SERC, assets exceeded liabilities by \$1,631,105 at the close of the most recent fiscal year.

The largest portion of SERC's net position reflects its unrestricted net position of \$1,398,736. The increase of \$135,643 from the prior year is due to the result of operations of \$113,439 and the reduction in net investment in capital assets of \$22,204. This balance is used to meet SERC's ongoing obligations to its employees and creditors.

The remaining balance is its investment in capital assets (e.g., furniture, equipment, and computer equipment). SERC uses these capital assets to provide services to customers; consequently, these assets are not available for future spending.

**Summary Statement of Net Position
June 30**

	<u>2020</u>	<u>2019</u>
Current and other assets	\$ 3,359,534	\$ 2,211,559
Capital assets (net)	<u>232,369</u>	<u>254,573</u>
Total assets	<u>3,591,903</u>	<u>2,466,132</u>
Other liabilities	1,889,425	898,665
Noncurrent liabilities	<u>71,373</u>	<u>49,801</u>
Total liabilities	<u>1,960,798</u>	<u>948,466</u>
Net position:		
Net investment in capital assets	232,369	254,573
Unrestricted	<u>1,398,736</u>	<u>1,263,093</u>
Total net position	<u>\$ 1,631,105</u>	<u>\$ 1,517,666</u>

Management's Discussion and Analysis (continued)

SERC's net position increased by \$113,439 during the current fiscal year.

**Statement of Changes in Net Position
For the Year Ended June 30**

	2020	2019
Revenues:		
Program revenues:		
Intergovernmental	\$ 5,134,093	\$ 4,369,295
Charges for services	701,454	615,835
General revenues:		
Income from investments	4,626	3,636
Other	2,461	2,258
	5,842,634	4,991,024
Total revenues		
Expenses:		
Salaries	3,170,934	2,732,079
Employee benefits	746,122	621,693
Programs and events	941,620	711,703
External contract services	283,674	77,008
Occupancy	212,395	209,482
Technology	86,140	102,669
Professional services/insurance	97,843	110,275
Travel	57,320	62,671
Library	-	1,312
Professional development	22,110	9,496
Marketing	20,913	1,416
Office supplies	17,300	20,014
Other	41,826	19,981
Depreciation	30,998	29,395
	5,729,195	4,709,194
Total expenses		
Change in net position	113,439	281,830
Net position - July 1	1,517,666	1,235,836
Net position - June 30	\$ 1,631,105	\$ 1,517,666

This increase is primarily attributable to positive operating results of the African American/Black and Puerto Rican/Latino Course of Study program of \$135,450.

Revenues

Revenues totaled \$5,842,634 for the fiscal year, an increase of \$851,610 as compared to the prior year. Since SERC’s mission is related to special education, \$4,509,936 of the operating grants are federal pass through funds from the Individual with Disabilities Education Act (“IDEA”) grants. Charges for services are from charges to local school districts and participants and is 12.01% of revenues. The most significant changes as compared to the prior year are as follows:

- Intergovernmental revenue increased by \$764,798 due to an increase in the Individual with Disabilities Education Act (“IDEA”) grant of \$997,468, offset by a decrease in the Preschool ECE grant and the Parent Trust grant of \$28,559 and \$244,063, respectively.
- Charges for services increased by \$85,619 due to the African American/Black and Puerto Rican/Latino Course of Study program of \$200,000 offset by a decrease in SERC funded events of \$105,795.

Expenses

Expenses totaled \$5,729,195 for the fiscal year. The most significant changes as compared to the prior year are as follows:

- Salaries increased by \$438,855 due to increased grant funding and new positions.
- Employee benefits increased by \$124,429 due to the new positions.
- Programs and events expenses increased by \$229,917 primarily due to an increase in events funded by the Individual with Disabilities Education Act (“IDEA”) grant program.
- External contract services increased by \$206,666 primarily due to the new program offered during the year for individualized education programs training, design, and development.

Capital assets

SERC's investment in capital assets amounted to \$232,369 (net of accumulated depreciation). This investment in capital assets includes equipment and furniture. Computer equipment is a significant amount of the equipment category.

Capital Assets - Net

	2020	2019
Equipment	\$ 190,517	\$ 210,896
Furniture	41,852	43,677
Total	\$ 232,369	\$ 254,573

The decrease of \$22,204 is due to depreciation expense of \$30,998, offset by equipment additions of \$8,794.

