

Bristol Warren Regional School District

Financial Statements

FOR THE YEAR ENDED JUNE 30, 2018



Bristol Warren Regional School District

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FINANCIAL SECTION

Independent Auditors' Report
Management's Discussion and Analysis
Basic Financial Statements
Required Supplementary Information
Supplementary Information

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To the Superintendent and
Members of the School Committee
Bristol Warren Regional School District
Bristol, Rhode Island

Independent Auditor's Report

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Bristol Warren Regional School District as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Bristol Warren Regional School District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As described in Note 12 to the financial statements, in 2018, the Districted adopted new accounting guidance, GASBS No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, various pension information for employees' retirement system of the State of Rhode Island and other post-employment benefits on pages 4-16 and 72-84 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Bristol Warren Regional School District's basic financial statements. The Annual Supplemental Transparency Report, combining non-major governmental funds financial statements, combining non-major enterprise fund financial statements and agency fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The Annual Supplemental Transparency Report, schedule of expenditures of federal awards combining non-major governmental funds financial statements, combining non-major enterprise fund financial statements, and agency fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 Annual Supplemental Transparency Report, the schedule of expenditures of federal awards, the combining non-major governmental funds financial

statements, combining non-major enterprise fund financial statements and agency fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 28, 2018 on pages 120-121, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered the District's internal control over financial reporting and compliance.

Hague, Sabady & Co. PC

Fall River, Massachusetts
December 28, 2018

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

As management of the Bristol Warren Regional School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

This discussion and analysis is intended to serve as an introduction to the District's annual audit report. The financial section of this report consists of four parts - management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information that includes combining statements for non-major governmental funds and other fiduciary funds.

FINANCIAL HIGHLIGHTS

- Net position may serve over time as a useful indicator of the District's financial position. District's liabilities and deferred inflows exceeded assets and deferred outflows by \$31.8 million at June 30, 2018, compared to \$35.1 million at June 30, 2017.
- A large portion of the District's net position reflects its \$16.9 million investment in capital assets compared to \$12.8 million for the previous fiscal year.
- A portion of the District's fund balance represents resources that are subject to external restriction on how they may be used. At June 30, 2018, fund balance totaling \$3,104,171 were restricted for school capital projects, special revenue funds and permanent funds. At June 30, 2017 fund balance totaling \$733,982 were restricted for special revenue funds and permanent funds.
- For fiscal year 2018, net position for the District's business-type activities increased by \$ 233,491 from \$ 1,220,122 in 2017 to \$1,453,613 .
- In fiscal year 2018, the District had revenues totaling \$61.2 million compared to \$59.6 million in revenues in fiscal year 2017. Program specific revenues in the form of grants and contributions accounted for \$6.8 million or 11.1 percent of total fiscal year 2018 revenues as compared to \$5.8 million or 9.7 percent of total fiscal year 2017 revenues.
- In fiscal year 2018, the District has approximately \$61.6 million in expenditures related to governmental funds as compared to \$59.4 million in expenses in fiscal year 2017.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

FINANCIAL HIGHLIGHTS

- The District had business-type activities in a major proprietary funds - the School Lunch Fund and four non- major proprietary funds. For fiscal year 2018 the School Lunch fund had operating revenues totaled \$ 1,316,277 and operating expenses totaled \$1,236,459, leaving a net gain of \$ 79,818 . For fiscal year 2017 operating revenues totaled \$1,302,579 and operating expenses totaled \$1,153,180, leaving a net gain of \$149,399.
- Transfers of \$1.8 million in fiscal year 2018 and \$1.2 million in fiscal year 2017 were made from General Fund to Other Governmental Funds.
- Among major funds, the General Fund had \$54.3 million in fiscal year 2018 revenues and \$53.7 million in fiscal year 2017, which primarily consisted of state aid and local contributions from the Towns of Bristol and Warren, and \$53.6 million in expenditures in fiscal year 2018 and \$52.9 in expenditures in fiscal year 2017. The General Fund's fund balance decreased from \$4,236,058 to \$3,141,400 in fiscal year 2018.
- District governmental activities were financed by the following revenue sources:

<i>Revenue by Source:</i>	2018	2017	Increase (Decrease)
Contributions from Towns	\$ 35,906,977	\$ 35,202,919	\$ 704,058
State Aid to Education	15,470,890	15,879,339	(408,449)
Housing aid	2,180,086	1,849,418	330,668
Operating and Capital Grants and Contributions	1,636,606	3,420,745	(1,784,139)
State Contribution to Pension Plan	2,965,598	2,358,428	607,170
Investment Earnings	91,858	49,908	41,950
Miscellaneous	780,809	795,201	(14,392)
Total	\$ 59,032,824	\$ 59,555,958	\$ (523,134)

- The classifications of fund balance of the general fund at the close of fiscal years 2018 and 2017 were:

<i>Fund Balance:</i>	2018	2017	Increase (Decrease)
Committed	\$ 2,163,800	\$ 2,636,058	\$ (472,258)
Assigned	977,600	1,600,000	(622,400)
Total	\$ 3,141,400	\$ 4,236,058	\$ (1,094,658)

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements -

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business. These statements outline functions of the District that are principally supported by state aid, contributions from the Towns of Bristol and Warren and other intergovernmental revenues (governmental activities). The governmental activities of the District include instruction, instructional support, operations, other commitments and leadership.

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and deferred outflows of resources and liabilities and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or position.

The *Statement of Net Position* presents information on all of the District's assets, liabilities with the difference between the three 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 District is improving or deteriorating.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees and earned by unused compensated absences).

Fund financial statements -

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary 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 of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

Fund financial statements (continued)-

Governmental fund (continued)

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

The District maintains individual governmental and proprietary funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditure, and changes in fund balances for the General Fund, Capital Projects Funds, Debt Service Fund, and the School Lunch Fund, all of which are considered major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements.

The governmental fund financial statements can be found on pages 23 through 24 of this report. The budgetary statements can be found on pages 73 through 74 of this report.

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

The fiduciary funds financial statements can be found on page 30 of this report.

Proprietary funds. Proprietary funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the statements for the District as a whole.

The proprietary fund financial statements can be found on pages 27 through 29 of this report.

Notes to the 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. The notes to the financial statements follow the basic financial statements.

The notes of the financial statements are presented on pages 31 through 71.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

Required Supplementary Information -

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process and certain pension and other post-employment benefit information. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information.

Budgetary comparison schedules are presented to demonstrate compliance with the budget on pages 73 through 74.

The pension information included represents the state pension for employees as well as the teacher's state pension.

Supplementary Information -

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the major budgetary comparisons.

Relationship of Statements and Schedules Included in this Report

Table 1 shows how the required parts of this annual report are arranged and how they relate to one another. In addition to these required elements, the District has included a section with combining statements that provide details about the District's non-major governmental funds and fiduciary funds, which are added together and presented in a single column in the basic financial statements.

Table 1

Basic Financial Statements & RSI	Financial Section	MD&A
		Government-wide Statements
		(Major) Fund Financial Statements
		Notes to Financial Statements
		RSI other than MD&A
		Info. on nonmajor funds & other supplementary info. not required

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

Table 2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Table 2

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary.	Activities the District operates similar to private businesses such as school lunch, etc.	Instances in which the District is the trustee or the agency for someone else's resources such as student activities
Required financial statements	Statements of net position Statement of activities	Balance sheet, statement of revenues, expenditures, and changes in fund balance	Statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows	Statement of fiduciary net position, statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of assets / liability information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities both financial and capital, and short-term and long-term	All assets and liabilities both short-term and long-term; the District's funds do not currently contain capital assets, although they can.
Type of inflow / outflow information	All revenue and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of year, expenditures when goods or services have been received and payment is due.	All revenue and expenses during the year regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid.

Government-wide Financial Analysis

Analysis of the District's Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, liabilities and deferred inflows of resources exceeded assets and deferred outflows of resources by \$(31,812,037) as of June 30, 2018, an increase in net position over the prior year of \$3,259,083.

In regard to the District's net position, \$16,890,347 consists of its net investment in capital assets such buildings and improvements, motor vehicles, furniture and equipment, less any debt used to acquire these assets which is still outstanding. The District uses these capital assets to provide education to its students. Consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are highly unlikely to be used to liquidate these liabilities.

An additional portion of the District's net position \$3,140,021 represents resources that are subject to external restriction on how they may be used. This leaves a remaining balance for unrestricted net position of \$(51,842,405) which the District may use to meet ongoing obligations to its citizens and creditors.

The total net position of the District increased by \$3,259,083 during fiscal year 2018.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

DISTRICT'S NET POSITION
June 30,

	Governmental Activities		Business-Type Activities		Total		
	2018	2017	2018	2017	2018	2017	\$ Change
Assets							
Current assets	\$ 7,383,678	\$ 9,442,383	\$ 1,475,610	\$ 1,315,573	\$ 8,859,288	\$ 10,757,956	\$ (1,898,668)
Capital assets	31,572,169	31,355,570	64,141	11,732	31,636,310	31,367,302	269,008
Other noncurrent assets	<u>3,558,014</u>	<u>4,421,711</u>	<u>-</u>	<u>-</u>	<u>3,558,014</u>	<u>4,421,711</u>	<u>(863,697)</u>
Total assets	<u>42,513,861</u>	<u>45,219,664</u>	<u>1,539,751</u>	<u>1,327,305</u>	<u>44,053,612</u>	<u>46,546,969</u>	<u>(2,493,357)</u>
Deferred outflows of resources							
Deferred charge on bond refunding, net	764,045	864,752	-	-	764,045	864,752	(100,707)
Deferred pension outflows	<u>11,747,487</u>	<u>12,477,768</u>	<u>-</u>	<u>-</u>	<u>11,747,487</u>	<u>12,477,768</u>	<u>(730,281)</u>
Total deferred outflows of resources	<u>12,511,532</u>	<u>13,342,520</u>	<u>-</u>	<u>-</u>	<u>12,511,532</u>	<u>13,342,520</u>	<u>(830,988)</u>
Liabilities							
Current liabilities	3,563,660	4,492,796	86,138	107,183	3,649,798	4,599,979	(950,181)
Noncurrent liabilities	<u>79,803,287</u>	<u>84,138,319</u>	<u>-</u>	<u>-</u>	<u>79,803,287</u>	<u>84,138,319</u>	<u>(4,335,032)</u>
Total liabilities	<u>83,366,947</u>	<u>88,631,115</u>	<u>86,138</u>	<u>107,183</u>	<u>83,453,085</u>	<u>88,738,298</u>	<u>(5,285,213)</u>
Deferred inflows of resources							
Deferred pension inflows	<u>4,924,096</u>	<u>6,222,311</u>	<u>-</u>	<u>-</u>	<u>4,924,096</u>	<u>6,222,311</u>	<u>(1,298,215)</u>
Total deferred inflows of resources	<u>4,924,096</u>	<u>6,222,311</u>	<u>-</u>	<u>-</u>	<u>4,924,096</u>	<u>6,222,311</u>	<u>(1,298,215)</u>
Net position							
Net investment in capital assets	16,826,206	12,784,586	64,141	11,732	16,890,347	12,796,318	4,094,029
Restricted	3,140,021	3,352,096	-	-	3,140,021	3,352,096	(212,075)
Unrestricted	<u>(53,231,877)</u>	<u>(52,427,924)</u>	<u>1,389,472</u>	<u>1,208,390</u>	<u>(51,842,405)</u>	<u>(51,219,534)</u>	<u>(622,871)</u>
Total net position	<u>\$ (33,265,650)</u>	<u>\$ (36,291,242)</u>	<u>\$ 1,453,613</u>	<u>\$ 1,220,122</u>	<u>\$ (31,812,037)</u>	<u>\$ (35,071,120)</u>	<u>\$ 3,259,083</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

Analysis of the District's Operations

The following analysis provides a summary of the District's operations for the year ended June 30, 2018. Governmental activities increased the District's net position by \$3,025,592, while business type activities increased the District's net position by \$233,491.

DISTRICT'S CHANGES IN NET POSITION

For the year ended June 30,

	Governmental Activities		Business-Type Activities		Total		\$ Change
	2018	2017	2018	2017	2018	2017	
Revenues							
Program revenues							
Charges for services	\$ -	\$ -	\$ 2,037,906	\$ 1,880,244	\$ 2,037,906	\$ 1,880,244	\$ 157,662
Grants and contributions	3,816,692	3,420,745	-	-	3,816,692	3,420,745	395,947
State contribution to pension	2,965,598	2,358,428	-	-	2,965,598	2,358,428	607,170
General revenues							
Contributions from Towns	35,906,977	35,202,919	-	-	35,906,977	35,202,919	704,058
State aid	15,470,890	15,879,339	-	-	15,470,890	15,879,339	(408,449)
Housing aid	2,180,086	1,849,418	-	-	2,180,086	1,849,418	330,668
Investment income	91,858	49,908	-	-	91,858	49,908	41,950
Other income	780,809	795,201	-	-	780,809	795,201	(14,392)
Total revenues	61,212,910	59,555,958	2,037,906	1,880,244	63,250,816	61,436,202	1,814,614
Expenses							
Salaries	30,769,945	29,644,299	-	-	30,769,945	29,644,299	1,125,646
Employee benefits	11,327,484	12,578,300	-	-	11,327,484	12,578,300	(1,250,816)
Purchased services	7,546,374	8,022,383	-	-	7,546,374	8,022,383	(476,009)
Supplies and materials	2,431,606	2,582,738	-	-	2,431,606	2,582,738	(151,132)
Other	25,226	(175,989)	-	-	25,226	(175,989)	201,215
State contribution to pension	2,965,598	2,358,428	-	-	2,965,598	2,358,428	607,170
Interest and fiscal charges	587,828	628,106	-	-	587,828	628,106	(40,278)
Unallocated depreciation	2,533,257	3,200,195	-	-	2,533,257	3,200,195	(666,938)
Food services	-	-	1,236,459	1,153,180	1,236,459	1,153,180	83,279
Non major enterprise	-	-	567,956	528,376	567,956	528,376	39,580
Total expenses	58,187,318	58,838,460	1,804,415	1,681,556	59,991,733	60,520,016	(528,283)
Increase (decrease) in net position	3,025,592	717,498	233,491	198,688	3,259,083	916,186	2,342,897
Net position - beginning, restated	(36,291,242)	(37,008,740)	1,220,122	1,021,434	(35,071,120)	(35,987,306)	916,186
Net position, ending	\$ (33,265,650)	\$ (36,291,242)	\$ 1,453,613	\$ 1,220,122	\$ (31,812,037)	\$ (35,071,120)	\$ 3,259,083

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

REVENUE SOURCE

Local Contributions: The largest percentage of revenues comes from contributions from the Towns of Bristol and Warren. Per the enabling legislation of the regionalized school district, Section XI (preparation and Adoption of Budget), Item # (5), "upon approval of the budget, each town shall appropriate the funds for the regional district which shall be apportioned between the cities on a per public pupil calculation using enrollment as of the prior October 1."

The enrollment numbers for calculation of the apportionment for the last eight years are as follows:

	October 1 2010	October 1 2011	October 1 2012	October 1 2013	October 1 2014	October 1 2015	October 1 2016	October 1 2017
Bristol	2265 64.02%	2233 63.56%	2249 65.36%	2120 61.92%	2055 61.18%	2051 61.59%	2049 61.94%	1965 61.43%
Warren	1273 35.98%	1280 36.44%	1192 34.64%	1304 38.08%	1304 38.82%	1279 38.41%	1259 38.06%	1234 38.57%
Total	3538	3513	3441	3424	3359	3330	3308	3199

State Education Aid: Education aid from the State of Rhode Island decreased in FY 2018 from FY 2017 by 2.6%. The changes in education aid for the last seven years are as follows:

FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY 2017	FY 2018
\$16,217,873	\$17,737,079	\$17,769,943	\$17,025,977	\$16,667,319	\$16,128,785	\$15,879,339	\$15,470,890
-4.7%	0.1%	0.2%	-26.7%	-2.1%	-3.2%	-1.5%	-2.6%

Housing Aid: In accordance with RI General Law 16-7-35 to 16-7-47, districts that undertake school housing projects for maintenance, renovation or new construction supported by general obligation bonds, and certain lease revenue bonds, capital leases, and capital reserve funds, are eligible for state housing aid reimbursement. Housing aid by law has a one-year reference which result in the first payment of the construction entitlement being made in the fiscal year following the completion of the project. Housing aid received from the state for FY2018 totaled \$2,180,086.

Intergovernmental grants: Revenues in this category are proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Revenues are derived principally from federal and state governments and private foundations. These funds are detailed in the financial statements under the caption of Non-Major Governmental Funds.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

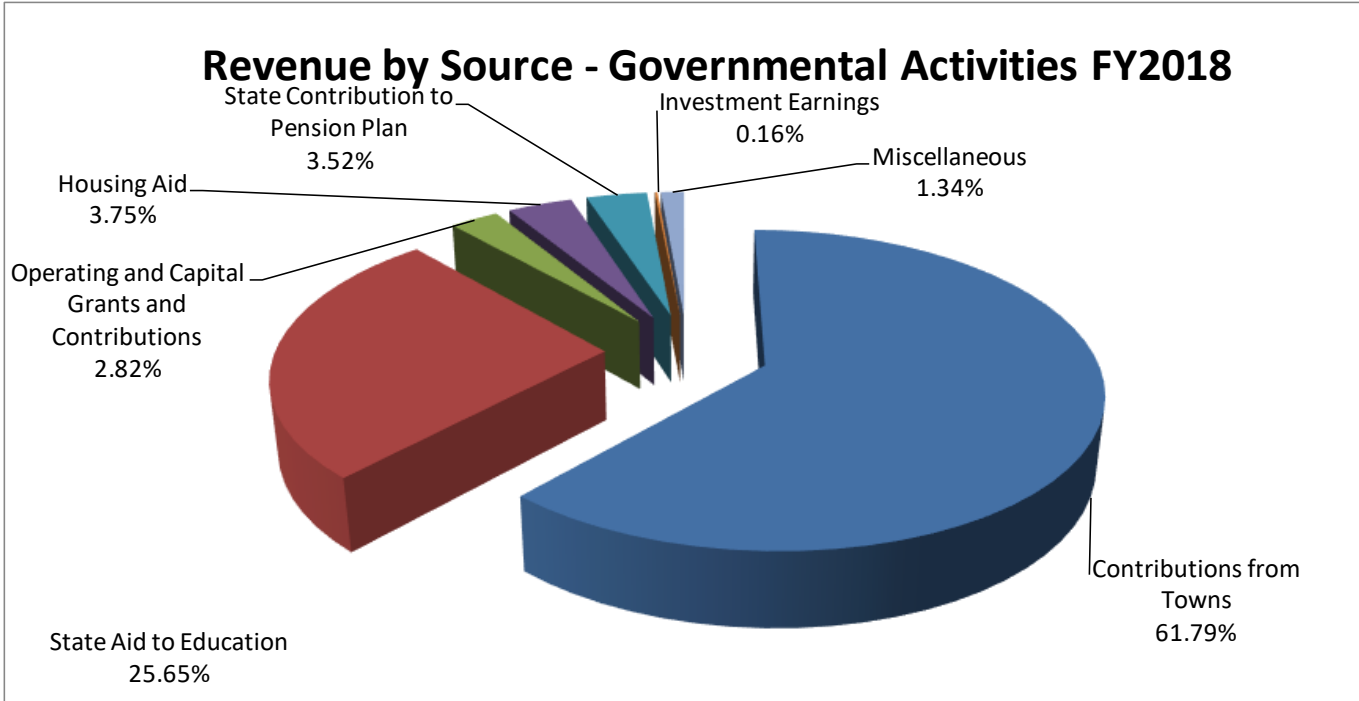
Management Discussion and Analysis

For the Year Ended June 30, 2018

Revenue

Governmental Activities

As noted above, total governmental activities revenues for the District are comprised of local contributions, state aid, intergovernmental aid and grants, housing aid, contributions to pension plan, investment income and other.



