Bristol County Water Authority

Fiscal Year 2023 Annual Report

March 1, 2022 – February 28, 2023

2023

About BCWA

For more than 100 years, the water supply for Barrington, Bristol, and Warren was managed by the Bristol County Water Company. The Bristol County Water Authority (BCWA) was established in 1984 by the Rhode Island legislature, and BCWA assumed full responsibility for the county's water supply in 1986.

BCWA continually adopts operational efficiencies while it invests in, modernizes, and maintains the utility. With strategic planning, vigilant maintenance, and constant innovation, BCWA successfully supplies an average of 3.33 million gallons of quality water daily to 17,378 metered service connections. BCWA serves a customer population of 50,793 residents and more than 1,000 commercial users.

Mission

To provide the highest-quality water to all our customers.

Vision

BCWA will be a model regional water utility, recognized
for its customer focus, water quality, system reliability, and efficiency.

Values

1. Quality product and exceptional customer service
2. Effective and efficient asset management
3. Environmental sensitivity
4. Employee development
5. Integrity and transparency

Chairman's Letter

Customers of the Bristol County Water Authority are keenly aware of the value of and need for abundant and safe water. In fact, over the last 12 months they used approximately one billion (1,000,000,000) gallons of water. Approximately 19% was used by commercial customers, 2% by municipal customers, and less than 0.2% by industrial customers. Our residential customers used the majority — approximately 78% — of that total.

Despite this seemingly huge number of gallons consumed in a year, BCWA customers are very mindful of their consumption and do conserve their water use. On an annual basis, our average residential customer uses about 125 gallons per day — roughly 43 gallons per person — which is one of the lowest residential daily water use averages in the state and region.

Our highest priority is to continue to serve the people of Bristol County with a continuous supply of healthy drinking water. We are securing multiple water sources and are continuing projects that will assure a sufficient water supply for our customers into the future. This report provides updates on our most significant projects as well as important infrastructure and customer service improvements that we have made.

We were pleased to be able to resume in-person monthly meetings at our offices at 450 Child Street in Warren. BCWA meetings are open to the public, and we provide dedicated time on our agenda for public input and feedback. To increase transparency of our operations, video recordings of our meetings are a standard practice. The videos are available on our website, where you can access all public meeting information as well as reports and other documentation. We welcome your input at our meetings or by calling our offices to request information or to address issues. In addition to our website (bcwari.com), the BCWA also maintains a frequently updated Facebook page.

For the last few years, we've been updating water meters with new and improved technology that will soon be able to inform our customers of their daily water use. It will also help us identify the time and location of leaks or unwanted water use.

At the end of 2022, our former Chairman of the Board, Allan Klepper of Barrington, resigned to begin enjoying his retirement. A Board member for almost 34 years, he served as Chairman for 10 years. I, along with the Board members and staff, extend sincere appreciation to Allan for his leadership and guidance, which resulted in many significant BCWA accomplishments and successes. Thank you again, Chairman Klepper; we wish you a very long and happy retirement.

Finally, on behalf of all Board members, our sincerest thanks to our dedicated employees for their ongoing commitment to maintaining water quality and providing outstanding service to our customers.

Juan Mariscal
Chairman

Executive Director's Report

The summer of 2022 brought historic drought conditions to our region. Despite the lack of rainfall, we did not need to implement any water use restrictions, thanks to our pipeline connection with the Providence Water System and the Scituate Reservoir. With a robust watershed of 60,000 acres and reservoir water storage capacity of nearly 37 billion gallons, the water supply withstood the drought. However, the experience was a stark reminder that we cannot take this critical resource for granted.

At BCWA, our mission is to provide all our customers with reliable, high-quality water every minute of every day. Our team works hard to meet that objective and I would like to share with you some of our successes over this past year, as well as the plans that will allow us to continue to fulfill our mission.

As noted, all our water is purchased from Providence Water and comes from the Scituate Reservoir. The water travels through a single pipeline located in bedrock 160 feet below the Providence River. We were all reminded of the vulnerability of our water supply when our pipeline experienced a leak in 2019. For this reason, our most critical project is establishing a connection with the Pawtucket Water System to provide this area with an additional high-quality and reliable supply.

This past summer we completed Phase I of the Pawtucket Pipeline Project, which involved the installation of a large capacity (24-inch) connection to the East Providence water system. This pipeline was activated in June 2022 and provides BCWA with a reliable emergency water supply.