Additional information on SERC's capital assets can be found in Note II.B. of this report.

Economic factors

SERC's operations are financially dependent on Connecticut State Department of Education grants to fund its programs and activities. Federal and state grants, with the majority being funded by the Connecticut State Department of Education, accounts for approximately 88% of SERC revenues. Therefore, the availability of both federal and state funding is the most significant economic factor that can impact SERC's operations.

The potential impact of the pandemic on the local economy, businesses and SERC revenues is being closely monitored.

Requests for information

This financial report is designed to provide a general overview of SERC's finances and to demonstrate fiscal accountability. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, 100 Roscommon Drive, Suite 110, Middletown, CT 06457.

**Basic
Financial
Statements**

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Statement of Net Position
June 30, 2020**

Assets

Current assets:	
Cash	\$ 3,175,114
Receivables:	
Intergovernmental	19,386
Other	147,077
Due from SERC Foundation	5,224
Prepaid expenses	12,733
Total current assets	3,359,534
Noncurrent assets:	
Capital assets (net of accumulated depreciation):	
Equipment	190,517
Furniture	41,852
Total capital assets (net of accumulated depreciation)	232,369
Total assets	3,591,903

Liabilities

Current liabilities:	
Accounts payable	212,697
Accrued payroll and related liabilities	154,041
Due to funding source	39,500
Accrued expenses	26,999
Unearned revenue	1,438,345
Compensated absences	17,843
Total current liabilities	1,889,425
Noncurrent liabilities:	
Compensated absences	71,373
Total liabilities	1,960,798

Net Position

Net investment in capital assets	232,369
Unrestricted	1,398,736
Total net position	\$ 1,631,105

The notes to financial statements are an integral part of this statement.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020**

Operating revenues:	
Intergovernmental	\$ 5,134,093
Charges for services	701,454
Other	<u>2,461</u>
Total operating revenues	<u>5,838,008</u>
Operating expenses:	
Salaries	3,170,934
Employee benefits	746,122
Programs and events	941,620
External contract services	283,674
Occupancy	212,395
Technology	86,140
Professional services/insurance	97,843
Travel	57,320
Professional development	22,110
Marketing	20,913
Office supplies	17,300
Other	41,826
Depreciation	<u>30,998</u>
Total operating expenses	<u>5,729,195</u>
Operating income (loss)	108,813
Nonoperating revenues (expenses):	
Income from investments	<u>4,626</u>
Change in net position	113,439
Net position - July 1, 2019	<u>1,517,666</u>
Net position - June 30, 2020	<u><u>\$ 1,631,105</u></u>

The notes to financial statements are an integral part of this statement.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Statement of Cash Flows
For the Year Ended June 30, 2020**

Cash flows from (used in) operating activities:	
Cash receipts from intergovernmental revenues	\$ 7,222,727
Cash receipts from charges for services	679,070
Cash receipts from other	2,461
Payments to employees for salaries and benefits	(3,922,342)
Payments for programs and events	(941,620)
Payments for external contracted services	(283,674)
Payments for occupancy	(212,395)
Payments to suppliers	(446,945)
	<hr/>
Net cash from (used in) operating activities	2,097,282
Cash flows from (used in) capital and related financing activities:	
Acquisition of capital assets	(8,794)
Cash flows from (used in) noncapital financing activities:	
Payments to SERC foundation	(970)
Cash flows from (used in) investing activities:	
Income from investments	4,626
	<hr/>
Net increase (decrease) in cash	2,092,144
Cash - July 1, 2019	1,082,970
	<hr/>
Cash - June 30, 2020	<u>\$ 3,175,114</u>
Reconciliation of operating income (loss) to net cash from (used in) operating activities:	
Operating income (loss)	\$ 108,813
Adjustments to reconcile operating income (loss) to net cash from (used in) operating activities:	
Depreciation	30,998
(Increase) decrease in:	
Intergovernmental receivable	951,209
Other receivable	(22,384)
Prepaid expenses	16,314
Increase (decrease) in:	
Accounts payable	(108,683)
Accrued payroll and related liabilities	(32,251)
Accrued expenses	(11,124)
Unearned revenue	1,114,295
Due to funding source	23,130
Compensated absences	26,965
	<hr/>
Net cash from (used in) operating activities	<u>\$ 2,097,282</u>

The notes to financial statements are an integral part of this statement.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

History and organization

The State Education Resource Center (“SERC”) has been in operation since 1969 and was formally known as the Special Education Resource Center.