General Revenues

The majority of general revenues is from the Town’s contributions. This amount represented 59.55% of the total general revenues or \$35.9 million.

Intergovernmental revenue (state aid) represents \$15.5 million representing 25.65% of general revenues.

Program Revenues

The operating and capital grants are also a significant source of revenue for the District. The total operating grants for fiscal year ended June 30, 2017 amounted to \$3.8 million representing 6.33% of revenues.

Housing aid totaled \$2.18 million representing 3.62% of revenues.

The state pension contribution is offset by the state pension expense.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

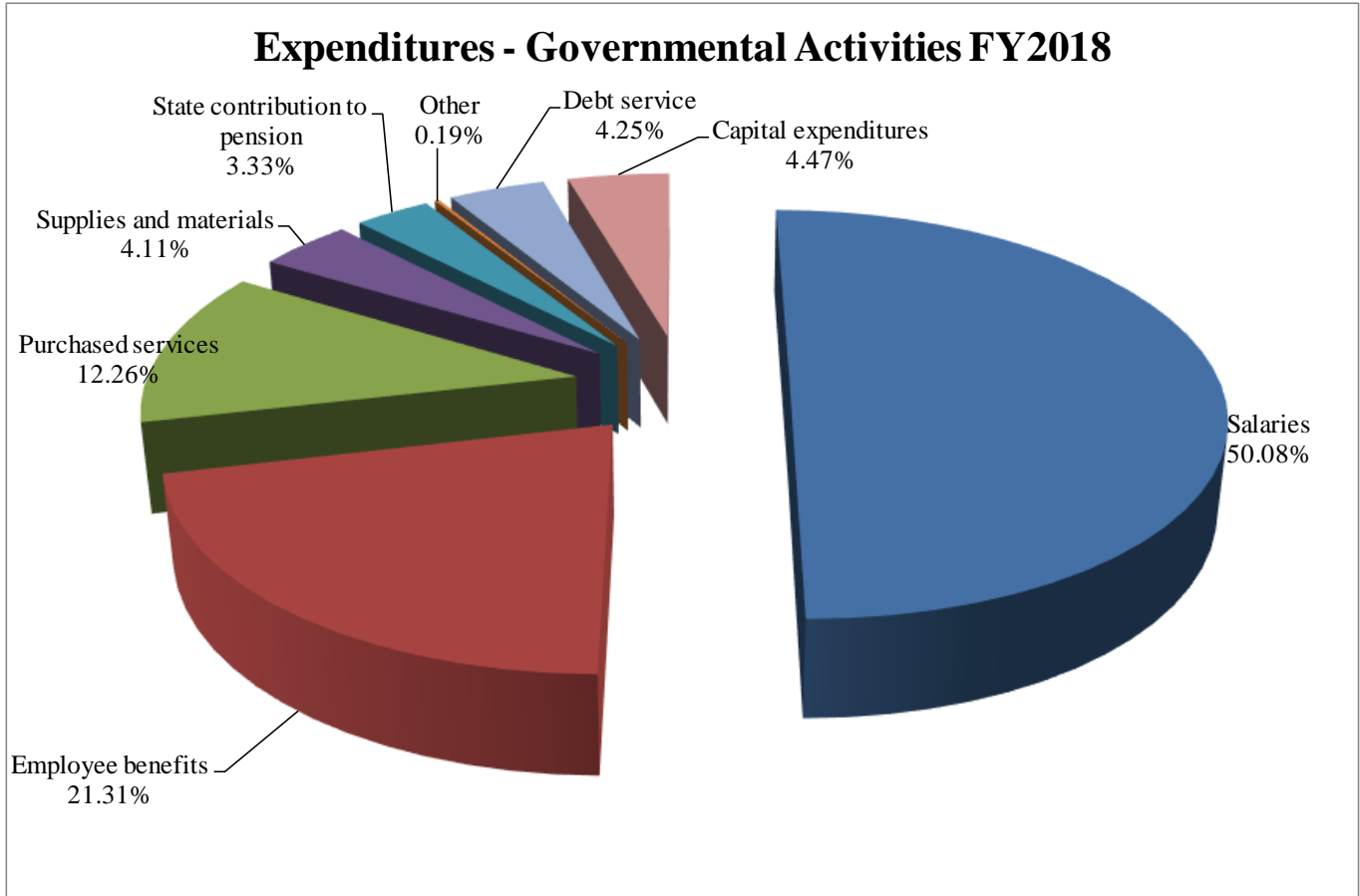
Management Discussion and Analysis

For the Year Ended June 30, 2018

Expenditures

Governmental Activities

For fiscal year ended June 30, 2018, expenses for the governmental activities totaled \$61.6 million, which cover a range of services.



BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

GENERAL FUND BUDGETARY HIGHLIGHTS

There were minor differences between expenditures in the District's original budget and the final amended budget. There were no additional appropriations necessary during the year. Actual revenues and other sources were more than budgeted amounts by \$137,527 due mostly to higher miscellaneous revenue for prior year refunds and rebates.

Actual expenditures were less than budgeted by \$81,823. Positive budget variances occurred in the Purchased Services category of \$70,024 (primarily due to lower than anticipated costs regarding specialized student services, overall reduction in Utilities expense, lower than anticipated special education tuition and transportation expenses), in the Supplies & Materials category by \$13,032 (primarily due to lower costs than anticipated). The Schedule of Revenues and Expenditures - Budget to Actual is presented as required supplemental information, following the Notes to the Financial Statements.

CAPITAL ASSETS

	Governmental		Business-Type Activity		Total	
	2018	2017	2018	2017	2018	2017
Building and improvements	\$ 73,036,221	\$ 70,468,977	\$ -	\$ -	\$ 73,036,221	\$ 70,468,977
Equipment	2,817,581	2,664,829	324,282	255,105	3,141,863	2,919,934
Vehicles	297,587	267,727	-	-	297,587	267,727
Furniture	369,995	369,995	-	-	369,995	369,995
	<u>76,521,384</u>	<u>73,771,528</u>	<u>324,282</u>	<u>255,105</u>	<u>76,845,666</u>	<u>74,026,633</u>
Depreciation:						
Building and improvements	(42,392,472)	(40,228,540)	-	-	(42,392,472)	(40,228,540)
Equipment	(1,973,667)	(1,652,469)	(260,141)	(243,373)	(2,233,808)	(1,895,842)
Vehicles	(277,385)	(243,350)	-	-	(277,385)	(243,350)
Furniture	(305,691)	(291,599)	-	-	(305,691)	(291,599)
	<u>(44,949,215)</u>	<u>(42,415,958)</u>	<u>(260,141)</u>	<u>(243,373)</u>	<u>(45,209,356)</u>	<u>(42,659,331)</u>
Capital assets, net	<u>\$ 31,572,169</u>	<u>\$ 31,355,570</u>	<u>\$ 64,141</u>	<u>\$ 11,732</u>	<u>\$ 31,636,310</u>	<u>\$ 31,367,302</u>

As of June 30, 2018, the District's investment in capital assets for its governmental and business-type activities was \$76.8 million less accumulated depreciation of \$45.2 million for net capital assets of \$31.6 million. This investment in capital assets includes buildings and building improvements, equipment (primarily computer equipment and school lunch equipment), furniture and vehicles.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Management Discussion and Analysis

For the Year Ended June 30, 2018

CAPITAL RESERVE FUNDS

The District maintains a special fund for costs incurred for capital projects. The RI law was changed in 1998 to allow Housing Aid reimbursement of non-bonded capital projects paid for out of a district capital reserve fund. However, the district must document that projects reimbursed under this provision of the law are indeed supported by properly constituted capital reserve funds. The District, therefore, maintains a separate fund for this specific purpose. The funds to support these projects are budgeted and transferred from the General Fund. The transfers made during the 2018 fiscal year were \$1,752,314 compared to transfers of \$1,224,151 in fiscal year 2017.

LONG TERM DEBT

At June 30, 2018, the District had long-term liabilities; all related to governmental activities, totaling \$78.3 million consisting of general obligation debt and compensated absences, with the amounts due within one-year totaling \$2.3 million. The schedule that follows shows outstanding long term liabilities at June 30, 2018. Additional Information related to long-term debt can be found in the notes to the financial statements.

	Governmental		Business-Type Activity		Total	
	2018	2017	2018	2017	2018	2017
		Restated				
General obligation bonds payable	\$ 10,984,037	\$ 12,780,163	\$ -	\$ -	\$ 10,984,037	\$ 12,780,163
Compensated absences	1,451,845	1,514,232	-	-	1,451,845	1,514,232
Net OPEB liability	17,698,998	20,365,429	-	-	17,698,998	20,365,429
ERS - net pension liability	41,326,250	41,140,174	-	-	41,326,250	41,140,174
MERS - net pension liability	6,874,840	6,480,314	-	-	6,874,840	6,480,314
	<u>\$ 78,335,970</u>	<u>\$ 82,280,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,335,970</u>	<u>\$ 82,280,312</u>

NEXT YEAR' S BUDGET (FY19)

\$977,600 of the General Fund's fund balance was assigned for final debt payment in the 2018-2019 budget. Member town contributions to the district were 2% increase; whereas state formula aid to the district was reduced by \$934,729, group home aid was decreased by \$7,165 while categorical aid was increased by \$126,781.

Request for Information

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the Bristol Warren Regional School District's finances. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to:

*Director of Administration and Finance
Bristol Warren Regional School District
151 State Street
Bristol, RI 02809-2205*

BASIC FINANCIAL STATEMENTS

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Mt. Hope High School Homebuilding Project, Inc.
ASSETS				
<i>Current Assets:</i>				
Cash and cash equivalents	\$ 6,410,853	\$ 1,348,360	\$ 7,759,213	\$ 181,366
Intergovernmental receivables	896,458	99,776	996,234	-
Other receivables	76,367	27,474	103,841	-
<i>Total Current Assets</i>	<u>7,383,678</u>	<u>1,475,610</u>	<u>8,859,288</u>	<u>181,366</u>
<i>Non-Current Assets:</i>				
Capital assets:				
Depreciable, net	31,572,169	64,141	31,636,310	-
Net pension asset	3,558,014	-	3,558,014	-
<i>Total Non-Current Assets</i>	<u>35,130,183</u>	<u>64,141</u>	<u>35,194,324</u>	<u>-</u>
Total assets	<u>42,513,861</u>	<u>1,539,751</u>	<u>44,053,612</u>	<u>181,366</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on bond refunding, net	764,045	-	764,045	-
Deferred pension outflows	11,747,487	-	11,747,487	-
Total deferred outflows of resources	<u>12,511,532</u>	<u>-</u>	<u>12,511,532</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 55,025,393</u>	<u>\$ 1,539,751</u>	<u>\$ 56,565,144</u>	<u>\$ 181,366</u>

(Continued) 18

The accompanying notes are an integral part of this statement

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Mt. Hope High School Homebuilding Project, Inc.
LIABILITIES				
<i>Current Liabilities:</i>				
Accounts payable and accrued expenses	\$ 1,088,513	\$ 86,138	\$ 1,174,651	\$ -
Accrued interest	166,794	-	166,794	-
Unearned revenue	13,744	-	13,744	-
Long-term liabilities:				
Portion due or payable within one year:				
Bonds payable	2,203,874	-	2,203,874	-
Compensated absences	<u>90,735</u>	<u>-</u>	<u>90,735</u>	<u>-</u>
<i>Total Current Liabilities</i>	<u>3,563,660</u>	<u>86,138</u>	<u>3,649,798</u>	<u>-</u>
<i>Non-Current Liabilities:</i>				
Portion due or payable in more than one year:				
Bonds payable	12,542,089	-	12,542,089	-
Compensated absences	1,361,110	-	1,361,110	-
Net OPEB liability	17,698,998	-	17,698,998	-
Net pension liability	<u>48,201,090</u>	<u>-</u>	<u>48,201,090</u>	<u>-</u>
<i>Total Non-Current Liabilities</i>	<u>79,803,287</u>	<u>-</u>	<u>79,803,287</u>	<u>-</u>
Total liabilities	<u>83,366,947</u>	<u>86,138</u>	<u>83,453,085</u>	<u>-</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Statement of Net Position

June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Mt. Hope High School Homebuilding Project, Inc.
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	<u>4,924,096</u>	<u>-</u>	<u>4,924,096</u>	<u>-</u>
Total deferred inflows of resources	<u>4,924,096</u>	<u>-</u>	<u>4,924,096</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	16,826,206	64,141	16,890,347	-
Restricted for school improvement	2,739,597	-	2,739,597	-
Restricted for grant eligible educational expenses	364,574	-	364,574	
Restricted for scholarships	35,850	-	35,850	
Unrestricted	<u>(53,231,877)</u>	<u>1,389,472</u>	<u>(51,842,405)</u>	<u>181,366</u>
<i>Total net position</i>	<u>(33,265,650)</u>	<u>1,453,613</u>	<u>(31,812,037)</u>	<u>181,366</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 55,025,393</u>	<u>\$ 1,539,751</u>	<u>\$ 56,565,144</u>	<u>\$ 181,366</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Statement of Activity

For the Year Ended June 30, 2018

	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Mt. Hope High School Homebuilding Project, Inc.
Governmental Activities								
Salaries	\$ 30,769,945	\$ -	\$ 1,356,349	\$ -	\$ (29,413,596)	\$ -	\$ (29,413,596)	\$ -
Employee benefits	11,327,484	-	550,076	-	(10,777,408)	-	(10,777,408)	-
Purchased services	7,546,374	-	80,386	-	(7,465,988)	-	(7,465,988)	-
Supplies and materials	2,431,606	-	171,688	1,634,203	(625,715)	-	(625,715)	-
Other	25,226	-	23,990	-	(1,236)	-	(1,236)	-
State contribution to pension plan	2,965,598	-	2,965,598	-	-	-	-	-
Interest and fiscal charges	587,828	-	-	-	(587,828)	-	(587,828)	-
Unallocated depreciation / amortization	2,533,257	-	-	-	(2,533,257)	-	(2,533,257)	-
Total governmental activities	58,187,318	-	5,148,087	1,634,203	(51,405,028)	-	(51,405,028)	-
Business-Type Activities								
School lunch	1,236,459	1,316,277	-	-	-	79,818	79,818	-
Non-major enterprise fund activity	567,956	721,629	-	-	-	153,673	153,673	-
Total business-type activities	1,804,415	2,037,906	-	-	-	233,491	233,491	-
Total primary government	59,991,733	2,037,906	5,148,087	1,634,203	(51,405,028)	233,491	(51,171,537)	-
Component Unit								
Mt Hope HS Homebuilding Project, Inc.	277	-	-	-	-	-	-	(277)
Total component unit	277	-	-	-	-	-	-	(277)
Total District	\$ 59,992,010	\$ 2,037,906	\$ 5,148,087	\$ 1,634,203	\$ (51,405,028)	\$ 233,491	\$ (51,171,537)	\$ (277)

(Continued) 21

The accompanying notes are an integral part of this statement

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Statement of Activity

For the Year Ended June 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Mt. Hope High School Homebuilding Project, Inc.
<i>General revenues</i>				
Contributions from towns	\$ 35,906,977	\$ -	\$ 35,906,977	\$ -
State aid to education	15,470,890	-	15,470,890	-
Housing aid	2,180,086	-	2,180,086	-
Miscellaneous	780,809	-	780,809	-
Earnings on investments	91,858	-	91,858	214
	<u>54,430,620</u>	<u>-</u>	<u>54,430,620</u>	<u>214</u>
<i>Total general revenues</i>				
Transfers in	1,752,314	-	1,752,314	-
Transfers out	<u>(1,752,314)</u>	<u>-</u>	<u>(1,752,314)</u>	<u>-</u>
	<u>54,430,620</u>	<u>-</u>	<u>54,430,620</u>	<u>214</u>
Total general revenues, special items, and transfers				
<i>Changes in net position</i>	3,025,592	233,491	3,259,083	(63)
Net position - beginning of year, restated	<u>(36,291,242)</u>	<u>1,220,122</u>	<u>(35,071,120)</u>	<u>181,429</u>
Net position - end of year	<u>\$ (33,265,650)</u>	<u>\$ 1,453,613</u>	<u>\$ (31,812,037)</u>	<u>\$ 181,366</u>