The engineering for Phase II (a five-mile, 30-inch connection to the Pawtucket Water Supply) is well underway. We have partnered with the City of East Providence on this most critical pipeline project, which will bring water supply resiliency to this area for generations to come.

In addition to our water supply projects, we are responsible for maintaining over 230 miles of pipelines, and approximately 1,000 hydrants. Some of the oldest pipes are over 100 years old and made of cast iron. Pipelines of that age and type can cause reliability and water quality issues. To mitigate these issues, our Capital Improvement Program includes ongoing water system rehabilitation to upgrade older parts of the system. Over the past 10 years, we have rehabilitated nearly 100,000 feet of water main and system improvements. This year, we plan on making improvements on an additional 6,720 feet of pipeline at a cost of $2.5 million.

These projects and others are guided by our mission, vision, and values as spelled out in our Strategic Plan. I am fortunate to work with a dedicated and knowledgeable group of water works professionals and a board of directors that is supportive of our mission and our cause.

Additionally, I would be remiss if I did not thank our customers and the three communities that we serve for their understanding and patience as we continually strive to improve our operations and water system infrastructure so we can continue to provide you with high-quality water every minute of every day.

Stephen Coutu, P.E.
Executive Director

Bristol County Water Authority
Five Year Comparative Analysis

ITEM	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
# Customers:						
Residential	16,224	16,187	16,141	16,068	15,944	15,896
Commercial	1,060	1,056	1,057	1,052	1,058	1,051
Industrial	8	8	8	8	8	8
Municipal	89	103	85	85	101	81
Total:	**17,381**	**17,354**	**17,291**	**17,213**	**17,111**	**17,036**
# Employees (FTE's)*:	33	33	34	34	33.25	33.5
Consumption: (Thousands of Gallons)						
Residential	741,515	753,177	838,030	745,556	792,096	741,936
Commercial	195,180	190,196	187,366	209,581	208,028	215,776
Industrial	1,682	1,481	1,322	1,331	1,460	1,837
Municipal	18,362	20,397	20,845	22,443	17,056	18,451
Total:	**956,739**	**965,251**	**1,047,563**	**978,911**	**1,018,640**	**978,000**
Unaccounted for Water (%):	13%	9.97%	9.80%	10.0%	12.0%	11.0%
Rate Increases (%):	4%	3.5%	10.00%	4.50%	3.25%	3.25%

FINANCIAL	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
Operating Revenue	$ 16,167,735	$16,066,002	$ 16,223,925	$ 14,014,867	$ 13,945,622	$ 13,181,975
Operating Expenses	$ 9,300,920	$ 10,322,013	$ 11,386,966	$ 10,675,724	$ 9,608,020	$ 9,417,889
Operating Income	$ 6,866,815	$ 5,743,989	$ 4,836,959	$ 3,339,143	$ 4,337,602	$ 3,764,086
Net Assets	$ 89,135,047	$ 83,135,047	$78,034,477	$73,856,835	$70,803,180	$66,977,672
Accounts Receivable (A/R)	$ 3,364,224	$ 3,291,024	$ 3,094,067	$ 2,717,961	$ 2,643,645	$ 2,396,677
Debt Coverage Ratio	6.87	7.62	6.74	9.75	7.99	4.89

*Full Time Equivalents

Pawtucket Pipeline Project Update

Significant progress on the Pawtucket Pipeline Project

We currently purchase all our water (3.33 million gallons a day) from a single source (Providence Water). If Providence Water were to have flow reduction or service termination issues for any length of time, or if the East Bay pipeline were to be out of service (which we experienced in 2019), we would be at dire risk of being unable to meet the needs of our customers. Mitigating this risk is our greatest challenge and is the impetus behind the Pawtucket Pipeline Project.

Phase I: complete

After many years of planning, our Pawtucket Pipeline Project continues to make great strides toward our goal of no longer relying on a single source for our water. In June of 2022, we completed and activated Phase I of the project: a 1.5-mile, 24-inch interconnection with East Providence. This means we now have a redundant connection to the Providence Water supply, which will allow us to maintain service on an emergency basis should the East Bay pipeline fail.

PHASE I

Interconnection of East Providence (top) and BCWA (bottom) cross-bay pipelines from Providence.