SERC was established as a separate quasi-public agency pursuant to Public Act 14-212 and began operating as such as of July 1, 2015. SERC is a component unit of the State of Connecticut (“State”).

The purpose of SERC is to assist the State Department of Education in the provision of programs and activities that will promote educational equity and excellence. Such activities shall be limited to: training, technical assistance and professional development for local and regional boards of education, school leaders, teachers, families and community partners in the form of seminars, publications, site visits, on-line content and other appropriate means; maintaining a state education resource center library; publication of technical materials; research and evaluation; writing, managing, administering and coordinating grants for the purposes described in this subsection; and any other related activities directly related to the purposes described in this subsection. SERC also supports programs and activities concerning early childhood education, in collaboration with the Office of Early Childhood, improving school and district academic performance, and closing academic achievement gaps between socio-economic subgroups, and other related programs and activities.

I. Summary of significant accounting policies

A. Financial statements

The financial statements (i.e., the statement of net position and the statement of revenues, expenses and changes in net position) report information on all of SERC’s activities. SERC relies to a significant extent on intergovernmental revenues, fees and contributions for support.

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

B. Measurement focus, basis of accounting and financial statement presentation

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of SERC are intergovernmental revenues, charges for services, and contributions. Operating expenses for SERC include salaries and benefits, administrative expenses, and depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Activities not related to SERC’s primary purpose are considered nonoperating. Nonoperating activities consist of income from investments.

When both restricted and unrestricted resources are available for use, it is SERC’s policy to use restricted resources first, then unrestricted resources as they are needed.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

C. Assets, liabilities, deferred outflows/inflows of resources and equity

1. Cash

Cash consists of cash on hand and demand deposits.

For cash flow purposes SERC considers cash equivalents money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

2. Receivables

Fee receivables are recorded for participant fees when they are billed.

3. Capital assets

Capital assets, which include property, plant and equipment, are reported in the financial statements. Capital assets are defined by SERC as assets with an initial, individual cost of more than \$1,000 for all assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

<u>Assets</u>	<u>Life</u>
Furniture	40
Equipment	15-25
Computer equipment	7-10

4. Compensated absences

Employees of SERC earn sick leave, which can accumulate, and vacation leave based on the provisions of personnel policies. Vacation leave vests with the employee and is payable upon termination of employment.

5. Long-term obligations

In the financial statements, long-term obligations are reported as liabilities in the statement of net position.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

C. Assets, liabilities, deferred outflows/inflows of resources and net position (continued)

6. Net position flow assumption

Sometimes SERC will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is SERC's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

7. Fund equity and net position

Net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for noncapital purposes is excluded.

Unrestricted Net Position

This category presents the net position of SERC, which is not restricted.

8. Use of estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the fiscal year. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

II. Detailed notes

A. Cash

Deposits - custodial credit risk

Custodial credit risk is risk that, in the event of a bank failure, SERC's deposits may not be returned to it. SERC does not have a deposit policy for custodial credit risk.

At year end, SERC's bank balance was \$3,547,664 and was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,160,747
Uninsured and collateral held by the pledging bank's trust department, not in SERC's name	<u>886,917</u>
Total amount subject to custodial credit risk	<u>\$ 3,047,664</u>

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

A. Cash (continued)

Financial instruments that potentially subject SERC to significant concentrations of credit risk consist primarily of cash. From time to time, SERC's cash account balances exceed the Federal Deposit Insurance Corporation limit. SERC reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

B. Capital assets

SERC's capital asset activity for the fiscal year was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Capital assets, being depreciated:</u>				
Equipment	\$452,790	\$ 8,794	\$ -	\$461,584
Furniture	72,997	-	-	72,997
Total capital assets, being depreciated	<u>525,787</u>	<u>8,794</u>	<u>-</u>	<u>534,581</u>
<u>Less accumulated depreciation for:</u>				
Equipment	241,894	29,173	-	271,067
Furniture	29,320	1,825	-	31,145
Total accumulated depreciation	<u>271,214</u>	<u>30,998</u>	<u>-</u>	<u>302,212</u>
Total capital assets, being depreciated, net	<u>\$254,573</u>	<u>\$(22,204)</u>	<u>\$ -</u>	<u>\$232,369</u>

III. Other information**A. Risk management**

SERC is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disaster; and officer and director liability. SERC generally obtains commercial insurance for these risks. Settled claims have not exceeded commercial coverage during the year. There were no significant reductions in insurance coverage from amounts held in the prior year.