The accompanying notes are an integral part of this statement

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Governmental Funds

Balance Sheet

June 30, 2018

	<u>Major Fund</u>	<u>Major Fund</u>	<u>Major Fund</u>	<u>Non-Major</u>	<u>Total</u>
	<u>General</u>	<u>Debt</u>	<u>School Building</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Service</u>	<u>Improvements</u>	<u>Funds</u>	<u>Funds</u>
Assets					
Cash and cash equivalents	\$ 4,075,854	\$ -	\$ 2,810,911	\$ (475,912)	\$ 6,410,853
Receivables:					
Intergovernmental	38,786	-	-	857,672	896,458
Other	32,668	-	-	43,699	76,367
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,732</u>	<u>7,732</u>
Total assets	<u>4,147,308</u>	<u>-</u>	<u>2,810,911</u>	<u>433,191</u>	<u>7,391,410</u>
Deferred outflows of resources					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 4,147,308</u>	<u>\$ -</u>	<u>\$ 2,810,911</u>	<u>\$ 433,191</u>	<u>\$ 7,391,410</u>
Liabilities					
Accounts payable and accrued expenses	\$ 984,432	\$ -	\$ 71,314	\$ 32,767	\$ 1,088,513
Unearned revenue	13,744	-	-	-	13,744
Due to other funds	<u>7,732</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,732</u>
Total liabilities	<u>1,005,908</u>	<u>-</u>	<u>71,314</u>	<u>32,767</u>	<u>1,109,989</u>
Deferred inflows of resources					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance					
Restricted	-	-	2,739,597	400,424	3,140,021
Committed	2,163,800	-	-	-	2,163,800
Assigned	977,600	-	-	-	977,600
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>3,141,400</u>	<u>-</u>	<u>2,739,597</u>	<u>400,424</u>	<u>6,281,421</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,147,308</u>	<u>\$ -</u>	<u>\$ 2,810,911</u>	<u>\$ 433,191</u>	<u>\$ 7,391,410</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Governmental Funds

Statement of Revenue, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Major Fund</u> <u>Debt</u> <u>Service</u>	<u>Major Fund</u> <u>School Building</u> <u>Improvements</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues					
Contributions from member towns					
Town of Bristol	\$ 25,443,305	\$ -	\$ -	\$ -	\$ 25,443,305
Town of Warren	10,463,672	-	-	-	10,463,672
State aid	15,470,890	-	-	-	15,470,890
Housing aid	-	1,378,875	801,211	-	2,180,086
Intergovernmental	-	-	-	2,093,302	2,093,302
Investment income	90,718	-	-	1,140	91,858
State contribution to pension plan	2,047,773	-	-	-	2,047,773
Medicaid	549,762	-	-	-	549,762
Other income	231,047	-	1,634,203	189,894	2,055,144
Total revenue	<u>54,297,167</u>	<u>1,378,875</u>	<u>2,435,414</u>	<u>2,284,336</u>	<u>60,395,792</u>
Expenditures					
Salaries	29,274,260	-	-	1,558,072	30,832,332
Employee benefits	12,567,474	-	-	550,076	13,117,550
Purchased services	7,365,281	-	-	181,093	7,546,374
Supplies and materials	1,714,275	-	645,643	171,688	2,531,606
Other	95,110	-	-	23,990	119,100
State contribution to pension plan	2,047,773	-	-	-	2,047,773
Capital outlay	575,338	-	2,003,810	170,708	2,749,856
Debt service					
Principal	-	1,990,000	-	-	1,990,000
Interest	-	627,181	-	-	627,181
Total expenditures	<u>53,639,511</u>	<u>2,617,181</u>	<u>2,649,453</u>	<u>2,655,627</u>	<u>61,561,772</u>
Excess (deficiency) of revenues over expenditures	657,656	(1,238,306)	(214,039)	(371,291)	(1,165,980)
Other financing sources (uses)					
Transfers in	-	1,238,306	514,008	-	1,752,314
Transfers out	<u>(1,752,314)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,752,314)</u>
Other financing sources (uses)	<u>(1,752,314)</u>	<u>1,238,306</u>	<u>514,008</u>	<u>-</u>	<u>-</u>
Excess of revenue and other sources over expenditures and other uses					
	(1,094,658)	-	299,969	(371,291)	(1,165,980)
Fund balance, beginning of the year, restated	<u>4,236,058</u>	<u>-</u>	<u>2,439,628</u>	<u>771,715</u>	<u>7,447,401</u>
Fund balance, end of the year	<u>\$ 3,141,400</u>	<u>\$ -</u>	<u>\$ 2,739,597</u>	<u>\$ 400,424</u>	<u>\$ 6,281,421</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Governmental Funds

Reconciliation of the Governmental Fund Balances to the Statement of Net Position

June 30, 2018

Total governmental fund balances	\$	6,281,421
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, net		31,572,169
Net pension assets		3,558,014
Other long-term liabilities are being amortized over various periods of length, and, therefore, are deferred outflows of resources in the funds.		
		11,747,487
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.		
		(4,924,096)
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.		
		(166,794)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds.		
Gain/Loss on bond refunding		764,045
Bond premium/discount on refunding		(1,880,963)
Bonds and notes payable		(12,865,000)
Net pension liability		(48,201,090)
Compensated absences		(1,451,845)
Other postemployment benefits		<u>(17,698,998)</u>
Net position of governmental activities	\$	<u><u>(33,265,650)</u></u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Reconciliation of the Statement of Revenues, Expenditures and Changes in Funds Balances of Governmental Funds to the Statement of Activity

For the Year Ended June 30, 2018

Net change in fund balances - total governmental funds	\$ (1,165,980)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	216,599
Loss on refunding of bond which will be deferred and amortized over the life of the new bond.	(100,707)
Changes in assumptions to the state pension plan as well as differences between actual and expected experience and investment income which are deferred and amortized over multiple years to smooth out pension expense.	567,934
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	2,183,874
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	39,353
The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.	2,666,431
Expenses reported in the Statement of Activities for net pension liability do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	(1,444,299)
Expenses reported in the Statement of Activities for compensated absences do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	<u>62,387</u>
Change in net position of governmental activities	<u>\$ 3,025,592</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Proprietary Funds

Statement of Net Position

June 30, 2018

	Business-type Activities		
	Enterprise Funds		
	Major		Total
	School	Other	Enterprise
	Lunch	Non-Major	
Assets			
<i>Current assets</i>			
Cash and cash equivalent	\$ 420,210	\$ 928,150	\$ 1,348,360
Due from federal and state governments	99,776	-	99,776
Other receivables	-	27,474	27,474
Due from other funds	-	-	-
<i>Total current assets</i>	<u>519,986</u>	<u>955,624</u>	<u>1,475,610</u>
<i>Non-current assets</i>			
Capital assets, net	<u>64,141</u>	-	<u>64,141</u>
<i>Total non-current assets</i>	<u>64,141</u>	-	<u>64,141</u>
 Total assets	 <u>584,127</u>	 <u>955,624</u>	 <u>1,539,751</u>
Deferred outflows of resources			
None	-	-	-
Total assets and deferred outflows of resources	<u>\$ 584,127</u>	<u>\$ 955,624</u>	<u>\$ 1,539,751</u>
Liabilities			
<i>Current liabilities</i>			
Accounts payable and accrued expenses	\$ 67,100	\$ 19,038	\$ 86,138
Due to other funds	-	-	-
<i>Total liabilities</i>	<u>67,100</u>	<u>19,038</u>	<u>86,138</u>
Deferred inflows of resources			
None	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Net investment in capital assets	64,141	-	64,141
Restricted	-	-	-
Unrestricted	<u>452,886</u>	<u>936,586</u>	<u>1,389,472</u>
 Total liabilities, deferred inflows of resources and net position	 <u>\$ 584,127</u>	 <u>\$ 955,624</u>	 <u>\$ 1,539,751</u>

The accompanying notes are an integral part of this statement

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Major		
	School	Other	Total
	Lunch	Non-Major	Enterprise
Operating revenues			
Charges for usage and services	\$ 738,234	\$ 721,629	\$ 1,459,863
Intergovernmental	<u>578,043</u>	<u>-</u>	<u>578,043</u>
 Total operating revenues	 <u>1,316,277</u>	 <u>721,629</u>	 <u>2,037,906</u>
 Operating expenses			
Salaries	-	445,975	445,975
Employee benefits	-	63,569	63,569
Purchased services	1,219,691	10,318	1,230,009
Supplies and materials	-	38,718	38,718
Other	-	9,376	9,376
Depreciation	<u>16,768</u>	<u>-</u>	<u>16,768</u>
 Total operating expenses	 <u>1,236,459</u>	 <u>567,956</u>	 <u>1,804,415</u>
 Change in net position	 79,818	 153,673	 233,491
 Total net position beginning of the year	 <u>437,209</u>	 <u>782,913</u>	 <u>1,220,122</u>
 Total net position end of year	 <u>\$ 517,027</u>	 <u>\$ 936,586</u>	 <u>\$ 1,453,613</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2018

	Business-type Activities - Enterprise Funds		
	Major School Lunch	Other Non-Major	Total Enterprise
Cash flows from operating activities			
Cash received from customers and program operations	\$ 738,234	\$ 701,664	\$ 1,439,898
Cash received from other sources	582,751	-	582,751
Cash paid to suppliers for program expenditures	(1,242,829)	(56,319)	(1,299,148)
Cash payments to employees for services	<u>-</u>	<u>(509,544)</u>	<u>(509,544)</u>
Net cash provided (used) by operating activities	<u>78,156</u>	<u>135,801</u>	<u>213,957</u>
Cash flows from noncapital financing activities			
None	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	<u>(69,176)</u>	<u>-</u>	<u>(69,176)</u>
Net cash used by capital and related financing activities	<u>(69,176)</u>	<u>-</u>	<u>(69,176)</u>
Net increase (decrease) in cash and cash equivalents	8,980	135,801	144,781
Balances-beginning of the year	<u>411,230</u>	<u>792,349</u>	<u>1,203,579</u>
Balances-end of the year	<u>\$ 420,210</u>	<u>\$ 928,150</u>	<u>\$ 1,348,360</u>
Displayed as:			
Cash and cash equivalent	<u>\$ 420,210</u>	<u>\$ 928,150</u>	<u>\$ 1,348,360</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 79,818	\$ 153,673	\$ 233,491
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	16,768	-	16,768
Change in assets and liabilities:			
(Increase) decrease in other receivable	-	(19,965)	(19,965)
(Increase) decrease in intergovernmental receivable	4,709	-	4,709
Increase (decrease) in accounts payable and accrued expenses	<u>(23,139)</u>	<u>2,093</u>	<u>(21,046)</u>
Net cash provided (used) by operating activities	<u>\$ 78,156</u>	<u>\$ 135,801</u>	<u>\$ 213,957</u>

The accompanying notes are an integral part of this statement

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Fiduciary Funds

Statement of Net Position

June 30, 2018

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	\$ <u>314,948</u>
Total assets	\$ <u><u>314,948</u></u>
Liabilities	
Deposits held	\$ <u>314,948</u>
Total liabilities	<u>314,948</u>
Net Position	
Total net position	<u>-</u>
Total liabilities and net position	\$ <u><u>314,948</u></u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

1. Reporting Entity

Primary Government

The accounting policies of the Bristol Warren Regional School District conform to accounting principles generally accepted in the United States of America as applied to governmental entities. The following notes to the basic financial statements are an integral part of the District's basic financial statements.

The Bristol Warren Regional School District was formed through enabling legislation of the State of Rhode Island dated June 26, 1991, for the purpose of operating elementary and secondary schools within the Town of Bristol and Warren. The District is governed by an elected School Committee.

Component Unit

As required by generally accepted accounting principles, those basic financial statements present the Bristol Warren Regional School District. Based on the criteria established by the Governmental Accounting Standards Board (GASB) Statement 61, the Bristol Warren Regional School District is a component unit of the Town of Bristol, Rhode Island (the primary government). The Town of Bristol has included the Bristol Warren Regional School District in its basic financial statements as a component unit.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following exists:

- a) The primary government is legally entitled to or can otherwise access the organization's resources.
- b) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- e) The primary government is obligated in some manner for the debt of the organization.

The following entity was considered for classification as a component unit for fiscal year 2018:

- * Mt. Hope High School Homebuilding Project, Inc.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies

The Mt. Hope High School Homebuilding Project Inc., a not for profit agency was formed in October of 1989. The corporation was established to construct and remodel residential houses for educational purposes and supports the Bristol Warren Regional School District's Mt. Hope High School Technology Program. As a result of financial accountability, the Corporation is included as a discretely presented component unit in the financial statements of the District.

The accounting policies of the District conform to the governmental basis of accounting. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies followed by the District:

Basis of Presentation

Government - Wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds each of which are considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual, governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual, governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

The funds of the financial reporting entity are described below:

Governmental Funds

General Fund

The General Fund is the primary operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are Legally or administratively restricted to expenditures for certain purposes.

Capital Project Funds

Capital Project Funds are used to account for resources restricted for the acquisition or construction of specific capital projects or items.

Permanent Funds

The Permanent Funds account for assets held by the District pursuant to trust agreements. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue.

Fiduciary Funds (Not included in government-wide statements)

Agency Funds

Agency funds account for assets held by the District in a purely custodial capacity. The reporting entity includes one agency fund. Since agency funds are custodial in nature (i.e. assets equal liabilities), they do not involve the measurement of results of operations. The agency fund is the Student Activity Funds.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities both governmental and business-like activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.
- c. Agency funds are not involved in the measurement of results of operations; therefore, measurement focus is not applicable to them.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Basis of Accounting (continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal operation. The principal operating revenues of the enterprise funds are charges for services provided in accordance with the fund's purpose. Operating expenses for the enterprise funds include the costs of providing the services, including administration and depreciation on capital assets. All other revenue and expense items not meeting these criteria are reported as non-operating revenues and expenses.

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

Cash and Cash Equivalents - Cash and cash equivalents and restricted cash (held by trustee) include highly liquid investments with a maturity of three months or less when purchased. Restricted cash has been classified as noncurrent as it primarily represents unspent bond proceeds restricted for future capital spending.

Accounts Receivable - In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include amounts due from the State of Rhode Island.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Inventory - Inventory and supplies are recorded as expenditures when purchased.

Capital Assets - The accounting treatment over property, plant and equipment (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

In the government-wide financial statements, long-lived are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Capital assets are defined by the District, as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

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

Capital Assets (continued) - Depreciation of all exhaustible capital assets is recorded, as an unallocated expense in the *Statement of Activities*, with accumulated depreciation reflected in the *Statement of Net Position*. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and improvements	10 - 50 years
Equipment	5 - 15 years
Vehicles	5 - 7 years

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position can report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that later date. In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses of expenditures) until that later date. At June 30, 2018, the District had various items that qualified as a deferred outflow of resources: including deferred charges on refunding and deferred pension outflows reported in the government-wide statement of net position.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2018, the District had deferred charges on bond refunding and deferred inflows related to State pension plans.

Compensated Absences - Under the terms of various contracts and policies, District employees are granted vacation, sick leave, and other termination benefits based on length of service. The District's policy is to recognize the cost of vacation and sick leave in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid vacation and sick leave relating to governmental fund employees is recorded as long-term debt in the government-wide financial statements.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

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

Fund Financial Statements - In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Interfund Transactions

Interfund activity within and among the funds of the District have been classified and reported as follows:

- Reciprocal interfund activities:
 - Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Non-reciprocal interfund activities:
 - Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Pensions

ERS Teacher Employer Units

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System plan (ERS) and the additions to/deductions from ERS' fiduciary net position have been determined on the same basis as they are reported by ERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

MERS Agent Plan Employer Units

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

TSB Employer Units

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Teachers' Survivors Benefit plan (TSB) and the additions to/deductions from TSB fiduciary net position have been determined on the same basis as they are reported by TSB. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post -Employment Benefits

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan and additions to/deductions from District's fiduciary net position have been determined on the same basis as they are reported by the District. For this purpose, the District recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

- (a) Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and any related deferred inflow/outflow of resources related to debt used to acquire capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- (b) Restricted net position - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or 2) law through constitutional provisions or enabling legislation.
- (c) Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

Fund Statements

Fund balance is classified as non-spendable, restricted; committed, assigned or unassigned as described below:

- (a) Non-Spendable - the amount of fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. At the end of each fiscal year, the Director of Administration and Finance will report the portion of the fund balance that is not in spendable form as Non-Spendable on the annual financial statements.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Fund Statements (continued)

- (b) Restricted - the amount of fund balance that can only be spent on specific expenditures due to constraints on the spending because of legal restrictions, outside party creditors, and grantor/donor requirements. The Districts restricted fund balance amount are considered to have been spent when an expenditure has been incurred satisfying such restriction. At the end of each fiscal year, the Director of Administration and Finance will report restricted fund balance amounts that have applicable legal restrictions.
- (c) Committed - the amount of fund balance that includes the portion of the spendable fund balance but has constraints on the spending that the Bristol Warren Regional School Committee or the Joint Finance Committee has imposed upon itself by a formal action by vote. This constraint must be imposed prior to the fiscal year end, but the specific amount may be determined at a later date. At the end of each fiscal year, 4% of total general fund budgeted operating expenditures will be committed in order to accommodate immediate cash now (2%) and needs for unanticipated expenditures and/or emergencies (2%).
- (d) Assigned - the amount of fund balance that includes the portion of the spendable fund balance that reflects funds intended to be used by the government for specific purposes assigned by information operational planning. The assigned fund balance represents a "plan" for spending the amount, but it is not restricted or committed. The authority to "assign" fund balance is designated to the Director of Administration and Finance.
- (e) Unassigned - the amount of fund balance that is in the General Fund and includes all spendable amounts that are not otherwise contained in the classifications listed above, and therefore, not subject to any constraints or intended use. Unassigned amounts are available for any purpose. These are current resources available for which there are no external or self-imposed limitations or set spending plan. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received.

District shall, when possible, expend funds beginning with those funds that have the highest level of restriction first, and will spend those funds with the lowest level of restriction last. It shall be the Director of Administration and Finance's responsibility to ensure the District's expenditures are appropriately classified based on the restrictions (both external and internal) of the revenue and fund balance(s) in accordance with the above policy. See Note 7 for current year classification of fund balance. Proprietary net position is classified the same as in the government-wide statements.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Summarized Financial Information - The financial information for the year June 30, 2017, presented for comparative purposes is not intended to be a complete financial statement presentation. Certain amounts in the prior year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Fund Statements (continued)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

Revenues, Expenditures and Expenses

Revenues for governmental funds are recorded when they are determined to be both measurable and available. Generally, tax revenues, fees and non-tax revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred. Expenditures for governmental funds are recorded when the related liability is incurred. Revenues and expenses of proprietary fund types are recognized using the full accrual basis of accounting. Revenue is recognized when earned and expenses as incurred.

Program Revenues and Expenses

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

Bond Premiums

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source".