(new main in yellow)

Pawtucket Pipeline Project Update

Phase II: underway

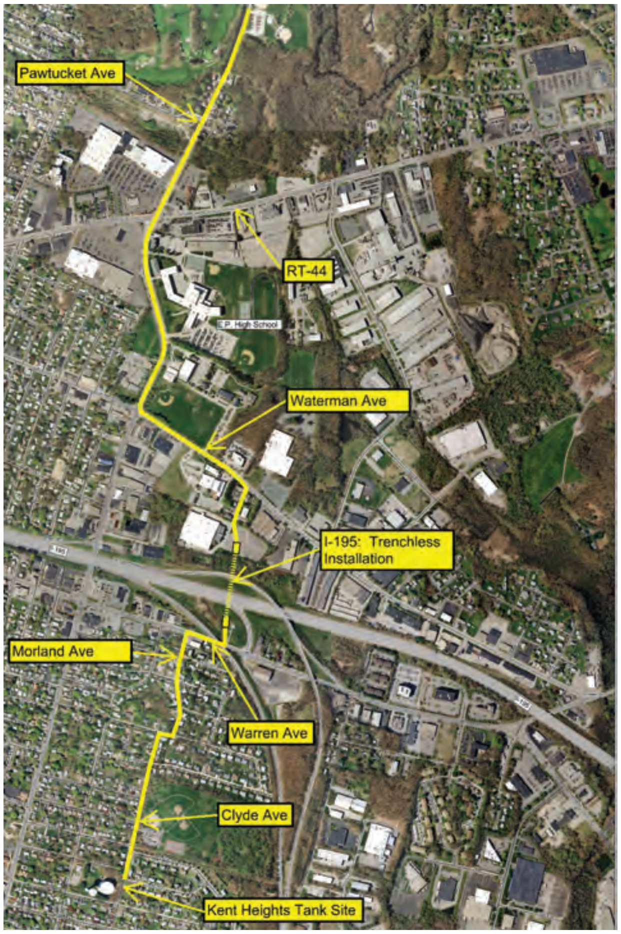
Phase II is in the design phase and is a five-mile, 30-inch connection to the Pawtucket Water Supply. When it's complete, we will have access to two separate sources of high-quality water. We'll be able to take minimum usage from Providence and Pawtucket (to keep water fresh), and can purchase the balance from whichever source is least expensive.

Managing project costs

The construction contract for Phase I was valued at $6.9 million and it was completed for $5.9 million. Design of Phase II is roughly 60% complete, and East Providence has agreed to cost-share the design with BCWA, as they too solely rely upon Providence Water for their water supply. Project costs for Phase II will be further reduced if East Providence partners with BCWA for the construction — though our 10-year financial plans account for construction with and without East Providence's participation.

In preparation for the project's cost, we built reserves over the last several years to minimize rate increases, and our budget did not factor in any state or federal funds. We have applied to the Rhode Island Infrastructure Bank and our project is ranked high on the State Project Priority List.

PHASE II



Strategic Plan Update and Initiatives

Guided by strategy

Our Strategic Plan is the guiding document used by Bristol County Water Authority to implement the Board of Directors' strategic initiatives. It provides a common set of objectives for our organization, focuses our staff on achievable actions, and guides investments in resources.

Our four major strategic initiatives are

- Continue to maintain high-quality water and secure an alternative water supply source.
- Continue to provide exceptional customer service.
- Continue to enhance information management systems to improve operational efficiencies.
- Continue to ensure financial stability.

We work in alignment with these strategic initiatives to address challenges such as

- our single-source water supply
- our aging infrastructure
- declining water usage
- the cost of short- and long-term supply and infrastructure upgrades
- limited state and federal funding
- increasing water costs
- divestment of the non-operable Massachusetts reservoirs and infrastructure to eliminate the financial burden to BCWA
- increasing need for greater security

At the same time, we proactively address these challenges by pursuing and implementing solutions such as

- establishing a second water supply via the Pawtucket Pipeline Project
- securing new bonding and capital funding for utility modernization
- using technology to optimize infrastructure performance and resilience
- employing prudent financial management
- using in-house expertise to reduce costs
- enhancing our employee development program

Technological advancements, staff training, innovative approaches, and constant improvements to our operational efficiencies have helped BCWA achieve significant advancements in modernizing and optimizing our utility over the years. We will continue to leverage all available resources in our efforts to ensure quality water from an efficient and reliable system.

Access the current BCWA strategic plan at bcwari.com.