B. Concentration of risk/related party transactions

Currently, approximately 80% of SERC's funding is received from the Connecticut State Department of Education. The majority of the funding received from the Connecticut State Department of Education is for the IDEA special education grant, which is a federal pass-through grant.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

C. Operating leases

SERC leases office space under a lease agreement that expired in January 2020. An addendum was made for SERC to lease the space on a month to month basis. Lease expense totaled \$157,972 for the fiscal year.

D. Annuity plan

SERC maintains a 403(b) tax sheltered annuity plan for qualified full-time employees. In general, employees are eligible to participate in the plan following the completion of 6 months of continuous service. Employees also must be at least 18 years of age and complete 1,000 hours of service per year to be eligible to participate.

E. Contingencies

Coronavirus

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency and has since issued over 70 executive orders regarding the pandemic.

Expenses for health and safety measures, including additional personnel costs, technology and supplies are expected to increase. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

SERC is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on SERC's future financial position at this time.

IV. Pension and other post-employment benefit ("OPEB") plans

A. Connecticut state teachers' retirement system

1. Plan description

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

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

A. Connecticut state teachers' retirement system (continued)

2. Benefit provisions

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
Benefit calculation	2.00% 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	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
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date.
Service connected disability amount	2.00% 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. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary.
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

A. Connecticut state teachers' retirement system (continued)

Employer (school districts)

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

Employees

Each teacher is required to contribute 7% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

SERC 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 amounts recognized by SERC 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 SERC were as follows:

SERC's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with SERC		<u>429,126</u>
Total	<u>\$</u>	<u>429,126</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. SERC has no proportionate share of the net pension liability.

During the year SERC recognized pension expense and revenue of \$32,483 for on-behalf amounts for the contributions to the plan by the State.

5. Actuarial assumptions

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

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

A. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases - 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 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%. 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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

Long-term expected 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.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

A. Connecticut state teachers' retirement system (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public equity - US equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	1.00%	2.90%
Total	<u>100.00%</u>	

6. 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 rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

7. Sensitivity of the net pension liability to changes in the discount rate

SERC'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.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

B. Connecticut state teachers’ retirement board retiree health insurance plan

1. Plan description

Teachers, principals, superintendents or supervisors engaged in service of public schools that are currently receiving a retirement or disability benefit through the Connecticut Teachers' Retirement System 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 post-employment benefit plan administered by the Teachers’ Retirement Board (“TRB”). Chapter 167a Section 10-183t 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.

2. Benefit provisions

The Plan provides for retiree health insurance benefits. Eligibility is as follows:

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	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
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service

Retiree health care coverage

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. 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 Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

B. Connecticut state teachers' retirement board retiree health insurance plan (continued)

A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Those participants electing vision, hearing, and/or dental are required by the System's funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

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 \$110 monthly subsidy or participate in the TRB-Sponsored Medicare Supplemental Plans, as long as they do not remarry.

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are 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.

Employer (school districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

B. Connecticut state teachers' retirement board retiree health insurance plan (continued)

4. OPEB liabilities, OPEB expense, deferred outflows of resources and deferred inflows of resources related to OPEB

SERC 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 amounts recognized by SERC 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 SERC were as follows:

SERC's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with SERC		66,924
Total		\$ 66,924

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. SERC has no proportionate share of the net OPEB liability.

SERC recognized OPEB expense and revenue of \$888 for on-behalf amounts for the contribution to the plan by the State.

5. Actuarial assumptions and inputs

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale
Year fund net position will be depleted	2020

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020**

B. Connecticut state teachers' retirement board retiree health insurance plan (continued)

Changes in assumptions and inputs

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

Long-term expected rate of return

The long-term expected rate of return on OPEB 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 OPEB 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.50%. The Municipal Bond Index Rate was used in the determination in the discount rate. 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 no future employer contributions were assumed to be made.