In the Government-Wide Statements, bond premiums are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

2. Summary of Significant Accounting Policies (continued)

Fund Statements (continued)

Recently Issued Accounting Standards - The District has implemented the following new accounting pronouncements:

Effective for the fiscal year ended June 30, 2018, the District adopted the provisions of Statement No. 75 of the GASB, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses and expenditures related to other postemployment benefits ("OPEB") administered through trusts or equivalent arrangements. For defined benefit OPEBs, GASB 75 identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, GASB 75 requires more extensive footnote disclosures in employer financial statements. GASB Statement numbers 81 – Irrevocable Split-Interest Agreements, 85 – Omnibus, and 86 – Certain Debt Extinguishment Issues were implemented in the current year but did not have a material impact on the financial statements.

Effective for the fiscal year ending June 30, 2021, the District will be required to adopt the provisions of Statement No. 87 of the GASB, *Leases* ("GASB 87"). GASB 87 requires recognition of lease assets and liabilities for leases that previously were classified as operating leases and recognize as inflows of resources or outflows of resources based on the payment provisions of the contract. The District is currently evaluating the effects of GASB 87 on its financial statements. The following GASB standards will also be evaluated by the District: 1. GASB 83 – Certain Asset Retirement Obligations, 2. GASB 84 – Fiduciary Activities, 3. GASB 88 - Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements, 4. GASB 89 – Accounting for Interest Cost Incurred Before the End of a Construction Period, and 5. GASB 90 Majority Equity Interests.

3. Budgetary Data

In accordance with the District's bylaws, the District has formally established budgetary accounting controls for its General Fund. The General Fund operating budget is prepared annually and submitted to the School Committee and member Districts for approval. The School District's outstanding encumbrances at year end are carried forward as a reservation of fund balance.

The budget to actual presentation in the financial statements includes amended budget amounts. The budget may be amended in the following manner: transfers under \$10,000 may be approved by the Superintendent with written notification to the School Committee and transfers exceeding \$10,000 must be approved by the School Committee.

The School District's General Fund budget is prepared on a budgetary basis of accounting, which is not in conformity with generally accepted accounting principles. The budget to actual presentation in the financial statements is presented on the budgetary basis of accounting.

Because accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with GAAP, a reconciliation of these differences is presented in the notes to required supplementary information.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

4. Cash and Cash Equivalents

Cash deposits: The District's cash deposits are in one financial institution. The carrying amount of deposits is separately displayed on the Statement of Net Position as "cash and cash equivalents".

The District maintains deposits at local financial institutions. At year end, the book balance of these deposits (including Fiduciary funds) was \$8,074,161 and the bank balance was \$11,311,424 of which \$431,281 was covered by federal depository insurance. In accordance with State law, the uninsured amount of \$ 10,880,143 is collateralized by the financial institution.

In accordance with Rhode Island General Laws, Chapter 35-10.1, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent of time deposits with maturities greater than sixty days. Any of these institutions, which do not meet minimum capital standards prescribed by federal regulators, shall insure or pledge eligible collateral equal to one hundred percent of deposits, regardless of maturity.

Essential risk information regarding the District's deposits and investments is presented below.

Custodial credit risk - Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2018, \$10,880,143 of the District's bank balance of \$11,311,424 was exposed to custodial credit risk.

Interest rate risk - Funds held by the District are invested in accordance with the District's investment policy. This investment policy does not limit investment maturities as a means of limiting its exposure to fair value losses arising from interest rates.

Credit risk - The District's investment policy objective states that all financial assets held by the District shall be invested in a manner that will preserve the value and safety of capital. The District shall invest funds in order to maximize earnings and minimize risk during the period of availability of the funds. The District's investment policy limits investments to U.S. Treasury securities, securities of the U.S. government agencies and instrumentalities that are backed by the full faith and credit or guarantee of the U.S. government, which have a liquid market with a readily determinable market value, investment-grade obligations of the State of Rhode Island, or any municipality or political subdivision of the State of Rhode Island, repurchase agreements backed by collateral, certificate of deposits, money market mutual funds whose portfolios consist of U.S. Treasury securities, U.S. agency obligations and repurchase agreements fully collateralized by such securities and governmental investment products backed by collateral consisting of U.S. Treasury and U.S. Agency securities.

Concentration of credit risk - The District's investment policy is not specific but states that investments shall be diversified to minimize the risk of loss that may occur due to concentration in a specific maturity, a specific issue or a specific class of securities.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

5. Capital Assets

The cost and activity of water capital assets in service and related accumulated depreciation for the year ended June 30, 2018 is as follows:

Governmental Funds	Balance			Balance
	June 30, 2017	Increase	Decrease	June 30, 2018
<i>Capital assets not being depreciated:</i>				
Construction in progress	\$ -	\$ -	\$ -	\$ -
<i>Total assets not being depreciated</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Capital assets being depreciated:</i>				
Building and improvements	70,468,977	2,567,244	-	73,036,221
Equipment	2,664,829	152,752	-	2,817,581
Vehicles	267,727	29,860	-	297,587
Furniture	<u>369,995</u>	<u>-</u>	<u>-</u>	<u>369,995</u>
<i>Total assets being depreciated</i>	<u>73,771,528</u>	<u>2,749,856</u>	<u>-</u>	<u>76,521,384</u>
<i>Depreciation:</i>				
Building and improvements	(40,228,540)	(2,163,932)	-	(42,392,472)
Equipment	(1,652,469)	(321,198)	-	(1,973,667)
Vehicles	(243,350)	(34,035)	-	(277,385)
Furniture	<u>(291,599)</u>	<u>(14,092)</u>	<u>-</u>	<u>(305,691)</u>
<i>Total depreciation</i>	<u>(42,415,958)</u>	<u>(2,533,257)</u>	<u>-</u>	<u>(44,949,215)</u>
<i>Total depreciable capital assets, net</i>	<u>31,355,570</u>	<u>216,599</u>	<u>-</u>	<u>31,572,169</u>
<i>Governmental activities capital assets, net</i>	<u>\$ 31,355,570</u>	<u>\$ 216,599</u>	<u>\$ -</u>	<u>\$ 31,572,169</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

5. Capital Assets (continued)

Proprietary Funds	Balance June 30, 2017	Increase	Decrease	Balance June 30, 2018
<i>Capital assets being depreciated:</i>				
Equipment	\$ 255,105	\$ 69,177	\$ -	\$ 324,282
<i>Total assets being depreciated</i>	<u>255,105</u>	<u>69,177</u>	<u>-</u>	<u>324,282</u>
<i>Depreciation:</i>				
Equipment	(243,373)	(16,768)	-	(260,141)
<i>Total depreciation</i>	<u>(243,373)</u>	<u>(16,768)</u>	<u>-</u>	<u>(260,141)</u>
<i>Business-type activities capital assets, net</i>	<u>\$ 11,732</u>	<u>\$ 52,409</u>	<u>\$ -</u>	<u>\$ 64,141</u>

6. Long-Term Liabilities

(a) Long-Term Liability Activity

Long-term liability activity for the year ended June 30, 2018 was as follows:

	Balance June 30, 2017	Increase	Decrease	Balance June 30, 2018	Amount Due Within One Year
<i>Governmental Activities:</i>					
Long-term debt:					
General obligation debt	\$ 14,855,000	\$ -	1,990,000	\$ 12,865,000	\$ 2,010,000
Bond premium/(discount)	(2,074,837)	-	(193,874)	(1,880,963)	(193,874)
<i>Total long-term debt</i>	<u>12,780,163</u>	<u>-</u>	<u>1,796,126</u>	<u>10,984,037</u>	<u>1,816,126</u>
Other long-term liabilities:					
Compensated absences	1,514,232	90,375	152,762	1,451,845	90,735
Net OPEB liability	20,365,429	-	2,666,431	17,698,998	-
ERS - net pension liability	41,140,174	186,076	-	41,326,250	-
MERS - net pension liability	6,480,314	394,526	-	6,874,840	-
<i>Total other long-term liabilities</i>	<u>69,500,149</u>	<u>670,977</u>	<u>2,819,193</u>	<u>67,351,933</u>	<u>90,735</u>
<i>Governmental Activities:</i>					
<i>Long-term liabilities</i>	<u>\$ 82,280,312</u>	<u>\$ 670,977</u>	<u>\$ 4,615,319</u>	<u>\$ 78,335,970</u>	<u>\$ 1,906,861</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

6. Long-Term Liabilities (continued)

Payments on all long-term debt and other long-term liabilities that pertain to the District's governmental activities are made by the General Fund.

(b) Debt Maturity

Debt service requirements at June 30, 2018 were as follows:

Fiscal Year Ending June 30,	Governmental Activities General Obligation Bonds		
	Principal	Interest	Total
2019	\$ 2,010,000	\$ 553,650	\$ 2,563,650
2020	1,090,000	496,050	1,586,050
2021	1,130,000	452,450	1,582,450
2022	1,180,000	407,250	1,587,250
2023	1,225,000	360,050	1,585,050
2024-2028	<u>6,230,000</u>	<u>8,401,000</u>	<u>14,631,000</u>
	<u>\$ 12,865,000</u>	<u>\$ 10,670,450</u>	<u>\$ 23,535,450</u>

General long-term liabilities consist of the long-term liabilities that are not recorded as fund liabilities (i.e., debt of the proprietary funds). Amounts are as follows:

Date of Issue	Amount Issued	Interest Rate	Maturity Date	Outstanding Balance			Outstanding Balance June 30, 2018			
				Amount June 30, 2017	Increase	Decrease				
<i>General obligation debt</i>										
2008	\$12.2M	5/14/2008	\$ 12,200,000	2.5% - 5.0%	4/1/09 - 4/1/28	Various	\$ 580,000	\$ -	\$ 580,000	\$ -
2009	\$8.43M	3/28/2009	\$ 8,430,000	2.0% - 5.0%	7/15/09 - 7/15/18	Various	1,890,000	-	930,000	960,000
2016	\$12.54M	8/10/2016	\$ 12,540,000	2.0% - 5.0%	8/10/16 - 4/1/28	Various	<u>12,385,000</u>	-	<u>480,000</u>	<u>11,905,000</u>
<i>Total general obligation debt</i>							<u>\$ 14,855,000</u>	<u>\$ -</u>	<u>\$ 1,990,000</u>	<u>\$ 12,865,000</u>

Total interest expense paid on general long-term debt for the year ended June 30, 2018 was approximately \$572,638.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

7. Fund Balance

The District has classified governmental fund balances at June 30, 2018 as follows:

At June 30, 2018 Restricted Fund Balance consisted of the following:

Non-major special revenue funds to be released once restriction on funds is released	\$ 364,574
Permanent Funds held for scholarships	35,850
Capital project funds for future project operations	<u>2,739,597</u>
<i>Total Restricted Fund Balances</i>	<u>\$ 3,140,021</u>

At June 30, 2018 Committed Fund Balance consisted of the following:

General fund commitment for transfers to capital projects	\$ 79,325
General fund commitment for future expenditures (4%)	<u>2,084,475</u>
<i>Total Committed Fund Balance</i>	<u>\$ 2,163,800</u>

At June 30, 2018 Assigned Fund Balance consisted of the following:

Retiree health insurance reservation for fiscal year 2019	<u>977,600</u>
<i>Total Assigned Fund Balance</i>	<u>\$ 977,600</u>

8. Interfund Balances and Transfers

Interfund balances represent short-term advances from one fund (primarily the General fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund or may simply be the result of pooling financial resources to maximize investment income. There were no interfund balances at June 30, 2018.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

8. Interfund Balances and Transfers (continued)

The principal purpose of interfund transfers is to provide a financing resource to various funds that may not have the ability to cover all operating costs or capital expenditures with revenue generated by the fund. The composition of interfund transfers for the year ended June 30, 2018 is as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
<u>Governmental Funds:</u>		
<i>Major Governmental Funds:</i>		
General Fund	\$ -	\$ 1,752,314
School building improvement fund	514,008	-
Debt service	<u>1,238,306</u>	<u>-</u>
<i>Total All Funds</i>	<u>\$ 1,752,314</u>	<u>\$ 1,752,314</u>

9. Commitments and Contingencies

Litigation

During the ordinary course of its operations, the District is a party to various claims, legal actions and complaints. In the opinion of the District's management and legal counsel, the ultimate resolution of any legal actions will not result in a material loss to the District.

Grants

The School District has received federal and state grants for specific purposes that are subject to audit by the grantors or their representatives. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. School District officials believe such disallowances, if any, would be immaterial.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

10. Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; workers' compensation claims; and natural disasters. As a result, the School District participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability and worker's compensation claims. Upon joining the Trust, the School District signed a participation agreement which outlines the rights and responsibilities of both the Trust and the School District. The agreement states that for premiums paid by the School District, the Trust will assume financial responsibility for the School District's losses up to the maximum amount of insurance purchased, minus the School District's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past five fiscal years.

11. Pension Plan

State Administered Defined Benefit Plan Covering Teachers (Cost Sharing Pension Plan)

Effective July 1, 2012, the State administered retirement system which covers local teachers and certain municipal employees was modified to include both defined benefit and defined contribution plan components.

Employees' Retirement System (ERS) Teacher Employer Units Defined Benefit Pension Plan

General Information about the Pension Plan

Plan description - Certain employees of the Bristol Warren Regional School District (BWRSD) participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Benefit provisions - The level of benefits provided to participants is established by Chapter 36-10 of the General Laws, which is subject to amendment by the General Assembly. Member benefit provisions vary based on service credits accumulated at dates specified in various amendments to the General Laws outlining minimum retirement age, benefit accrual rates and maximum benefit provisions. In general, members accumulate service credits for each year of service subject to maximum benefit accruals of 80% or 75%. For those hired after June 30, 2012, the benefit accrual rate is 1% per year with a maximum benefit accrual of 40%. Members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Employees' Retirement System (ERS) Teacher Employer Units Defined Benefit Pension Plan

General Information about the Pension Plan (continued)

Benefit provisions (continued)

Members are vested after 5 years of service.

The plan provides for survivor's benefits for service connected death and certain lump sum death benefits. Joint and survivor benefit provision options are available to members.

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments is provided at four-year intervals commencing with the plan year ending June 30, 2016.

The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2017, BWRSD teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered payroll. The state and the BWRSD are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by BWRSD; the rates were 9.89% and 13.24% of annual covered payroll for the fiscal year ended June 30, 2017 for the state and BWRSD, respectively. The BWRSD contributed \$3,386,845, \$2,952,571, and \$2,993,120 for the fiscal years ended June 30, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018, the BWRSD reported a liability of \$41,326,250 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the (Name of Teacher Unit) 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 BWRSD were as follows:

BWRSD proportionate share of the net pension liability	\$41,326,250
State's proportionate share of the net pension liability associated with the BWRSD	<u>31,232,716</u>
Total net pension liability	<u>\$72,558,966</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Employees' Retirement System (ERS) Teacher Employer Units Defined Benefit Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

The net pension liability was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. The BWRSD proportion of the net pension liability was based on a projection of the District long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2017 the BWRSD proportion was 1.31024464%.

For the year ended June 30, 2018 the BWRSD recognized gross pension expense of \$6,388,879 and revenue of \$2,965,598 for support provided by the State. At June 30, 2018 the BWRSD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 979,748
Changes of assumptions	3,609,253	651,237
Net difference between projected and actual earnings on pension plan investments	1,043,929	-
Changes in proportion and differences between System contributions and proportionate share contributions	252,090	1,834,547
Contributions subsequent to the measurement date	3,060,603	-
	<u>\$ 7,965,875</u>	<u>\$ 3,465,532</u>
Net amount of deferred outflows and (inflows) excluding BWRSD contributions subsequent to measurement date		<u>\$ 1,439,740</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Employees' Retirement System (ERS) Teacher Employer Units Defined Benefit Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

\$3,060,603 reported as deferred outflows of resources related to pensions resulting from the BWRSD contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2018	\$ 168,441
2019	856,470
2020	347,266
2021	(379,135)
2022	126,845
Thereafter	<u>319,853</u>
	<u>\$ 1,439,740</u>

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% to 13.50%
Investment rate of return	7.00%

Mortality – variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2016 valuation rolled forward to June 30, 2017 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Employees' Retirement System (ERS) Teacher Employer Units Defined Benefit Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (continued)

Actuarial Assumptions (continued)

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Global equity:		
U.S. equity	20.60%	6.85%
International developed	15.90%	6.71%
International emerging markets	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Employees' Retirement System (ERS) Teacher Employer Units Defined Benefit Pension Plan

Discount rate - the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. 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.

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) 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.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 51,937,222	\$ 41,326,250	\$ 33,422,764

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

Defined Contribution Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The BWRSD recognized pension expense of \$521,760, for the fiscal year ended June 30, 2018.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at www.ersri.org

Benefits provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable.

Salary: Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

Service: Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

Final Compensation: Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

Subsequent to June 30, 2015, litigation challenging the various pension reform measures enacted in previous years by the General Assembly (2009, 2010, and 2011) was settled. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, which have been included in the determination of the total pension liability at the June 30, 2015 measurement date and are reflected in the summary of benefit provisions described below.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

General employees

Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior Retirement Date, described below, and the retirement age applicable to members hired after June 30, 2012 in (a) above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior Retirement Date. The minimum retirement age is 59.

Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire employees

Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior Retirement Date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described in (a) and (b) above and one calculated based on a 2.25% multiplier for all years of service.

Other benefit provisions

Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security Option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members).

a. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

c. The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on every fourth year provision described in (i) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees covered by benefit terms.

At the June 30, 2016 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	109
Inactive, Non-retired Members	33
Active Members	<u>113</u>
Total	<u>255</u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees are required to contribute 1% of their salaries. Public safety employees are required to contribute 9% of their salaries. The Bristol Warren Regional School District (BWRSD) contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The (BWRSD) contributed \$724,379 in the year ended June 30, 2018 which was 17.05% of annual covered payroll.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2015 and rolled forward to June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2016 measurement date (June 30, 2015 valuation rolled forward to June 30, 2016)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality – variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale
Cost of Living Adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2015 valuation rolled forward to June 30, 2016 and the calculation of the total pension liability at June 30, 2016 were consistent with the results of an actuarial experience study performed as of June 30, 2013.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2016 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Global equity:		
U.S. equity	20.60%	6.85%
International developed	15.90%	6.71%
International emerging markets	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Discount rate - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. 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.