Capital Plan Update

Constantly improving to better serve our customers

Ongoing maintenance and special projects are part of the day-to-day reality of keeping BCWA operating at peak efficiency and performance. To reliably deliver high-quality water, we follow a distribution system improvement plan that includes

- replacing, cleaning, and relining cast iron pipes
- replacing or lining asbestos concrete pipes
- eliminating and reducing low pressure zones
- minimizing shutdowns by installing valves and tying in dead-end mains

Our 10-year capital plan includes $1–1.5 million per year for pipeline renewal work. For 2023, we will be improving the system at the following locations.

in Barrington

- clean and cement-line 1,620 feet of older cast iron pipe in Rumstick Road; 1,600 feet in Annawamscutt Road; and 1,250 feet in Appian Way
- replace existing main with 1,250 feet of new ductile iron pipe in Governor Bradford Drive

in Bristol

- clean and cement-line 1,000 feet of older cast iron pipe in Bradford and Central Streets
- Our 10-year capital plan also includes funding for expansion of the High Pressure Zone; to that end, these improvements are either complete or underway in Bristol:
    - 3,400 feet of 12-inch main installed in Metacom Avenue; 800 feet of eight-inch main installed in Smith Street; 1,200 feet of two-inch main installed in Sousa and Maytum Streets
    - a new pumping station constructed at Hope and Tupelo

Hope Street Pump Station under construction. Upon completion, nearly 1,000 customers in this area will have improved water pressure.

Divesting obsolete infrastructure

We will be demolishing obsolete treatment facilities and removing the Kickemuit Reservoir dams. This will divest us of unusable facilities and their associated liabilities and financial burden, and will return the Kickemuit River to a natural tidal estuary. Widely supported by environmental groups throughout our state, the overall project has received a total of $2,821,000 in grant funds, which covers much of the cost.

Phase I demolition of the obsolete treatment plant includes the exterior tank structures and piping.

The project to remove the lower dam has received approval from the US Army Corps of Engineers and from the Rhode Island Coastal Resources Management Council, while the project to remove the upper dam is in the permit phase with the Rhode Island Department of Environmental Management Wetlands Division. Once all regulatory permits have been secured the project may commence in the summer to fall of 2023.

Projects planned for FY2024 and beyond

A number of projects will be undertaken in FY2024, including

- advancing the design of and easements related to Phase II of the Pawtucket Pipeline
- completion of the Hope Street Pump Station
- ongoing water main rehabilitation and distribution system improvements
- procurement of vehicles and equipment
- improvements to facilities (administration building roof, office upgrades, pump stations, etc.)