7. Sensitivity of the OPEB liability to changes in the discount rate and the health care cost trend rate

SERC's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

8. 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 Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Required Supplementary Information

Type	Description
<u>Pension Plans</u> State Teachers' Retirement System	Schedule of Proportionate Share of the Net Pension Liability and Schedule of Contributions Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Proportionate Share of the Net OPEB Liability and Schedule of Contributions Notes to Required Supplementary Information

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

Required Supplementary Information

**Connecticut State Teachers' Retirement System
Last Six Years (3)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015*</u>
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
SERC's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
SERC's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with SERC	<u>429,126</u>	<u>330,881</u>	<u>693,337</u>	<u>731,476</u>	<u>2,207,301</u>	<u>2,040,258</u>
Total	<u>\$ 429,126</u>	<u>\$ 330,881</u>	<u>\$ 693,337</u>	<u>\$ 731,476</u>	<u>\$ 2,207,301</u>	<u>\$ 2,040,258</u>
SERC's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
SERC's proportionate share of the net pension liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>57.26%</u>	<u>59.50%</u>	<u>61.50%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SERC's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

* SERC was established as a separate entity as of July 1, 2015.

(1) SERC is not required by the State to contribute to the plan.

(2) Not applicable since 0% proportional share of the net pension liability.

(3) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

Notes to Required Supplementary Information

**Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Six Years (1)**

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return (net)	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale .	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.	RP-2000 Combined Mortality Table projected 19 years using scale AA.	RP-2000 Combined Mortality Table projected 19 years using scale AA.

(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

Required Supplementary Information

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Last Three Years (3)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>			
SERC's proportion share of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
SERC's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with SERC	<u>66,924</u>	<u>66,126</u>	<u>178,459</u>
Total	<u>\$ 66,924</u>	<u>\$ 66,126</u>	<u>\$ 178,459</u>
SERC's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
SERC's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
SERC's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net OPEB liability

(3) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

**State Education Resource Center
(A Component Unit of the State of Connecticut)**

Notes to Required Supplementary Information

**Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan
Schedule of Contributions
Last Three Years (1)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	3.00%	3.00%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

(1) These schedules are intended to present information for 10 years. Additional years will be presented as they become available.

Supplemental Schedule

State Education Resource Center
(A Component Unit of the State of Connecticut)

Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	IDEA	Office of Early Childhood	School Climate	Food Distribution	DMHAS: Opioid Grant Project Coordinator	DMHAS - Supplemental	DMHAS Year 1 Carryover
Operating revenues:							
Intergovernmental	\$ 4,509,936	\$ -	\$ 206,637	\$ 19,046	\$ 290,028	\$ 1,186	\$ 3,478
Charges for services	16,025	-	-	-	-	-	-
Other	2,000	-	-	-	-	-	-
Total operating revenues	<u>4,527,961</u>	<u>-</u>	<u>206,637</u>	<u>19,046</u>	<u>290,028</u>	<u>1,186</u>	<u>3,478</u>
Operating expenses:							
Salaries	2,423,713	-	134,250	12,333	92,846	926	121
Employee benefits	497,659	-	32,165	3,118	23,550	145	19
Programs and events	732,765	-	17,623	29	129,834	-	3,000
External contract services	283,674	-	-	-	-	-	-
Occupancy	250	-	53	1,662	-	-	-
Technology	76,352	-	-	-	-	-	-
Administration	440,247	-	20,091	1,852	40,418	115	338
Professional services/insurance	10,205	-	-	-	180	-	-
Travel	26,875	114	935	52	2,648	-	-
Professional development	11,680	-	1,520	-	-	-	-
Marketing	11,542	-	-	-	-	-	-
Office supplies	1,085	-	-	-	-	-	-
Other	11,914	-	-	-	552	-	-
Depreciation	-	-	-	-	-	-	-
Total operating expenses	<u>4,527,961</u>	<u>114</u>	<u>206,637</u>	<u>19,046</u>	<u>290,028</u>	<u>1,186</u>	<u>3,478</u>
Operating income (loss)	-	(114)	-	-	-	-	-
Nonoperating revenues (expenses):							
Income from investments	-	-	-	-	-	-	-
Change in net position before transfers	-	(114)	-	-	-	-	-
Transfers in	-	114	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

State Education Resource Center
(A Component Unit of the State of Connecticut)

Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	CTECS: Equity in Education	Cheney Tech: Equity in Education	Wilcox Tech: Equity in Education	EC Goodwin - Equity Youth Work	Attendance: Homelessness and Attendance Roundtable	Statewide Family Engagement Center (SFEC)	Alternative Education Schools and Attendance Symposium
Operating revenues:							
Intergovernmental	\$ 10,454	\$ 1,759	\$ 5,288	\$ 240	\$ 1,197	\$ 32,642	\$ 18,831
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total operating revenues	<u>10,454</u>	<u>1,759</u>	<u>5,288</u>	<u>240</u>	<u>1,197</u>	<u>32,642</u>	<u>18,831</u>
Operating expenses:							
Salaries	7,078	920	3,195	170	845	16,290	-
Employee benefits	1,520	191	626	14	151	4,135	-
Programs and events	-	-	-	-	-	-	17,000
External contract services	-	-	-	-	-	-	-
Occupancy	-	-	-	-	-	-	-
Technology	-	-	-	-	-	-	-
Administration	1,019	436	1,311	25	114	-	1,831
Professional services/insurance	-	-	-	-	-	276	-
Travel	837	212	156	25	63	985	-
Professional development	-	-	-	-	-	-	-
Marketing	-	-	-	-	-	-	-
Office supplies	-	-	-	-	-	123	-
Other	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-
Total operating expenses	<u>10,454</u>	<u>1,759</u>	<u>5,288</u>	<u>234</u>	<u>1,173</u>	<u>21,809</u>	<u>18,831</u>
Operating income (loss)	-	-	-	6	24	10,833	-
Nonoperating revenues (expenses):							
Income from investments	-	-	-	-	-	-	-
Change in net position before transfers	-	-	-	6	24	10,833	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6</u>	<u>\$ 24</u>	<u>\$ 10,833</u>	<u>\$ -</u>

(Continued)

State Education Resource Center
(A Component Unit of the State of Connecticut)

Combining Schedule of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2020

	African American/ Black and Puerto Rican/Latino Course of Study	Other State Agency	In District Contracts	SERC Funded Events	Management and General	Operations Total	On Behalf Amount	Total
Operating revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100,722	\$ 33,371	\$ 5,134,093
Charges for services	200,000	107,979	377,450	-	-	701,454	-	701,454
Other	-	-	-	-	461	2,461	-	2,461
Total operating revenues	<u>200,000</u>	<u>107,979</u>	<u>377,450</u>	<u>-</u>	<u>461</u>	<u>5,804,637</u>	<u>33,371</u>	<u>5,838,008</u>
Operating expenses:								
Salaries	31,420	29,631	86,065	10,079	321,052	3,170,934	-	3,170,934
Employee benefits	7,743	5,843	18,603	2,420	114,849	712,751	33,371	746,122
Programs and events	208	23,656	1,031	2,551	13,923	941,620	-	941,620
External contract services	-	-	-	-	-	283,674	-	283,674
Occupancy	-	-	-	-	210,430	212,395	-	212,395
Technology	-	-	-	-	9,788	86,140	-	86,140
Administration	16,005	-	-	-	(523,802)	-	-	-
Professional services/insurance	-	-	-	-	87,182	97,843	-	97,843
Travel	424	16,357	6,900	116	621	57,320	-	57,320
Professional development	-	8,810	-	-	100	22,110	-	22,110
Marketing	8,750	-	-	-	621	20,913	-	20,913
Office supplies	-	-	-	-	16,092	17,300	-	17,300
Other	-	-	1,136	-	28,224	41,826	-	41,826
Depreciation	-	-	-	-	30,998	30,998	-	30,998
Total operating expenses	<u>64,550</u>	<u>84,297</u>	<u>113,735</u>	<u>15,166</u>	<u>310,078</u>	<u>5,695,824</u>	<u>33,371</u>	<u>5,729,195</u>
Operating income (loss)	135,450	23,682	263,715	(15,166)	(309,617)	108,813	-	108,813
Nonoperating revenues (expenses):								
Income from investments	-	-	-	-	4,626	4,626	-	4,626
Change in net position before transfers	135,450	23,682	263,715	(15,166)	(304,991)	113,439	-	113,439
Transfers in	-	-	-	15,166	407,681	422,847	-	422,847
Transfers out	(135,450)	(23,682)	(263,715)	-	-	(422,847)	-	(422,847)
Change in net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 102,690</u>	<u>\$ 113,439</u>	<u>\$ -</u>	<u>\$ 113,439</u>

(Concluded)