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balances as of June 30, 2016	\$ 22,009,975	\$ 15,529,661	\$ 37,539,636
Changes for the year:			
Service cost	394,451	-	394,451
Interest on the total pension liability	1,609,844	-	1,609,844
Changes in assumptions, difference between expected and actual experience	1,144,921	-	1,144,921
Employer contributions	-	669,307	(669,307)
Employee contributions	-	116,640	(116,640)
Net investment income	-	1,784,008	(1,784,008)
Benefit payments, including employee refunds	(1,485,236)	(1,485,236)	-
Administrative expense	-	(16,855)	16,855
Other changes	-	201,590	(201,590)
Net changes	<u>1,663,980</u>	<u>1,269,454</u>	<u>394,526</u>
Balances as of June 30, 2017	<u>\$ 23,673,955</u>	<u>\$ 16,799,115</u>	<u>\$ 6,874,840</u>

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) 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>1.00% Decrease (6.0%)</u>	<u>Current Discount Rate (7.0%)</u>	<u>1.00% Increase (8.0%)</u>
\$ 9,645,916	\$ 6,874,840	\$ 4,811,033

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Municipal Employees Retirement System, (MERS) Agent Plan Employer Units Agent Multiple Employer Defined Benefit Pension Plan

Pension plan fiduciary net position - detailed information about the pension plan’s fiduciary net position is available in the separately issued ERSRI financial report.

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

For the year ended June 30, 2018 the employer recognized pension expense of \$461,069. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

Deferred outflows of resources

Contributions subsequent to the management date	\$ 724,379
Changes in assumptions	979,455
Net difference between projected and actual earnings on pension plan investments	315,589

Deferred inflows of resources

Differences between expected and actual experience	<u>(709,756)</u>
Deferred outflows of resources, net	<u><u>\$ 1,309,667</u></u>

\$724,379 reported as deferred outflows of resources related to pensions resulting from the BWRSD contributions in fiscal year 2018 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Net Deferred Inflows of Resources</u>
2019	\$ (96,795)
2020	343,707
2021	346,350
2022	<u>(7,974)</u>
Total	<u><u>\$ 585,288</u></u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Defined Contribution Plan Description:

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

Amounts in the defined contribution plan are available to participants in accordance with Internal Revenue Service guidelines for such plans.

The BWRSD recognized pension expense of \$46,523, for the fiscal year ended June 30, 2018.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

Teachers' Survivors Benefit (TSB) Pension Plan

Plan description - Certain employees of the Bristol Warren Regional School District (BWRSD) participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in Social Security.

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Eligibility and plan benefits - the plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit is subject to the provisions of Chapter 16-16 of the Rhode Island General Laws which are subject to amendment by the General Assembly. Spouse, parents, family and children's benefits are payable following the death of a member. A spouse shall be entitled to benefits upon attaining the age of sixty (60) years. Children's benefits are payable to the child, including a stepchild or adopted child of a deceased member if the child is unmarried and under the age of eighteen (18) years or twenty-three (23) years and a full time student, and was dependent upon the member at the time of the member's death. Family benefits are provided if at the time of the member's death the surviving spouse has in his or her care a child of the deceased member entitled to child benefits. Parents benefits are payable to the parent or parents of a deceased member if the member did not leave a widow, widower, or child who could ever qualify for monthly benefits on the member's wages and the parent has reached the age of 60 years, has not remarried, and received support from the member.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Teachers' Survivors Benefit (TSB) Pension Plan

In January, a yearly cost-of-living adjustment for spouse's benefits is paid and based on the annual social security adjustment.

Survivors are eligible for benefits if the member has made contributions for at least six months prior to death or retirement.

The TSB plan provides benefits based on the highest salary at the time of retirement of the teacher. Benefits are payable in accordance with the following table:

<u>Highest Annual Salary</u>	<u>Basic Monthly Spouses' Benefit</u>
\$17,000 or less	\$750
\$17,001 to \$25,000	875
\$25,001 to \$33,000	1,000
\$33,001 to \$40,000	1,125
\$40,001 and over	1,250

Benefits payable to children and families are equal to the spousal benefit multiplied by the percentage below:

<u>Parent and 1 Child</u>	<u>Parent and 2 or more Children</u>	<u>One Child Alone</u>	<u>Two Child Alone</u>	<u>Three or more Children Alone</u>	<u>Dependent Parent</u>
150%	175%	75%	150%	175%	100%

Contributions - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$9,600; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The BWRSD contributed \$30,426 \$25,371 and \$28,522 for the fiscal years ended June 30, 2018, 2017 and 2016, respectively, equal to 100% of the required contributions for each year.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Teachers' Survivors Benefit (TSB) Pension Plan

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2018 the BWRSD reported an asset of \$3,558,014 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2017, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2016. The BWRSD proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2017 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2017 the BWRSD proportion was 4.30094129%.

For the year ended June 30, 2018 the BWRSD recognized pension expense of \$729,106 – a decrease in the net pension asset. At June 30, 2018 the BWRSD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 702,200	\$ 747,676
Changes of assumptions	586,152	-
Net difference between projected and actual earnings on pension plan investments	227,324	-
Changes in proportion and differences between System contributions and proportionate share contributions	213,557	1,132
Contributions subsequent to the measurement date	32,956	-
	<u>\$ 1,762,189</u>	<u>\$ 748,808</u>
Net amount of deferred outflows and (inflows) excluding BWRSD contributions subsequent to measurement date		<u>\$ 980,425</u>

\$32,956 reported as deferred outflows of resources related to pensions resulting from the BWRSD contributions in fiscal year 2018 subsequent to the measurement date will be recognized as an addition to the net pension asset for the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Teachers' Survivors Benefit (TSB) Pension Plan

Year ended June 30:		
2019	\$	155,422
2020		330,363
2021		202,816
2022		15,174
2023		119,113
Thereafter		<u>157,537</u>
	\$	<u>980,425</u>

Actuarial Assumptions - the total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.55%
Salary increases	3.00% to 13.50%
Investment rate of return	7.00%

Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.75% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2016 valuation and the calculation of the total pension liability at June 30, 2017 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 35 sources. The June 30, 2017 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Teachers' Survivors Benefit (TSB) Pension Plan

<u>Asset Class</u>	<u>Target allocation</u>	<u>Long-term expected real rate of return</u>
Global equity:		
U.S. equity	20.60%	6.85%
International developed	15.90%	6.71%
International emerging markets	3.50%	8.91%
Private Growth		
Private Equity	11.30%	9.62%
Non-Core RE	2.20%	5.17%
OPP Private Credit	1.50%	9.62%
Income		
High Yield Infrastructure	1.00%	4.26%
REITS	1.00%	5.17%
Liquid Credit	2.80%	4.26%
Private Credit	3.20%	4.26%
Crisis Protection Class		
Treasury Duration	4.00%	0.83%
Systematic Trend	4.00%	3.81%
Inflation Protection		
Core Real Estate	3.60%	5.17%
Private Infrastructure	2.40%	5.57%
TIPs	1.00%	1.72%
Natural Resources	1.00%	3.98%
Volatility Protection		
IG Fixed Income	11.50%	2.12%
Absolute Return	6.50%	3.81%
Cash	3.00%	0.83%

These return assumptions are then weighted by the target asset allocation percentage, factoring in correlation effects, to develop the overall long-term expected rate of return best-estimate on an arithmetic basis.

Discount rate - the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. 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.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

11. Pension Plan (continued)

Teachers' Survivors Benefit (TSB) Pension Plan

Sensitivity of the net pension liability (asset) to changes in the discount rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) 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.

1.00%	Current	1.00%
Decrease	Discount Rate	Increase
(6.0%)	(7.0%)	(8.0%)
\$ (2,433,582)	\$ (3,558,014)	\$ (4,395,125)

Pension plan fiduciary net position - detailed information about the pension plan's fiduciary net position is available in the separately issued ERSRI financial report.

12. Other Post-Employment Benefits Other Than Pension (OPEB)

Plan description

The District established the Postemployment Benefits ("OPEB") Plan (the "Plan") on December 31, 1994. The Plan, a single-employer defined benefit plan, provides postemployment health care benefits to all District employees who meet years of service and age requirements and, in some cases, to their surviving spouses, who are eligible under the terms of collective bargaining agreements or personal contracts. The Plan does not issue a stand-alone financial report. The Trust's assets and liabilities at June 30, 2018, and its activity for the year then ended are included in the statements of fiduciary net position and changes in fiduciary net position.

Benefits and employee contributions

The School District will pay a percentage of the cost of health insurance benefits for all eligible retirees until age 65 or until Medicare eligible. Employees are required to contribute a co-pay amount. For certain eligible employees with retirement prior to December 31, 1994, the School District is required to pay 100% of the cost of health, dental, and life insurance benefits for life. These benefits are provided under various employee contracts with the School District as well as the former Bristol and Warren School Departments. The School District funds these benefits on a pay as you go basis.

Covered participants

Description	Active Employees	Inactive or Beneficiaries Receiving Benefits	Total
Participants	48	167	215

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

12. Other Post-Employment Benefits Other Than Pension (OPEB) (continued)

Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial methods and assumptions

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

Description	Assumption
Single Equivalent Discount Rate	3.87%, net of OPEB plan investment expense, including inflation.
Inflation	2.50% as of June 30, 2018 and for future periods
Investment rate of return	3.87%, net of OPEB plan investment expense, including inflation.
Salary increases	3.00% annually as of June 30, 2018 and for future periods

Investment Policy

As there are no plan assets, the District does not have a corresponding investment policy.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

12. Other Post-Employment Benefits Other Than Pension (OPEB) - (continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87 percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2017	\$ 20,365,429	\$ -	\$ 20,365,429
Service cost	114,534	-	114,534
Interest on net OPEB liability and service cost	708,110	-	708,110
Differences between actual and expected experience	(1,790,243)	-	(1,790,243)
Changes in assumptions	(285,700)	-	(285,700)
Benefit payments, including refunds	(1,413,132)	(1,413,132)	-
Contributions - employer	-	1,413,132	(1,413,132)
Contributions - active employees	-	-	-
Net investment income	-	-	-
Net changes	<u>(2,666,431)</u>	<u>-</u>	<u>(2,666,431)</u>
Balances at June 30, 2018	<u>\$ 17,698,998</u>	<u>\$ -</u>	<u>\$ 17,698,998</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

12. Other Post-Employment Benefits Other Than Pension (OPEB) - (continued)

Net OPEB Liability

The components of the net OPEB liability of the District at June 30, 2018 were as follows:

Total OPEB liability	\$ 17,698,998
Plans fiduciary net position	<u>-</u>
District's net OPEB liability	<u>\$ 17,698,998</u>
Plan net position as a percentage of the total OPEB liability	0.00%

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the District, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.87%) or 1 percentage-point higher (4.87%) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (2.87%)	Current discount rate (3.87%)	1% Increase (4.87%)
Total OPEB liability	19,484,236	17,698,998	16,181,471

The following presents the net OPEB liability of the District, as well as what the Authority's net OPEB liability would be if it were calculated using health care cost 79 trend rates that are 1 percentage-point lower or 1 percentage point higher than the current discount rate:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (4.00%)	Current trend rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	16,222,856	17,698,998	19,409,234

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Financial Statements

June 30, 2018

13. Restatement

	<u>Governmental Activities</u>	<u>School Building Improvements</u>
Beginning balance, July 1, 2017	\$ (21,743,214)	\$ 2,580,381
To remove GASB 45 OPEB obligation	4,523,154	-
To restate to add GASB 75 Net OPEB liability	(20,365,429)	-
To restate net position for long term liability the has already been paid for in a private trust fund held by the Town of Bristol	1,435,000	-
To restate fund balance for prior year expense to reduce restricted cash held with the Town of Bristol	<u>(140,753)</u>	<u>(140,753)</u>
Beginning balance, July 1, 2017, restated	<u>\$ (36,291,242)</u>	<u>\$ 2,439,628</u>

14. Subsequent Events

Management has evaluated subsequent events through December 28, 2018, the date the financial statements were available to be issued. There are no material events to disclose.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue				
Contributions from member towns	\$ 35,906,977	\$ 35,906,977	\$ 35,906,977	\$ -
Town of Bristol	25,443,305	25,443,305	25,443,305	-
Town of Warren	10,463,672	10,463,672	10,463,672	-
Intergovernmental Revenue	15,470,890	15,470,890	15,470,890	-
Medicaid	525,000	525,000	549,762	24,762
Interest Income	45,000	45,000	90,718	45,718
Miscellaneous	164,000	164,000	231,047	67,047
Total Revenues	<u>52,111,867</u>	<u>52,111,867</u>	<u>52,249,394</u>	<u>137,527</u>
Expenditures				
Salaries	29,360,148	29,279,009	29,274,260	4,749
Employee Benefits	12,617,261	12,565,528	12,567,474	(1,946)
Purchased Services	7,263,194	7,435,305	7,365,281	70,024
Supplies and Materials	1,688,107	1,727,307	1,714,275	13,032
Capital Outlay	666,788	576,140	575,338	802
Other Operating Expenditures	78,063	90,272	95,110	(4,838)
Total Expenditures	<u>51,673,561</u>	<u>51,673,561</u>	<u>51,591,738</u>	<u>81,823</u>
Excess of Expenditures over Revenues, Budgetary Basis	<u>438,306</u>	<u>438,306</u>	<u>657,656</u>	<u>219,350</u>
Other Financing Sources (uses)				
Anticipated Use of Surplus	438,306	438,306	438,306	-
Transfer to Other Funds	-	-	-	-
Total Other Financing Sources (uses)	<u>438,306</u>	<u>438,306</u>	<u>438,306</u>	<u>-</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses, Budgetary Basis	<u>\$ -</u>	<u>\$ -</u>	<u>219,350</u>	<u>\$ 219,350</u>
Adjustment of Budgetary Basis to US GAAP Basis			<u>(1,314,009)</u>	
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses US GAAP Basis			<u>(1,094,658)</u>	
Fund Balance July 1, 2017			<u>4,236,058</u>	
Committed Fund Balance June 30, 2018			2,163,800	
Assigned Fund Balance June 30, 2018			<u>977,600</u>	
Total Fund Balance June 30, 2018			<u>\$ 3,141,400</u>	

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Notes to Required Supplementary Information – Reconciliation of Differences Between
Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

For the Year Ended June 30, 2018

The following reconciliation summarizes the differences between budgetary and GAAP basis accounting principles for the year ended June 30, 2018:

Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAPP Budgetary Basis)	\$ 219,350
Unbudgeted Transfers (net)	(1,752,314)
Anticipated use of Surplus	438,306
State Contribution to Teachers Pension Plan Revenue of Behalf	2,047,773
State Contribution to Teachers Pension Plan Expense of Behalf	<u>(2,047,773)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ (1,094,658)</u>

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Employees' Retirement System plan (ERS) Teacher Employer Units
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

For the Tens Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	1.31024464%	1.37888738%	1.39219208%	1.37675883%
Employer's proportionate share of the net pension liability	\$41,326,250	\$41,140,174	\$ 38,327,085	\$ 33,510,315
State's proportionate share of the net pension liability associated with the school district	<u>31,232,716</u>	<u>28,174,978</u>	<u>26,183,862</u>	<u>22,979,567</u>
Total	<u>72,558,966</u>	<u>69,315,152</u>	<u>\$ 64,510,947</u>	<u>\$ 56,489,882</u>
Employer's covered employee payroll	\$23,116,337	\$23,245,266	\$ 22,653,685	\$ 22,622,110
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	178.78%	176.98%	169.19%	148.13%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	54.06%	57.55%	61.40%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Employees' Retirement System plan (ERS) Teacher Employer Units
Schedule of District's Contributions

For the Tens Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	3,060,603	3,063,726	\$ 3,110,351	\$ 2,904,923
Contributions in relation to the actuarially determined contribution	<u>3,060,603</u>	<u>3,063,726</u>	<u>3,110,351</u>	<u>2,904,923</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 23,116,337	\$ 23,245,266	\$ 22,653,685	\$ 22,622,110
Contributions as a percentage of covered- employee payroll	13.24%	13.18%	13.73%	12.84%

Notes:

1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

For the Tens Year Ended June 30, 2018

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:				
Service cost	\$ 394,451	\$ 405,372	\$ 393,182	\$ 401,783
Interest	1,609,844	1,589,036	1,632,706	1,569,288
Changes of benefit terms	-	-	-	-
Effect of economic/demographic gains or (losses)	-	-	-	-
Differences between expected and actual experience	(62,850)	(255,766)	(1,706,234)	-
Changes of assumptions	1,207,771	-	457,659	211,740
Benefit payments, including refunds of member contributions	<u>(1,485,236)</u>	<u>(1,426,262)</u>	<u>(1,305,070)</u>	<u>(1,360,825)</u>
Net change in total pension liability	1,663,980	312,380	(527,757)	821,986
Total pension liability, beginning of year	<u>22,009,975</u>	<u>21,697,595</u>	<u>22,225,352</u>	<u>21,403,366</u>
Total pension liability, end of year	<u>23,673,955</u>	<u>22,009,975</u>	<u>21,697,595</u>	<u>22,225,352</u>
Plan fiduciary net position:				
Contributions employer	669,307	760,738	674,632	611,556
Contributions employee	116,640	120,608	84,646	83,890
Net investment income	1,784,008	(5,390)	376,660	2,165,218
Benefit payments, including refunds of member contributions	(1,485,236)	(1,426,262)	(1,305,070)	(1,360,825)
Administrative expense	(16,855)	(14,501)	(15,141)	(13,559)
Other	201,590	21,984	3	1
Net change in plan fiduciary net position	1,269,454	(542,823)	(184,270)	1,486,281
Plan fiduciary net position, beginning of year	<u>15,529,661</u>	<u>16,072,484</u>	<u>16,256,754</u>	<u>14,770,473</u>
Plan fiduciary net position, end of year	<u>16,799,115</u>	<u>15,529,661</u>	<u>16,072,484</u>	<u>16,256,754</u>
Net pension liability (asset), end of year	<u>\$ 6,874,840</u>	<u>\$ 6,480,314</u>	<u>\$ 5,625,111</u>	<u>\$ 5,968,598</u>
Plan fiduciary net position as a percentage of the total pension liability	70.96%	70.56%	74.07%	73.15%
Covered employee payroll	\$ 4,442,016	\$ 4,368,233	\$ 4,232,318	\$ 4,172,202
Net pension liability as a percentage of covered employee payroll	154.77%	148.35%	132.91%	143.06%

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Municipal Employees' Retirement System (MERS) Agent Plan Employer Unit
Schedule of the District's Contributions

For the Tens Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 724,379	\$ 760,738	\$ 760,738	\$ 674,632
Contributions in relation to the actuarially determined contribution	<u>724,379</u>	<u>760,738</u>	<u>760,738</u>	<u>674,632</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 4,248,555	\$ 4,442,016	\$ 4,368,233	\$ 4,172,202
Contributions as a percentage of covered employee payroll	17.05%	17.13%	17.42%	16.17%

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Teachers' Survivors Benefit plan (TSB) Employer Units
Schedule of District's Proportionate Share of Net Pension Liability and Related Ratios

For the Tens Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension asset	4.30094129%	4.44072219%	4.51855581%	4.51700329%
Employer's proportionate share of the net pension asset	\$ 3,558,014	\$ 4,421,711	\$ 4,218,325	\$ 5,615,571
Employer's covered employee payroll	23,116,337	23,245,266	\$22,653,685	\$22,622,110
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	15.39%	19.02%	18.62%	24.82%
Plan fiduciary net position as a percentage of the total pension asset	136.1%	153.3%	146.6%	173.3%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Teachers' Survivors Benefit plan (TSB) Employer Units
Schedule of District's Contributions

For the Tens Year Ended June 30, 2018

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 32,956	\$ 27,196	\$ 28,522	\$ 27,516
Contributions in relation to the statutorily determined contribution	<u>32,956</u>	<u>27,196</u>	<u>28,522</u>	<u>27,516</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	23,116,337	23,245,266	\$22,653,685	\$22,622,110
Contributions as a percentage of covered-employee payroll	0.001425658	0.001169959	0.001259045	0.001216332

Notes:

1.) Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35.