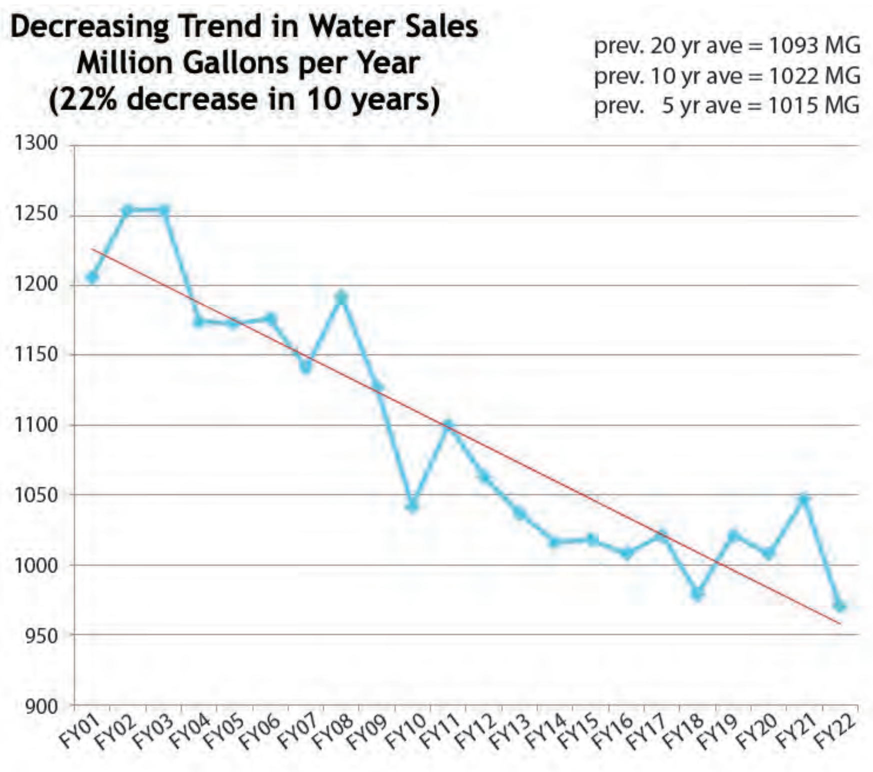
FY2024 Rate Increase

To help us fulfill our ongoing commitment to provide a safe, high-quality, and reliable water supply, the BCWA Board of Directors approved a rate increase of 6.00% for FY2024 in support of our revenue requirement and our 10-year Financial Plan for Capital Improvement Program.

Under this rate increase the average residential water bill will rise approximately $3.17 per month, or $38.00 dollars per year. As always, all funds that come into BCWA are invested directly into our operations, reserves, and capital projects. This rate increase will help us

- secure our water supply via the Pawtucket Pipeline Project
- fund the ongoing infrastructure projects that improve water quality and reliability
- continue to provide outstanding customer service using the latest meter technology
- ensure financial stability by maintaining reserves for bonding and to minimize future rate increases
- account for reductions in consumption

We understand that rate increases impact our customers, and we consider them very carefully. However, they are necessary to ensure that we're able to provide the safe and reliable water that all BCWA customers deserve and have come to expect.