2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Notes to ERS (Teachers), TSB and MERS Plans

For the Tens Year Ended June 30, 2018

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.

Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

- Decreased the general inflation assumption from 2.75% to 2.50%;
- Decreased the nominal investment return assumption from 7.50% to 7.00%;
- Decreased the general wage growth assumption from 3.25% to 3.00%;
- Decreased salary increase assumptions; and
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

June 30, 2016 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Notes to ERS (Teachers), TSB and MERS Plans

For the Tens Year Ended June 30, 2018

June 30, 2015 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Schedule of Changes in the District's Net OPEB Liability and Related Ratios

Last 10 Fiscal Years

	<u>June 30, 2018</u>
Total OPEB liability	
Service cost	\$ 114,534
Interest on net OPEB liability and service cost	708,110
Differences between actual and expected experience	(1,790,243)
Changes in assumptions	(285,700)
Benefit payments, including refunds	<u>(1,413,132)</u>
 Net change in total OPEB liability	 (2,666,431)
 Total OPEB liability - beginning	 <u>20,365,429</u>
Total OPEB liability - ending	<u>\$ 17,698,998</u>
 OPEB fiduciary net position	
Benefit payments, including refunds	\$ (1,413,132)
Trust administrative expenses	-
Contributions - employer	1,413,132
Contribution - Active employees	-
Net investment income	<u>-</u>
 Net change in plan fiduciary net position	 -
 Plan fiduciary net position - beginning	 <u>-</u>
Plan fiduciary net position - ending	<u>\$ -</u>
 Plan's net pension liability - ending	 <u>\$ 17,698,998</u>
 Plan fiduciary net position as % of total OPEB liability	 0.00%
 Covered employee payroll	 3,723,022
 Plan NOL as % of covered employee payroll	 475.39%

* First year of implementation of GASB 75, therefore only one year of the ten required data is available.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Required Supplementary Information

Schedule of Required Contributions – Other Post-Employment Benefits

Last 10 Fiscal Years

	June 30, 2018
Actuarial determined contribution	\$ 1,413,132
Contributions in relation to the actuarially determined contribution	<u>1,413,132</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered-employee payroll	\$ 3,723,022
Contributions as a percentage of covered-employee payroll	37.96%

* First year of implementation of GASB 75, therefore only one year of the ten required data is available.

See Independent Auditor's Report

SUPPLEMENTARY INFORMATION SECTION

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2018

OTHER SUPPLEMENTARY INFORMATION

The Annual Supplemental Transparency Report Schedules
required by the State of Rhode Island General Law § 45-12-22.2 and § 44-35-10

Annual Supplemental Transparency Report (MTP2) - Revenue
Annual Supplemental Transparency Report (MTP2) – Expenditures
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2018

<u>REVENUE</u>	<u>Education</u>
	<u>Department</u>
Current Year Levy Tax Collection	\$ -
Last Year's Levy Tax Collection	-
Prior Years Property Tax Collection	-
Interest & Penalty	-
PILOT & Tax Treaty (excluded from levy) Collection	-
Other Local Property Taxes	-
Licenses and Permits	-
Fines and Forfeitures	-
Investment Income	-
Departmental	-
Rescue Run Revenue	-
Police & Fire Detail	-
Other Local Non-Property Tax Revenues	-
Tuition	72,580
Impact Aid	-
Medicaid	549,762
Federal Stabilization Funds	-
Federal Food Service Reimbursement	483,362
CDBG	-
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	1,990,375
MV Excise Tax Reimbursement & Phase-out	-
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	-
Meals & Beverage Tax / Hotel Tax	-
LEA Aid	15,476,788
Group Home	-
Housing Aid Capital Projects	801,211
Housing Aid Bonded Debt	1,378,875
State Food Service Revenue	94,682
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	93,915
Other Revenue	3,537,343
Local Appropriation for Education	35,906,977
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Rounding	-
Total Revenue	\$ 60,385,869
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	-
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
Total Other Financing Sources	\$ -

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2018

<u>EXPENDITURES</u>	<u>Education Department</u>
Compensation - Group A	\$ 23,398,269
Compensation - Group B	2,588,635
Compensation - Group C	5,237,915
Compensation - Volunteer	-
Overtime - Group A	-
Overtime - Group B	56,248
Overtime - Group C	-
Police & Fire Detail	-
Active Medical Insurance - Group A	3,050,294
Active Medical Insurance- Group B	350,195
Active Medical Insurance- Group C	1,393,112
Active Dental insurance- Group A	191,139
Active Dental Insurance- Group B	16,987
Active Dental Insurance- Group C	86,228
Payroll Taxes	945,620
Life Insurance	99,839
State Defined Contribution- Group A	514,685
State Defined Contribution - Group B	48,909
State Defined Contribution - Group C	44,605
Other Benefits- Group A	279,448
Other Benefits- Group B	13,135
Other Benefits- Group C	98
Local Defined Benefit Pension- Group A	-
Local Defined Benefit Pension - Group B	-
Local Defined Benefit Pension - Group C	-
State Defined Benefit Pension- Group A	3,026,675
State Defined Benefit Pension - Group B	344,803
State Defined Benefit Pension - Group C	649,358
Other Defined Benefit / Contribution	-
Purchased Services	7,860,706
Materials/Supplies	1,041,699
Software Licenses	30,948
Capital Outlays	3,294,291
Insurance	348,861
Maintenance	330,779
Vehicle Operations	9,526
Utilities	1,021,364
Contingency	-
Street Lighting	-
Revaluation	-
Snow Removal-Raw Material & External Contracts	-
Trash Removal & Recycling	-
Claims & Settlements	750
Community Support	715
Other Operation Expenditures	149,072
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Municipal Debt- Principal	-
Municipal Debt- Interest	-
School Debt- Principal	1,990,000
School Debt- Interest	760,685
Retiree Medical Insurance- Total	2,108,642
Retiree Dental Insurance- Total	17,349
OPEB Contribution- Total	-
Non-Qualified OPEB Trust Contribution	-
Rounding	-
Total Expenditures	\$ 61,301,584
Financing Uses: Transfer to Capital Funds	\$ -
Financing Uses: Transfer to Other Funds	-
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	\$ -
Net Change in Fund Balance¹	(915,715)
Fund Balance¹- beginning of year	58,803,038
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	(140,753)
Misc. Adjustment	(6,494)
Fund Balance¹ - beginning of year adjusted	8,655,791
Rounding	-
Fund Balance¹ - end of year	\$ 7,740,076

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Combining Schedule of Reportable
Governmental Services with Reconciliation to MTP2
Educational Department

For the Year Ended June 30, 2018

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance ¹ - per MTP-2 at June 30, 2017						\$ 8,803,038		\$ 8,803,038	
Prior period audit adjustment for FY 18						-	(140,753)	(140,753)	
capital purchase no reflected in FY 17 impacting FY 18						(6,494)		(6,494)	
Fund Balance ¹ - per MTP-2 at June 30, 2017 adjusted						<u>\$ 8,796,544</u>		<u>\$ 8,655,791</u>	
School Unrestricted Fund	\$ 52,249,394	\$ -	\$ 51,591,738	\$ 1,752,314	\$ (1,094,658)	\$ 4,236,058	\$ -	\$ 4,236,058	\$ 3,141,400
School Unrestricted Fund/State Contribution to Pension Plan	2,047,773	-	2,047,773	-	-	-	-	-	-
SBA School Capital Project Fund*	2,435,414	514,008	2,649,453	-	299,969	2,580,381	(140,753)	2,439,628	2,739,597
Debt Service Fund*	1,378,875	1,238,306	2,617,181	-	-	-	-	-	-
Permanent Trust Funds	1,821	-	3,705	-	(1,884)	37,733	-	37,733	35,849
School Enterprise Funds	2,037,906	-	1,804,415	-	233,491	1,220,122	-	1,220,122	1,453,613
School Special Revenue Funds (State/Federal/Private Funds)	2,282,515	-	2,651,922	-	(369,407)	733,982	-	733,982	364,575
Totals per audited financial statements	<u>\$ 62,433,698</u>	<u>\$ 1,752,314</u>	<u>\$ 63,366,187</u>	<u>\$ 1,752,314</u>	<u>\$ (932,489)</u>	<u>\$ 8,808,276</u>	<u>\$ (140,753)</u>	<u>\$ 8,667,523</u>	<u>\$ 7,735,034</u>
Reconciliation from financial statements to MTP2									
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	\$ (2,047,773)	\$ -	\$ (2,047,773)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
One-time transfer of prior year reserves for medical out of the School Unrestricted Fund to the Internal Service Fund not reported on MTP2 or UCOA	-	(1,752,314)	-	(1,752,314)	-	-	-	-	-
Reporting Depreciation School Enterprise Funds (School Lunch)	-	-	(16,768)	-	16,768	(11,732)	-	(11,732)	5,036
Miscellaneous variances between UCOA & FS	(56)	-	(62)	-	7	-	-	-	7
Rounding	-	-	1	-	(1)	-	-	-	(1)
Totals Per MTP2	<u>\$ 60,385,869</u>	<u>\$ -</u>	<u>\$ 61,301,584</u>	<u>\$ -</u>	<u>\$ (915,715)</u>	<u>\$ 8,796,544</u>	<u>\$ (140,753)</u>	<u>\$ 8,655,791</u>	<u>\$ 7,740,076</u>
Reconciliation from MTP2 to UCOA									
No reconciling items from UCOA	-	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report	<u>\$ 60,385,869</u>	<u>\$ -</u>	<u>\$ 61,301,584</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

¹ and Net Position if Enterprise Fund activity is included in the transparency portal report.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Notes to the Annual Supplemental Transparency Report

For the Year Ended June 30, 2018

NOTE 1. Basis of Presentation

The *Annual Supplemental Transparency Report (MTP2)* is a supplemental schedule required by the State of Rhode Island General Laws 45-12-22.2 and 44-35-10. This supplementary schedule included within the audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

The format of the *Annual Supplemental Transparency Report (MTP2)* was prescribed by the State Department of Revenue (Division of Municipal Finance), Office of the Auditor General, and the Department of Education.

NOTE 2. Reportable Government Services

Data consistency and comparability are among the key objectives of the State's Municipal Transparency portal. Consistent with that goal, the State has defined "reportable government services", RGS, to include those operational revenues, expenditures, and transfers related to activities which are essential to the achievement of municipal operations. The determination of RGS may be different from the activities included within the legally adopted budget of the municipality. In practice, some communities report certain RGS in separate funds (e.g., special revenue funds, enterprise funds) rather than the municipality's general fund. The *Annual Supplemental Transparency Report (MTP2)* includes a reconciliation to the fund level statements.

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the City's (or Town's) budget and accounting system. To report these costs, the City (or Town) made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

Compensation includes salaries, longevity, stipends, clothing allowance/maintenance, shift differential, out-of-rank, holiday pay and bonuses.

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Notes to the Annual Supplemental Transparency Report

For the Year Ended June 30, 2018

NOTE 4. Employee Groups - Compensation and Benefit Costs (continued)

Other post-employment benefits (OPEB) are not reported by employee groups on the MTP2. They are reported in total as either (1) contributions to a qualified OPEB trust or (2) the amount paid for medical and dental insurance for retirees when an OPEB trust fund has not been established. The detail employee group information for the Education Department can be found on the State's Municipal Transparency portal website.

NOTE 5. Education Revenue and Expenditures

The revenues and expenditures presented on the MTP2 under the Education Department is consistent with existing Uniform Chart of Accounts (UCOA) guidelines. Each MTP account code has been mapped to the corresponding UCOA code or group of UCOA codes to facilitate the preparation of the MTP reporting.

Additional guidance and definitions regarding the State's Municipal Transparency Portal can be found on the State

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total Non-Major Governmental</u>
Assets			
Cash and cash equivalents	\$ (511,762)	\$ 35,850	\$ (475,912)
Federal and state grants receivable	857,672	-	857,672
Other receivables	43,699	-	43,699
Due from other funds	<u>7,732</u>	<u>-</u>	<u>7,732</u>
 <i>Total assets</i>	 <u>397,341</u>	 <u>35,850</u>	 <u>433,191</u>
Deferred outflows of resources			
None	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Total assets and deferred outflows of resources</i>	 <u>\$ 397,341</u>	 <u>\$ 35,850</u>	 <u>\$ 433,191</u>
Liabilities			
Accounts payable and accrued expenses	<u>\$ 32,767</u>	<u>\$ -</u>	<u>\$ 32,767</u>
 <i>Total liabilities</i>	 <u>32,767</u>	 <u>-</u>	 <u>32,767</u>
Deferred inflows of resources			
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Total deferred inflows of resources</i>	 <u>-</u>	 <u>-</u>	 <u>-</u>
Fund Balances			
Restricted	364,574	35,850	400,424
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Total fund balances (deficits)</i>	 <u>364,574</u>	 <u>35,850</u>	 <u>400,424</u>
<i>Total liabilities, deferred inflows of resources, and fund balances (deficits)</i>	 <u>\$ 397,341</u>	 <u>\$ 35,850</u>	 <u>\$ 433,191</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2018

	<u>Special Revenue</u>	<u>Permanent</u>	<u>Total Non-Major Governmental</u>
Revenues			
Intergovernmental	\$ 2,093,302	\$ -	\$ 2,093,302
Investment income	788	352	1,140
Other income	<u>188,424</u>	<u>1,470</u>	<u>189,894</u>
 <i>Total revenues</i>	 <u>2,282,514</u>	 <u>1,822</u>	 <u>2,284,336</u>
 Expenditures			
Salaries	1,558,072	-	1,558,072
Employee benefits	550,076	-	550,076
Purchased services	181,093	-	181,093
Supplies and materials	171,688	-	171,688
Other	20,285	3,705	23,990
<i>Capital:</i>			
Capital outlay	<u>170,708</u>	<u>-</u>	<u>170,708</u>
 <i>Total expenditures</i>	 <u>2,651,922</u>	 <u>3,705</u>	 <u>2,655,627</u>
 Excess (deficiency) of revenue over expenditures	 (369,408)	 (1,883)	 (371,291)
 Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
 <i>Total other financing sources and (uses)</i>	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Excess (deficiency) of revenues and other sources over expenditures and other uses	 (369,408)	 (1,883)	 (371,291)
 <i>Fund balance, beginning of year</i>	 <u>733,982</u>	 <u>37,733</u>	 <u>771,715</u>
 <i>Fund balance, end of year</i>	 <u>\$ 364,574</u>	 <u>\$ 35,850</u>	 <u>\$ 400,424</u>

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	IDEA Part B	Preschool	IDEA Part B COZ Targeted	Title I	Title II	Career & Technical Education Even Year	CTE Trust Competitive Even Year
Assets							
Cash and cash equivalents	\$ (443,825)	\$ (15,150)	\$ -	\$ (246,546)	\$ (50,636)	\$ -	\$ -
Federal and state grants receivable	460,238	15,150	-	253,938	53,950	11,745	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	16,413	-	-	7,392	3,314	11,745	-
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 16,413	\$ -	\$ -	\$ 7,392	\$ 3,314	\$ 11,745	\$ -
Liabilities							
Accounts payable and accrued expenses	\$ 16,413	\$ -	\$ -	\$ 7,392	\$ 3,314	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	16,413	-	-	7,392	3,314	-	-
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Restricted	-	-	-	-	-	11,745	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	-	-	-	-	-	11,745	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 16,413	\$ -	\$ -	\$ 7,392	\$ 3,314	\$ 11,745	\$ -

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	Van Beuren Charitable Foundation	Title III LEP Language	Perkins-Even Vocational Ed	Fresh Fruit and Vegetables	Kids in Need Foundation	Spark Grant	Bright Stars
Assets							
Cash and cash equivalents	\$ (8,782)	\$ (4,565)	\$ (45,994)	\$ (12,726)	\$ 70	\$ 115	\$ 167
Federal and state grants receivable	-	4,565	38,262	12,726	-	-	-
Other receivables	8,782	-	-	-	-	-	-
Due from other funds	-	-	7,732	-	-	-	-
Total assets	-	-	-	-	70	115	167
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ -	\$ -	\$ -	\$ -	\$ 70	\$ 115	\$ 167
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Restricted	-	-	-	-	70	115	167
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	-	-	-	-	70	115	167
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ -	\$ -	\$ -	\$ 70	\$ 115	\$ 167

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	Jane Creel Family Scholarship	Healthier US Schools	Literacy Set-aside	School Equity State Investment	Language Assistance State Investment	Parents as Teachers	Technology State Investment
Assets							
Cash and cash equivalents	\$ 98,788	\$ 768	\$ 49,183	\$ 70,733	\$ 10,429	\$ (1,995)	\$ -
Federal and state grants receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	1,995	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>98,788</u>	<u>768</u>	<u>49,183</u>	<u>70,733</u>	<u>10,429</u>	<u>-</u>	<u>-</u>
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resource.	<u>\$ 98,788</u>	<u>\$ 768</u>	<u>\$ 49,183</u>	<u>\$ 70,733</u>	<u>\$ 10,429</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ 4,377	\$ 890	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,377</u>	<u>890</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	98,788	768	44,806	69,843	10,429	-	-
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>98,788</u>	<u>768</u>	<u>44,806</u>	<u>69,843</u>	<u>10,429</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 98,788</u>	<u>\$ 768</u>	<u>\$ 49,183</u>	<u>\$ 70,733</u>	<u>\$ 10,429</u>	<u>\$ -</u>	<u>\$ -</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	General Assembly	RISCA	COZ Combined Fed and State	English Language Learner Categorical	Career & Technical Education Child Care	Career & Technical Education Robotics	Feinstein Foundation
Assets							
Cash and cash equivalents	\$ -	\$ 1,265	\$ -	\$ (5,898)	\$ 326	\$ 25,273	\$ 53,860
Federal and state grants receivable	1,200	-	-	5,898	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>1,200</u>	<u>1,265</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>25,273</u>	<u>53,860</u>
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 1,200</u>	<u>\$ 1,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326</u>	<u>\$ 25,273</u>	<u>\$ 53,860</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 195
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>195</u>
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	1,200	1,265	-	-	326	25,273	53,665
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>1,200</u>	<u>1,265</u>	<u>-</u>	<u>-</u>	<u>326</u>	<u>25,273</u>	<u>53,665</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,200</u>	<u>\$ 1,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326</u>	<u>\$ 25,273</u>	<u>\$ 53,860</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	Kiducation	Rhode Island Community Foundation	RICF - Grant Schools Partnership	BW Education Foundation	CitiCorp	RWU Fund For Civic Activities	NFL Play 60	B&W Substance Task Force
Assets								
Cash and cash equivalents	\$ 5,694	\$ 617	\$ 2,000	\$ (30,871)	\$ 5,394	\$ 2,027	\$ 2,039	\$ 13,232
Federal and state grants receivable	-	-	-	-	-	-	-	-
Other receivables	-	-	-	32,521	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Total assets	5,694	617	2,000	1,650	5,394	2,027	2,039	13,232
Deferred outflows of resources								
None	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 5,694	\$ 617	\$ 2,000	\$ 1,650	\$ 5,394	\$ 2,027	\$ 2,039	\$ 13,232
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 186	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	186	-	-	-	-
Deferred inflows of resources								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Restricted	5,694	617	2,000	1,464	5,394	2,027	2,039	13,232
Committed	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-
Total fund balances (deficits)	5,694	617	2,000	1,464	5,394	2,027	2,039	13,232
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 5,694	\$ 617	\$ 2,000	\$ 1,650	\$ 5,394	\$ 2,027	\$ 2,039	\$ 13,232

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	Rotary Scholarship	Scholarship America	AARP	RI Interscholastic League	AASA Grant	Health Survey	Prazeres Family and Dunkin Donuts Patrons
Assets							
Cash and cash equivalents	\$ 175	\$ 1,000	\$ 2,955	\$ 193	\$ 3,438	\$ 4,945	\$ 479
Federal and state grants receivable	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	175	1,000	2,955	193	3,438	4,945	479
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 175	\$ 1,000	\$ 2,955	\$ 193	\$ 3,438	\$ 4,945	\$ 479
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	-
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Restricted	175	1,000	2,955	193	3,438	4,945	479
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	175	1,000	2,955	193	3,438	4,945	479
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 175	\$ 1,000	\$ 2,955	\$ 193	\$ 3,438	\$ 4,945	\$ 479

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
Combined Balance Sheet

June 30, 2018

	NE Dairy and Food Council	American Institutes of Research	Division for Learning Disabilities	Professional Development State Investment	Total Special Revenue
Assets					
Cash and cash equivalents	\$ 462	\$ (401)	\$ -	\$ -	\$ (511,762)
Federal and state grants receivable	-	-	-	-	857,672
Other receivables	-	401	-	-	43,699
Due from other funds	-	-	-	-	7,732
Total assets	462	-	-	-	397,341
Deferred outflows of resources					
None	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 462	\$ -	\$ -	\$ -	\$ 397,341
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ 32,767
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	32,767
Deferred inflows of resources					
Unearned revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances					
Restricted	462	-	-	-	364,574
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	462	-	-	-	364,574
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 462	\$ -	\$ -	\$ -	\$ 397,341

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	<u>IDEA Part B</u>	<u>Preschool</u>	<u>IDEA COZ Targeted</u>	<u>Title I</u>	<u>Title II</u>	<u>Career & Technical Education Even Year</u>	<u>CTE Trust Competitive Even Year</u>
Revenues							
Intergovernmental	\$ 1,073,079	\$ 37,579	\$ 5,000	\$ 645,030	\$ 135,961	\$ 11,745	\$ 49,515
Investment income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	-
Total revenues	<u>1,073,079</u>	<u>37,579</u>	<u>5,000</u>	<u>645,030</u>	<u>135,961</u>	<u>11,745</u>	<u>49,515</u>
Expenditures							
Salaries	669,152	16,225	4,565	448,731	90,056	-	-
Employee benefits	246,007	1,241	349	158,599	37,208	-	-
Purchased services	89,135	-	-	15,492	7,888	-	-
Supplies and materials	22,859	14,847	86	21,077	809	-	-
Other	4,990	-	-	1,131	-	-	-
<i>Capital:</i>							
Capital outlay	40,936	5,266	-	-	-	-	49,515
Total expenditures	<u>1,073,079</u>	<u>37,579</u>	<u>5,000</u>	<u>645,030</u>	<u>135,961</u>	<u>-</u>	<u>49,515</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,745</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,745</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,745</u>	<u>\$ -</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	Title III Charitable Foundation	Title III LEP Language	Perkins-Even Vocational Ed	Fresh Fruit and Vegetables	- Kids in Need Foundation	Spark Grant	Bright Stars
Revenues							
Intergovernmental	\$ -	\$ 13,350	\$ 38,261	\$ 42,114	\$ -	\$ 1,470	\$ -
Investment income	-	-	-	-	-	-	-
Other income	6,868	-	-	-	-	-	-
Total revenues	<u>6,868</u>	<u>13,350</u>	<u>38,261</u>	<u>42,114</u>	<u>-</u>	<u>1,470</u>	<u>-</u>
Expenditures							
Salaries	1,605	7,212	475	-	-	-	-
Employee benefits	78	468	36	-	-	-	-
Purchased services	-	3,797	20,000	-	-	720	-
Supplies and materials	-	1,577	1,260	42,114	430	700	-
Other	-	296	6,217	-	-	-	-
<i>Capital:</i>							
Capital outlay	5,185	-	10,273	-	-	-	-
Total expenditures	<u>6,868</u>	<u>13,350</u>	<u>38,261</u>	<u>42,114</u>	<u>430</u>	<u>1,420</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(430)</u>	<u>50</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(430)</u>	<u>50</u>	<u>-</u>
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>65</u>	<u>167</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70</u>	<u>\$ 115</u>	<u>\$ 167</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	<u>Family Scholarship</u>	<u>Healthier US Schools</u>	<u>Literacy Set-aside</u>	<u>School Equity State Investment</u>	<u>Language Assistance State Investment</u>	<u>Parents as Teachers</u>	<u>Technology State Investment</u>
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	788	-	-	-	-	-	-
Other income	<u>100,500</u>	-	-	-	-	-	-
Total revenues	<u>101,288</u>	-	-	-	-	-	-
Expenditures							
Salaries	-	-	228,846	68,186	-	-	-
Employee benefits	-	-	72,583	31,785	-	-	-
Purchased services	-	-	473	130	648	-	-
Supplies and materials	-	-	-	2,470	627	-	-
Other	2,500	-	-	656	-	-	-
<i>Capital:</i>							
Capital outlay	-	-	-	6	-	-	66
Total expenditures	<u>2,500</u>	-	<u>301,902</u>	<u>103,233</u>	<u>1,275</u>	-	<u>66</u>
Excess (deficiency) of revenue over expenditures	<u>98,788</u>	-	<u>(301,902)</u>	<u>(103,233)</u>	<u>(1,275)</u>	-	<u>(66)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	98,788	-	(301,902)	(103,233)	(1,275)	-	(66)
Fund balance, beginning of year	-	768	346,708	173,076	11,704	-	66
Fund balance, end of year	<u>\$ 98,788</u>	<u>\$ 768</u>	<u>\$ 44,806</u>	<u>\$ 69,843</u>	<u>\$ 10,429</u>	<u>\$ -</u>	<u>\$ -</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	General Assembly	- RISCA	COZ Combined Fed and State	Language Learner Categorical	Career & Technical Education Child Care	Career & Technical Education Robotics	Feinstein Foundation
Revenues							
Intergovernmental	\$ 2,700	\$ 5,455	\$ 24,500	\$ 5,898	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	23,649
Total revenues	<u>2,700</u>	<u>5,455</u>	<u>24,500</u>	<u>5,898</u>	<u>-</u>	<u>-</u>	<u>23,649</u>
Expenditures							
Salaries	-	-	21,683	1,306	-	-	-
Employee benefits	-	-	1,659	63	-	-	-
Purchased services	-	5,146	1,000	1,892	-	5,200	206
Supplies and materials	1,500	-	158	2,637	-	2,927	31,521
Other	-	-	-	-	-	-	866
<i>Capital:</i>							
Capital outlay	-	248	-	-	19,033	29,947	-
Total expenditures	<u>1,500</u>	<u>5,394</u>	<u>24,500</u>	<u>5,898</u>	<u>19,033</u>	<u>38,074</u>	<u>32,593</u>
Excess (deficiency) of revenue over expenditures	<u>1,200</u>	<u>61</u>	<u>-</u>	<u>-</u>	<u>(19,033)</u>	<u>(38,074)</u>	<u>(8,944)</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,200	61	-	-	(19,033)	(38,074)	(8,944)
Fund balance, beginning of year	<u>-</u>	<u>1,204</u>	<u>-</u>	<u>-</u>	<u>19,359</u>	<u>63,347</u>	<u>62,609</u>
Fund balance, end of year	<u>\$ 1,200</u>	<u>\$ 1,265</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 326</u>	<u>\$ 25,273</u>	<u>\$ 53,665</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	Kiducation	Rhode Island Community Foundation	RICF - Grant Schools Partnership	BW Education Foundation	CitiCorp	RWU Fund For Civic Activities	NFL Play 60	B & W Substance Task Force
Revenues								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Other income	-	-	-	50,827	-	1,385	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,827</u>	<u>-</u>	<u>1,385</u>	<u>-</u>	<u>-</u>
Expenditures								
Salaries	-	-	-	30	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-
Purchased services	-	-	-	28,144	-	-	-	-
Supplies and materials	99	-	-	21,003	-	55	-	-
Other	440	-	-	186	-	-	-	-
<i>Capital:</i>								
Capital outlay	81	-	-	-	-	-	9,652	-
Total expenditures	<u>620</u>	<u>-</u>	<u>-</u>	<u>49,363</u>	<u>-</u>	<u>55</u>	<u>9,652</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	<u>(620)</u>	<u>-</u>	<u>-</u>	<u>1,464</u>	<u>-</u>	<u>1,330</u>	<u>(9,652)</u>	<u>-</u>
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(620)</u>	<u>-</u>	<u>-</u>	<u>1,464</u>	<u>-</u>	<u>1,330</u>	<u>(9,652)</u>	<u>-</u>
Fund balance, beginning of year	<u>6,314</u>	<u>617</u>	<u>2,000</u>	<u>-</u>	<u>5,394</u>	<u>697</u>	<u>11,691</u>	<u>13,232</u>
Fund balance, end of year	<u>\$ 5,694</u>	<u>\$ 617</u>	<u>\$ 2,000</u>	<u>\$ 1,464</u>	<u>\$ 5,394</u>	<u>\$ 2,027</u>	<u>\$ 2,039</u>	<u>\$ 13,232</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	-			RI			Prazeres Family and Dunkin Donuts Patrons
	Rotary Scholarship	Scholarship America	AARP	Interscholastic League	AASA Grant	Health Survey	
Revenues							
Intergovernmental	\$ 1,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Other income	-	2,000	-	-	-	1,900	795
Total revenues	<u>1,645</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>795</u>
Expenditures							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	427	-	-	795
Supplies and materials	470	-	2,462	-	-	-	-
Other	1,000	2,000	-	-	-	-	-
Capital:							
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>1,470</u>	<u>2,000</u>	<u>2,462</u>	<u>427</u>	<u>-</u>	<u>-</u>	<u>795</u>
Excess (deficiency) of revenue over expenditures	<u>175</u>	<u>-</u>	<u>(2,462)</u>	<u>(427)</u>	<u>-</u>	<u>1,900</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	175	-	(2,462)	(427)	-	1,900	-
Fund balance, beginning of year	<u>-</u>	<u>1,000</u>	<u>5,417</u>	<u>620</u>	<u>3,438</u>	<u>3,045</u>	<u>479</u>
Fund balance, end of year	<u>\$ 175</u>	<u>\$ 1,000</u>	<u>\$ 2,955</u>	<u>\$ 193</u>	<u>\$ 3,438</u>	<u>\$ 4,945</u>	<u>\$ 479</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Special Revenue Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	NE Dairy and Food Council	American Institutes of Research	Division for Learning Disabilities	Professional Development State Investment	Total Special Revenue
Revenues					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 2,093,302
Investment income	-	-	-	-	788
Other income	-	-	500	-	188,424
Total revenues	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>2,282,514</u>
Expenditures					
Salaries	-	-	-	-	1,558,072
Employee benefits	-	-	-	-	550,076
Purchased services	-	-	-	-	181,093
Supplies and materials	-	-	-	-	171,688
Other	-	-	-	3	20,285
<i>Capital:</i>					
Capital outlay	-	-	500	-	170,708
Total expenditures	<u>-</u>	<u>-</u>	<u>500</u>	<u>3</u>	<u>2,651,922</u>
Excess (deficiency) of revenue over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(369,408)</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3)</u>	<u>(369,408)</u>
Fund balance, beginning of year	<u>462</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>733,982</u>
Fund balance, end of year	<u>\$ 462</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,574</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Permanent Funds Non-Major Governmental Funds
Combining Balance Sheets

June 30, 2018

	Edward P Travers Fund	James E McDonald Fund	East Bay Sriders Fund	John L Burke Fund	Edward A Russo Fund	Thomas P. Brightman Fund	Martin Biancuzzo Fund
Assets							
Cash and cash equivalents	\$ 2,704	\$ 11,143	\$ 201	\$ 13	\$ 87	\$ 3,014	\$ 716
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>2,704</u>	<u>11,143</u>	<u>201</u>	<u>13</u>	<u>87</u>	<u>3,014</u>	<u>716</u>
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 2,704</u>	<u>\$ 11,143</u>	<u>\$ 201</u>	<u>\$ 13</u>	<u>\$ 87</u>	<u>\$ 3,014</u>	<u>\$ 716</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
None	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	2,704	11,143	201	13	87	3,014	716
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>2,704</u>	<u>11,143</u>	<u>201</u>	<u>13</u>	<u>87</u>	<u>3,014</u>	<u>716</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2,704</u>	<u>\$ 11,143</u>	<u>\$ 201</u>	<u>\$ 13</u>	<u>\$ 87</u>	<u>\$ 3,014</u>	<u>\$ 716</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Permanent Funds Non-Major Governmental Funds
Combining Balance Sheets

June 30, 2018

	<u>Nate Candelmo Fund</u>	<u>Marcia King Memorial Scholarship Fund</u>	<u>Francis Cuomo Fund</u>	<u>Molasky Family Fund</u>	<u>Guiteras Field Fund</u>	<u>Chris Faris Wrestling</u>	<u>Joseph A Cavallaro Fund</u>
Assets							
Cash and cash equivalents	\$ 246	\$ 614	\$ 4,857	\$ 4,832	\$ 178	\$ 2,539	\$ 597
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>246</u>	<u>614</u>	<u>4,857</u>	<u>4,832</u>	<u>178</u>	<u>2,539</u>	<u>597</u>
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 246</u>	<u>\$ 614</u>	<u>\$ 4,857</u>	<u>\$ 4,832</u>	<u>\$ 178</u>	<u>\$ 2,539</u>	<u>\$ 597</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
None	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	246	614	4,857	4,832	178	2,539	597
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>246</u>	<u>614</u>	<u>4,857</u>	<u>4,832</u>	<u>178</u>	<u>2,539</u>	<u>597</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 246</u>	<u>\$ 614</u>	<u>\$ 4,857</u>	<u>\$ 4,832</u>	<u>\$ 178</u>	<u>\$ 2,539</u>	<u>\$ 597</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Permanent Funds Non-Major Governmental Funds
Combining Balance Sheets

June 30, 2018

	<u>National Science Fund</u>	<u>Stanzione Scholarship Fund</u>	<u>M Hancock Trust Fund</u>	<u>Elise Ingram Memorial Scholarship Fund</u>	<u>Timothy DaPonte Memorial Scholarship Fund</u>	<u>Football Scholarship Fund</u>	<u>Total Permanent Funds</u>
Assets							
Cash and cash equivalents	\$ 2	\$ 1,353	\$ 2	\$ 1	\$ 1,835	\$ 916	\$ 35,850
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>2</u>	<u>1,353</u>	<u>2</u>	<u>1</u>	<u>1,835</u>	<u>916</u>	<u>35,850</u>
Deferred outflows of resources							
None	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 2</u>	<u>\$ 1,353</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1,835</u>	<u>\$ 916</u>	<u>\$ 35,850</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
Unearned revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Restricted	2	1,353	2	1	1,835	916	35,850
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>2</u>	<u>1,353</u>	<u>2</u>	<u>1</u>	<u>1,835</u>	<u>916</u>	<u>35,850</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 2</u>	<u>\$ 1,353</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1,835</u>	<u>\$ 916</u>	<u>\$ 35,850</u>