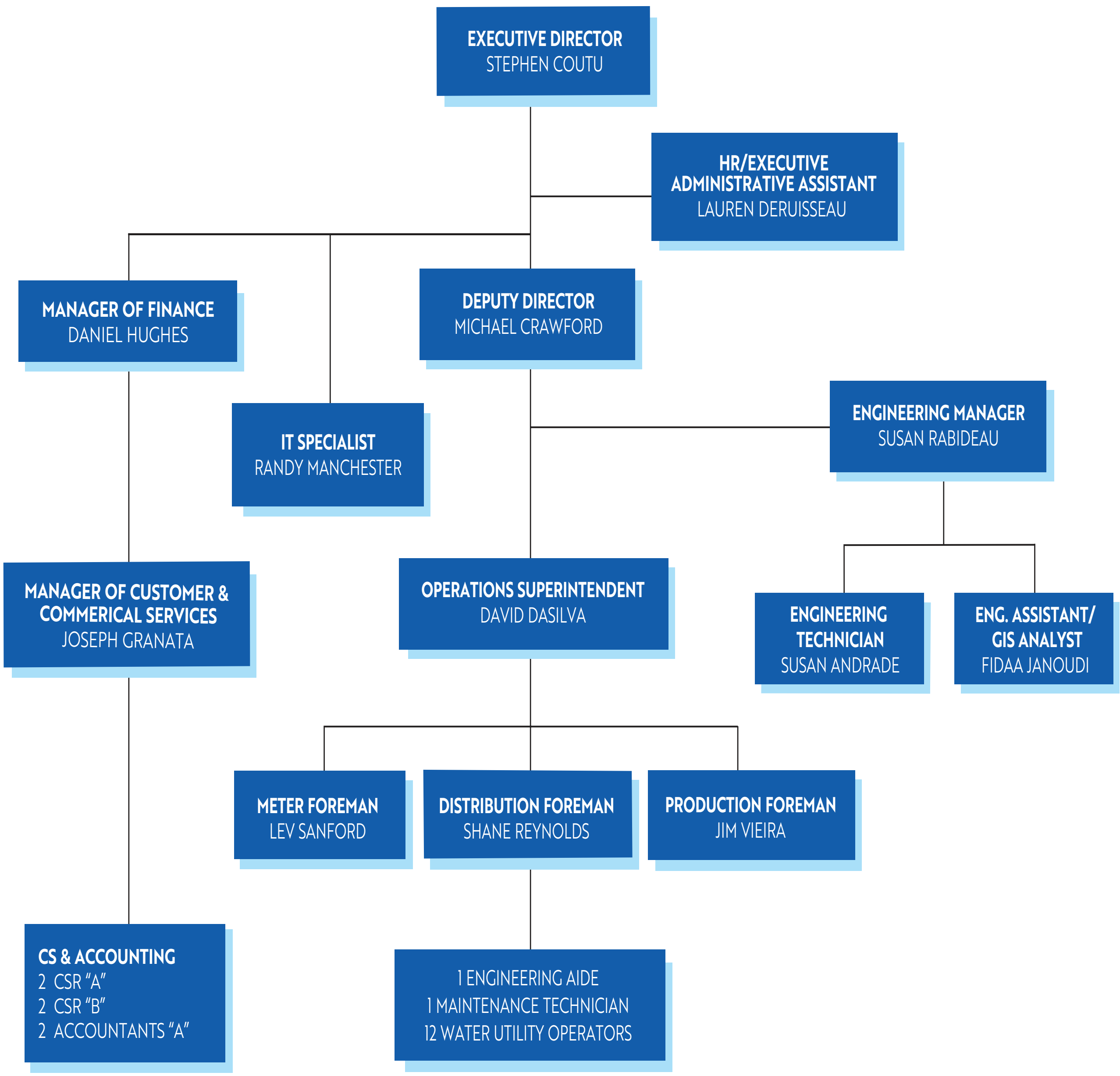


BCWA water sales have steadily declined for more than 20 years. We carefully manage our resources to ensure that the accompanying decline in revenue doesn't negatively impact the quality of the service we provide.

FY2023 System Information

Total water purchased:	1,216 million gallons
Water purchased (average day):	3.33 million gallons per day
Miles of pipe:	233
Number of service connections:	
Residential:	16,224
Commercial:	1,060
Industrial:	8
Government:	89
Total:	**17,381**
Residential population served:	50,793 (per 2020 U.S. Census)
Average residential annual demand:	45,705 gallons per year
Gallons/person/day:	40
Average annual water bill:	$665
Average cost per gallon:	$1.4 cents per gallon
Cost of Providence Water:	$2,665,081 or 17.6% of budget revenue
Number of employees:	33

Organization



Board of Directors

Mr. Juan Mariscal
Chairman
Bristol Representative
Term Ending: 3/1/26

Mr. Thomas Kraig
Vice Chairman
Barrington Representative
Term Ending: 2/28/24

Mr. Christopher Stanley
Secretary/Treasurer
Warren Representative
Term Ending: 1/31/24

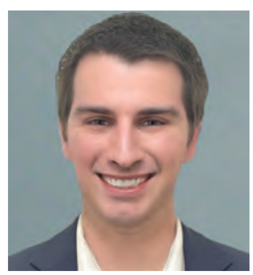
Mr. John M. Jannitto
Warren Representative
Term Ending: 1/31/26

Mr. George S. Champlin
Barrington Representative
Term Ending: 2/28/25

Ms. Georgina Macdonald
Bristol Representative
Term Ending: 2/28/25

Mr. William F. Gosselin
Warren Representative
Term Ending: 1/31/25

Mr. Robert J. Martin
Bristol Representative
Term Ending: 2/28/24



Mr. Stephen J. Gross
Barrington Representative
Term Ending: 2/28/26

BRISTOL COUNTY WATER AUTHORITY
WARREN, RHODE ISLAND

ANNUAL FINANCIAL STATEMENTS

YEARS ENDED FEBRUARY 28, 2023 and February 28, 2022

Bristol County Water Authority
Warren, Rhode Island

February 28, 2023 and February 28, 2022

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To the Board of Directors of the
Bristol County Water Authority
Warren, Rhode Island

Independent Auditor's Report

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of the Bristol County Water Authority ("the Authority"), as of and for the year ended February 28, 2023 (except for the Pension Trust Fund which for the year ended June 30, 2022), and the related notes of the financial statements, which collectively comprise of the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the Authority, as of February 28, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained in sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of the Matter

As discussed in Note 2 of the financial statements, during fiscal year 2023, the Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96 "Subscription-Based Information Technology Arrangements." Our opinion is not modified with respect to this matter.

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Management is responsible for the other information included in the annual report. The other information comprises the receipts, disbursements and transfers for fund held by BCWA and Trustees, non-capitalized fees paid to consultants, and debt service fund requirement calculation but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Matters

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information related to the statement of net position, the statement of revenues, expenses and changes in net position, and the statement of cash flows for the Authority’s business-type activities and the statement of fiduciary net position and the statement of changes in the fiduciary net position for the Authority’s aggregate remaining fund information. Such information does not include all of the information required for a presentation in conformity with U.S. generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Authority’s financial statements for the year ended February 28, 2022, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2023 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Hague, Sahady & Co. PC

Hague, Sahady & Co., CPAs, P.C.