See Independent Auditor's Report

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Permanent Funds Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	Edward P Travers Fund	James E McDonald Fund	East Bay Sriders Fund	John L Burke Fund	Edward A Russo Fund	Thomas P. Brightman Fund	Martin Biancuzzo Fund
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	29	114	2	-	1	-	8
Other income	-	-	-	-	-	31	-
Total revenues	<u>29</u>	<u>114</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>31</u>	<u>8</u>
Expenditures							
Supplies and materials	40	-	-	-	-	20	-
Total expenditures	<u>40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(11)	114	2	-	1	11	8
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(11)	114	2	-	1	11	8
Fund balance, beginning of year	<u>2,715</u>	<u>11,029</u>	<u>199</u>	<u>13</u>	<u>86</u>	<u>3,003</u>	<u>708</u>
Fund balance, end of year	<u>\$ 2,704</u>	<u>\$ 11,143</u>	<u>\$ 201</u>	<u>\$ 13</u>	<u>\$ 87</u>	<u>\$ 3,014</u>	<u>\$ 716</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Permanent Funds Non-Major Governmental Funds
Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	<u>Nate Candelmo</u>	<u>Marcia King Memorial</u>	<u>Francis Cuomo</u>	<u>Molasky Family</u>	<u>Guiteras Field</u>	<u>Chris Faris Wrestling</u>	<u>Joseph A Cavallaro</u>
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	3	11	50	51	2	25	6
Other income	<u>-</u>	<u>275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>3</u>	<u>286</u>	<u>50</u>	<u>51</u>	<u>2</u>	<u>25</u>	<u>6</u>
Expenditures							
Supplies and materials	<u>40</u>	<u>555</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total expenditures	<u>40</u>	<u>555</u>	<u>-</u>	<u>50</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(37)	(269)	50	1	2	(975)	6
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(37)	(269)	50	1	2	(975)	6
Fund balance, beginning of year	<u>283</u>	<u>883</u>	<u>4,807</u>	<u>4,831</u>	<u>176</u>	<u>3,514</u>	<u>591</u>
Fund balance, end of year	<u>\$ 246</u>	<u>\$ 614</u>	<u>\$ 4,857</u>	<u>\$ 4,832</u>	<u>\$ 178</u>	<u>\$ 2,539</u>	<u>\$ 597</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Permanent Funds Non-Major Governmental Funds
 Combined Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended June 30, 2018

	<u>National Science</u>	<u>Stanzione Scholarship</u>	<u>M Hancock Trust</u>	<u>Elise Ingram Memorial</u>	<u>Timothy DaPonte Memorial</u>	<u>Football Scholarship</u>	<u>Total Permanent</u>
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	13	-	-	27	10	352
Other income	-	1,000	-	-	164	-	1,470
Total revenues	<u>-</u>	<u>1,013</u>	<u>-</u>	<u>-</u>	<u>191</u>	<u>10</u>	<u>1,822</u>
Expenditures							
Supplies and materials	-	1,000	-	-	1,000	-	3,705
Total expenditures	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>3,705</u>
Excess (deficiency) of revenue over expenditures	-	13	-	-	(809)	10	(1,883)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	13	-	-	(809)	10	(1,883)
Fund balance, beginning of year	<u>2</u>	<u>1,340</u>	<u>2</u>	<u>1</u>	<u>2,644</u>	<u>906</u>	<u>37,733</u>
Fund balance, end of year	<u>\$ 2</u>	<u>\$ 1,353</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 1,835</u>	<u>\$ 916</u>	<u>\$ 35,850</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Non-Major Enterprise Funds
Combining Statement Net Position

June 30, 2018

	<u>After School Programs</u>	<u>Gate Receipts</u>	<u>Before & After School Day Care</u>	<u>Summer School</u>	<u>Total Non-Major Enterprise Funds</u>
Assets					
Cash and cash equivalents	\$ 2,007	\$ 139,998	\$ 785,589	\$ 556	\$ 928,150
Due from state	-	-	-	-	-
Other receivables	-	-	27,474	-	27,474
Total assets	<u>\$ 2,007</u>	<u>\$ 139,998</u>	<u>\$ 813,063</u>	<u>\$ 556</u>	<u>\$ 955,624</u>
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ 19,038	\$ -	\$ 19,038
Due to other funds	-	-	-	-	-
Total liabilities	-	-	19,038	-	19,038
Net Postion					
Unrestricted	2,007	139,998	794,025	556	936,586
Total net postion	<u>\$ 2,007</u>	<u>\$ 139,998</u>	<u>\$ 794,025</u>	<u>\$ 556</u>	<u>\$ 936,586</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Non-Major Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Net Position

For the Year Ended June 30, 2018

	<u>After School Programs</u>	<u>Gate Receipts</u>	<u>Before & After School Day Care</u>	<u>Summer School</u>	<u>Total Non-Major Enterprise Funds</u>
Revenues					
Charges for usage and services	\$ 4,270	\$ 19,781	\$ 697,022	\$ 556	\$ 721,629
Total revenues	<u>4,270</u>	<u>19,781</u>	<u>697,022</u>	<u>556</u>	<u>721,629</u>
Expenditures					
Salaries	7,154	7,300	431,521	-	445,975
Employee benefits	232	340	62,997	-	63,569
Purchased services	-	3,630	6,688	-	10,318
Supplies and materials	250	-	38,468	-	38,718
Other	-	171	9,205	-	9,376
Total expenses	<u>7,636</u>	<u>11,441</u>	<u>548,879</u>	<u>-</u>	<u>567,956</u>
Excess (deficiency) of revenue over expenses	(3,366)	8,340	148,143	556	153,673
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenses and other uses	(3,366)	8,340	148,143	556	153,673
Net position, beginning of year	<u>5,373</u>	<u>131,658</u>	<u>\$ 645,882</u>	<u>\$ -</u>	<u>782,913</u>
Net position, end of year	<u>\$ 2,007</u>	<u>\$ 139,998</u>	<u>\$ 794,025</u>	<u>\$ 556</u>	<u>\$ 936,586</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Non-Major Enterprise Funds
Combining Statement of Cash Flows

For the Year Ended June 30, 2018

	<u>After School Programs</u>	<u>Gate Receipts</u>	<u>Before & After School Day Care</u>	<u>Summer School</u>	<u>Total Non-Major Enterprise Funds</u>
<i>Cash flows from operating activities:</i>					
Cash received from customers and program operations	\$ 4,270	\$ 19,781	\$ 677,057	\$ 556	\$ 701,664
Cash paid to suppliers an program expenses	(250)	(3,801)	(52,268)	-	(56,319)
Cash payements to employees for services	<u>(7,386)</u>	<u>(7,640)</u>	<u>(494,518)</u>	-	<u>(509,544)</u>
<i>Net cash provided (used) by operaing activities</i>	<u>(3,366)</u>	<u>8,340</u>	<u>130,271</u>	<u>556</u>	<u>135,801</u>
<i>Cash flows from noncapital financing activities:</i>					
Decrease in due to(from) other funds	-	-	-	-	-
<i>Net cash provided (used) by financing activities</i>	-	-	-	-	-
<i>Net increase (descrease) in cash</i>	(3,366)	8,340	130,271	556	135,801
<i>Cash beginning of the year</i>	<u>5,373</u>	<u>131,658</u>	<u>655,318</u>	-	<u>792,349</u>
<i>Cash end of the year</i>	<u><u>\$ 2,007</u></u>	<u><u>\$ 139,998</u></u>	<u><u>\$ 785,589</u></u>	<u><u>\$ 556</u></u>	<u><u>\$ 928,150</u></u>
Reconcilations of changes in net postion to net cash provided by operating activities:					
<i>Change in net position</i>	\$ (3,366)	\$ 8,340	\$ 148,143	\$ 556	\$ 153,673
Adjustments to reconcile:					
(Increase) decrease in other receivables	-	-	(19,965)	-	(19,965)
(Increase) decrease in intergovernmental receivables	-	-	-	-	-
Increase (decrease) in accrued expenses	-	-	<u>2,093</u>	-	<u>2,093</u>
<i>Net cash provided (used) by operating activities</i>	<u><u>\$ (3,366)</u></u>	<u><u>\$ 8,340</u></u>	<u><u>\$ 130,271</u></u>	<u><u>\$ 556</u></u>	<u><u>\$ 135,801</u></u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Agency Funds
Combining Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>HIGH SCHOOL - STUDENT ACTIVITY</u>				
Assets				
Cash	\$ 139,846	\$ 249,049	\$ 214,692	\$ 174,203
<i>Total Assets</i>	<u>\$ 139,846</u>	<u>\$ 249,049</u>	<u>\$ 214,692</u>	<u>\$ 174,203</u>
Liabilities				
Deposits held in custody for others	\$ 139,846	\$ 214,692	\$ 249,049	\$ 174,203
<i>Total Liabilities</i>	<u>\$ 139,846</u>	<u>\$ 214,692</u>	<u>\$ 249,049</u>	<u>\$ 174,203</u>
<u>KICKEMUIT MIDDLE SCHOOL - STUDENT ACTIVITY</u>				
Assets				
Cash	\$ 89,890	\$ 116,983	\$ 123,070	\$ 83,803
<i>Total Assets</i>	<u>\$ 89,890</u>	<u>\$ 116,983</u>	<u>\$ 123,070</u>	<u>\$ 83,803</u>
Liabilities				
Deposits held in custody for others	\$ 89,890	\$ 123,070	\$ 116,983	\$ 83,803
<i>Total Liabilities</i>	<u>\$ 89,890</u>	<u>\$ 123,070</u>	<u>\$ 116,983</u>	<u>\$ 83,803</u>
<u>COLT-ANDREWS SCHOOL - STUDENT ACTIVITY</u>				
Assets				
Cash	\$ 5,658	\$ 3,355	\$ 1,993	\$ 7,020
<i>Total Assets</i>	<u>\$ 5,658</u>	<u>\$ 3,355</u>	<u>\$ 1,993</u>	<u>\$ 7,020</u>
Liabilities				
Deposits held in custody for others	\$ 5,658	\$ 1,993	\$ 3,355	\$ 7,020
<i>Total Liabilities</i>	<u>\$ 5,658</u>	<u>\$ 1,993</u>	<u>\$ 3,355</u>	<u>\$ 7,020</u>
<u>GUITERAS SCHOOL - STUDENT ACTIVITY</u>				
Assets				
Cash	\$ 19,299	\$ 7,682	\$ 10,993	\$ 15,988
<i>Total Assets</i>	<u>\$ 19,299</u>	<u>\$ 7,682</u>	<u>\$ 10,993</u>	<u>\$ 15,988</u>
Liabilities				
Deposits held in custody for others	\$ 19,299	\$ 10,993	\$ 7,682	\$ 15,988
<i>Total Liabilities</i>	<u>\$ 19,299</u>	<u>\$ 10,993</u>	<u>\$ 7,682</u>	<u>\$ 15,988</u>

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BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Supplementary Information

Agency Funds
Combining Statement of Changes in Assets and Liabilities

For the Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
<u>ROCKWELL SCHOOL - STUDENT ACTIVITY</u>				
Assets				
Cash	\$ 13,541	\$ 1,980	\$ 3,397	\$ 12,124
<i>Total Assets</i>	<u>\$ 13,541</u>	<u>\$ 1,980</u>	<u>\$ 3,397</u>	<u>\$ 12,124</u>
Liabilities				
Deposits held in custody for others	\$ 13,541	\$ 3,397	\$ 1,980	\$ 12,124
<i>Total Liabilities</i>	<u>\$ 11,217</u>	<u>\$ 3,397</u>	<u>\$ 1,980</u>	<u>\$ 12,124</u>
<u>HUGH SCHOOL - STUDENT ACTIVITY</u>				
Assets				
Cash	\$ 19,983	\$ 4,334	\$ 2,507	\$ 21,810
<i>Total Assets</i>	<u>\$ 19,983</u>	<u>\$ 4,334</u>	<u>\$ 2,507</u>	<u>\$ 21,810</u>
Liabilities				
Deposits held in custody for others	\$ 19,983	\$ 2,507	\$ 4,334	\$ 21,810
<i>Total Liabilities</i>	<u>\$ 19,983</u>	<u>\$ 2,507</u>	<u>\$ 4,334</u>	<u>\$ 21,810</u>
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash	\$ 288,217	\$ 383,383	\$ 356,652	\$ 314,948
<i>Total Assets</i>	<u>\$ 288,217</u>	<u>\$ 383,383</u>	<u>\$ 356,652</u>	<u>\$ 314,948</u>
Liabilities				
Deposits held in custody for others	\$ 288,217	\$ 356,652	\$ 383,383	\$ 314,948
<i>Total Liabilities</i>	<u>\$ 288,217</u>	<u>\$ 356,652</u>	<u>\$ 383,383</u>	<u>\$ 314,948</u>

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SINGLE AUDIT SECTION

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To the Superintendent and
Members of the School Committee
Bristol Warren Regional School District
Bristol, Rhode Island

**Independent Auditors' Report on Internal Controls Over
Financial Reporting and On Compliance and Other Matters
Based on an Audit of Financial Statements Performed In
Accordance with *Government Auditing Standards***

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Bristol Warren Regional School District (District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 28, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Bristol Warren Regional School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Hague, Sabady & Co. PC

Fall River, Massachusetts
December 28, 2018

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To the Superintendent & Members
of the School Committee
Bristol Warren Regional School District
Bristol, Rhode Island

Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required under Uniform Guidance

Report on Compliance for Each Major Federal Program

We have audited the Bristol Warren Regional School District (District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2018. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

Hague, Sabady & Co. PC

December 28, 2018
Fall River, Massachusetts

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA	Grant Identification/ Pass-Through Grantor's Number	Program or Award	Disbursements Expenditures	Distributed to Subrecipients
US Department of Agriculture:					
<i>Passed through the State of Rhode Island Department of Education:</i>					
Child Nutrition Cluster					
School Breakfast Program	10.553	N/A	\$ 81,751	\$ 81,751	\$ -
School Lunch Program	10.555	N/A	483,362	<u>483,362</u>	<u>-</u>
Total Child Nutrition Cluster				565,113	-
Fresh Fruit and Vegetable Program	10.582	N/A	42,114	<u>42,114</u>	<u>-</u>
Food Distribution - Commodities	10.569	N/A	102,407	<u>102,407</u>	<u>-</u>
Total US Department of Agriculture				<u>709,634</u>	<u>-</u>
US Department of Education:					
<i>Passed through the State of Rhode Island Department of Education:</i>					
Title I, Part A Grant	84.010	2725117.02.02	645,030	645,030	-
Special Education Cluster					
Targeted COZ	84.027	2725132.02.03	5,000	5,000	-
IDEA Part B - Professional Services	84.027	2725132.02.02	1,221,424	1,073,079	-
SPED Part B - Early Childhood	84.173	2725135.02.02	68,366	<u>37,579</u>	<u>-</u>
Total Special Education Cluster				1,115,658	-
Perkins Secondary Regional	84.048	2725153.02	38,261	38,261	-
Title III-English Language Acquisition State Grants	84.365	2725165.02.02	13,350	13,350	-
Title IIA, Improving Teacher Quality	84.367	2725164.02.02	135,961	<u>135,961</u>	<u>-</u>
Total U.S. Department of Education				<u>1,948,260</u>	<u>-</u>
Total Expenditures of Federal Awards				<u>\$ 2,657,894</u>	<u>\$ -</u>

See notes to schedule of expenditures of federal awards

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

1. *Definition of Reporting Entity*

The accompanying Schedule of Expenditures of Federal Awards presents activity of all Federal financial assistance programs of the Bristol Warren Regional School District (District). Federal financial assistance received includes funds received directly from Federal agencies as well as Federal financial assistance passed through other governmental agencies and received by the District.

2. *Basis of Presentation*

The accompanying schedule of expenditures of Federal awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart F, Section 510(b).

3. *Major Programs*

The District's independent auditors have used a risk-based approach to determine which federal programs are "major programs" in accordance with 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart F, Section 518. This risk-based approach includes consideration of current and prior audit experience, oversight by Federal Agencies and pass-through entities, the inherent risk of the Federal program, as well as other considerations. The process in paragraphs (b) through (i) of Section 518 govern auditor major program determination.

The District has no responsibility to determine major programs. The independent auditor's responsibilities are summarized within 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), Subpart F, Sections 508 to 512.

4. *10% De Minimis Indirect Cost Rate*

The District did not elect to use the 10% De Minimis indirect cost rate in the current year.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2018

5. Program Cluster

In accordance with the Uniform Guidance, certain programs have been clustered in determining major programs. The following represent the clustered programs:

Child Nutrition Cluster

School Breakfast Program	10.553
School Lunch Program	10.555

Special Education Cluster

Special Education - Grants to States	84.027
Special Education - Grants to States - Preschool	84.173

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Summary of Audit Results

For the Year Ended June 30, 2018

1. ***Summary of Audit Results***

Financial Statements

We have audited the financial statements of the Bristol Warren Regional School District (District), as of and for the year ended June 30, 2018 and have issued our reports thereon dated December 28, 2018. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

The results of our audit are as follows:

Type of Report issued on the Financial Statements	
Internal Control over Financial Reporting:	Unmodified
Material Weakness(es) Identified?	No
Significant Deficiencies Identified that are not considered to be Material Weakness(es)?	No
Noncompliance Material to the Financial Statements Noted?	No

Federal Awards

We have audited the compliance of the District, with the types of compliance requirements described in the *Uniform Guidance* that are applicable to each of its federal programs for the Year Ended June 30, 2018 and have issued our reports thereon dated December 28, 2018.

The results of our audit are as follows:

Internal Control over Major Programs:	
Material Weakness(es) Identified?	No
Significant Deficiencies Identified that are not considered to be Material Weakness(es)?	No
Type of Report on Compliance for Major Programs:	
Special Education Cluster (CDFA 84.027 and 84.173)	Unmodified
Disclosure of Audit Findings required to be reported under 2 CFR Part 200 Section 200.516(a):	No

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Summary of Audit Results

For the Year Ended June 30, 2018

Identification of Major Programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Special Education Cluster	84.027 & 84.173

Threshold for distinguishing Type A and Type B Programs was \$750,000 (2 CFR 200 Section 518(b)(1)).

The Bristol Warren Regional School District qualifies as a low risk auditee.

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Current Year Findings

For the Year Ended June 30, 2017

1. Findings on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on our Audit of the Financial Statements

None

2. Findings and Questioned Costs Which Are Required to be Reported Over Major Federal Programs

None

BRISTOL WARREN REGIONAL SCHOOL DISTRICT

Status of Prior Year Findings

For the Year Ended June 30, 2017

1. Status of Prior Year Findings

None