Fall River, Massachusetts
May 16, 2023

Management Discussion and Analysis

Management's Discussion and Analysis

Introduction

As noted in the Independent Auditor's Report from Hague, Sahady & Co, P.C., Management's Discussion and Analysis (MD&A) provides supplemental information to the audit and should be read in conjunction with it. The purpose of the MD&A is to introduce and highlight the more detailed information provided in the audited financial statements. For example, it will assess the improvement or deterioration of the Authority's financial position and will identify factors that, in management's opinion, affected financial performance during the fiscal year under review.

Contents of the Audited Financial Statements

- **Statement of Net Position**
  This statement provides information about the Authority's investments in resources (assets) and its obligation to creditors (liabilities), with the difference between them reported as net position.
- **Statement of Revenues, Expenses and Changes in Net Position**
  This statement demonstrates changes in net position from one fiscal period to another by accounting for revenues and expenses and measuring the financial results of operations. The information may be used to determine how the Authority has funded its costs.
- **Statement of Cash Flows**
  This statement provides information concerning the Authority's cash receipts and payments, as well as net changes in cash resulting from operations, capital and related financing, and investing activities.
- **Fiduciary Financial Statements**
  These statements provide information about net assets available for benefits under the Authority's employee benefit plans and changes in net assets available for benefits.
- **Notes to the Financial Statements**
  Notes to the audited financial statements contain information essential to understanding them, such as the Authority's accounting methods and policies.

Financial Highlights – Fiscal Year 2023

- The Authority's net position increased by $4.9MM or 5.6%.
- During the year, the Authority's operating revenues increased .63% to $16.17MM. Total expenses increased from $10.3MM to $10.9MM or by 6.1%.
- The Authority made an additional deposit of $100K to the established OPEB Irrevocable Trust during fiscal year 2023 increasing the balance to almost $1.28MM.
- The Debt Service Ratio decreased to 6.87 for FY2023.
- The Authority's capital contributions increased from $84K to $115K, indicating an increase in the number of new service contributions for the year.

Financial Highlights – Fiscal Year 2022

- The Authority's net position increased by $5.1MM or 6.5%.
- During the year, the Authority's operating revenues decreased .97% to $16.07MM. Total expenses also decreased from $11.4MM to $10.3MM or by 9.4%. A return to pre-COVID consumption along with one of the wettest July's on record accounted for this decrease.
- The Authority made an additional deposit of $125K to the established OPEB Irrevocable Trust during fiscal year 2022 increasing the balance to almost $1.26MM.
- The Debt Service Ratio increased to 7.62 for FY2022.
- The Authority's capital contributions decreased from $153K to $84K, indicating a decrease in the number of new service contributions for the year.

Required Financial Statements

Proprietary Funds

The Proprietary Fund Financial Statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about its activities. The Statement of Net Position, (Balance Sheet), includes all of the Authority's assets and deferred outflows of resources, and its liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for computing rate of return, evaluating the net position of the Authority and assessing the liquidity and financial flexibility of the Authority.

All the current year's revenues and expenses are accounted for in the Proprietary Fund Statement of Revenues, Expenses and Changes in Net Position. This statement measures the success of the Authority's operations over the past year and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges, profitability, and credit worthiness. The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

Fiduciary Funds

The Fiduciary Fund financial statements are used to account for resources held for the benefit of parties other than the Authority. These funds are not available to fund Authority operations and therefore are not reflected in the Proprietary Fund financial statements. The Authority established an Other Post-Employment Benefits (OPEB) trust fund in FY2014 with an initial deposit of $75,000 and annual deposits following of $50,000, $100,000, $150,000, $114,000, $50,000, $75,000, $125,000, $125,000, and $100,000 in FY2023. The basic fiduciary fund financial statements and footnotes can be found on pages 17-18 and 37-42 and 44-50, respectively, of this report.

Financial Analysis of the Authority

Analysis of the Authority begins on page 12 of the Financial Statements. One of the most important questions asked about the Authority's finances is "Is the Authority as a whole better off or worse off as a result of the year's activities"? The Statement of Net Position, and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and changes in it. You can think of the Authority's net position, (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, and weather conditions.

Net Position

To begin our analysis, a summary of the Authority's Statements of Net Position are presented in the following Table A-1 and Table A-2:

Table A-1

Condensed Statement of Net Position Summary: Net Assets	February 28th FY 2023	February 28th FY 2022
Assets:		
Current and other Assets	$ 29,415,528	$ 26,386,345
Capital Assets	106,784,787	96,285,549
Total Assets:	136,200,315	122,671,894
Deferred outflows of resources:	1,723,673	1,138,412
Liabilities:		
Long-Term Debt Outstanding	$ 36,596,918	$ 28,525,362
Other Liabilities	10,656,961	9,911,594
Total Liabilities:	47,253,879	38,436,956
Deferred inflows of resources:	2,569,311	2,238,303
Net Assets:		
Net Investments in Capital Assets	$ 51,667,911	$ 56,535,708
Restricted	13,814,477	6,717,569
Unrestricted	22,618,410	19,881,770
Net Position:	$ 88,100,798	$ 83,135,047

Please note recent accounting policy requires that we include the amount of any remaining funds not drawn down at year end from current Bonds or Loans as a Receivable Asset and offset as a Debt Outstanding.

Table A-1 above shows that Net Position increased $4.9MM from $83.1MM in FY2022 to $88.1MM in FY2023. Total assets increased by $13.5MM from FY2022 to FY2023, total liabilities increased by almost $8.8MM largely due to a new private bond issue in early FY2023 offset with decreases in the net pension obligation and other post-employment benefit liability. In addition, deferred outflows of resources increased $585K and deferred inflows of resources increased by $331K in FY2023.

A further review shows that the Authority's Net Investments in Capital decreased by $4.9MM and Restricted Net Assets increased by $7.1MM. These borrowed funds can only be used for the Capital Projects outlined in the loan agreements. The Unrestricted net position (which can be used to finance day-to-day operations) increased by a net also of approximately $2.7MM.

Net Position (*Continued*)

Table A-2

Statement of Revenues Expenses & Changes in Net Position	February 28th FY 2023	February 28th FY 2022
Revenues:		
Operating revenues	$ 16,167,735	$ 16,066,002
Non-Operating Revenues	634,339	18,027
Total Revenue	16,802,074	16,084,029
Operating Expenses:		
Water Operations	4,955,031	4,651,424
Insurance, Taxes & EE Benefits	1,516,712	1,270,306
Depreciation Expense	2,213,605	2,046,345
Customer Service & Accounting	596,072	545,088
Administration	1,666,042	1,808,849
Total Expenses	$ 10,947,462	$ 10,322,012
Non-Operating Expense	(1,003,776)	(745,366)
Increase in net position before Contributed Capital	4,850,836	5,016,650
Capital contributions	114,915	83,920
Changes in Net Position:	4,965,751	5,100,570
Net position- beginning	83,135,047	78,034,477
Net position- ending	$ 88,100,798	$ 83,135,047

While the Statements of Net Position show the change in the financial position of the Authority, the Statements of Revenues, Expenses and Changes in Net Position provide answers as to the nature and source of these changes. As can be seen in Table A-2 above, Net Revenue (Total Revenues less Total Expenses) was $4.9MM in FY2023 as compared to $5.1MM in FY2022. A closer examination of the source of changes in net position reveals that the Authority's operating revenues increased by $102K in FY2023 versus a decrease of $158K in FY2022. These revenue changes in FY2023 and FY2022 are reflective of a 4.0% and 3.5% rate increase respectively imposed each year. The increase in FY2023 was attributable the effect of the rate increase offset by a slight decrease in water consumption by our customers in FY 2023 versus FY 2022.

Total expenses increased from $10.32MM in FY2022 to $10.9MM in FY2023. This increase was caused by the adjustments related to the pension plan along with the minor increase in all other expenses.

You may also note that Capital Contributions increased over $31K in FY2023 indicating an increase in the number of new service contributions for the year. Overall, the Authority has shown a steady healthy increase in Net Position over the past five years averaging over $4.6MM per year.

Budgetary Highlights

As required by its By-Laws, the Authority adopts an Operations and Maintenance and a Capital Budget prior to the start of its fiscal year. The budgets remain in effect the entire year and are usually not revised as is the case in many governments. A Fiscal 2023 and 2022 budget comparison and analysis are presented in the interim financial statements; however, they are not reported on nor shown in the audited financial statement section of this report.

Table A-3

Summary: Budget vs Actual	Budget FY 2023	Actual FY 2023	Budget FY 2022	Actual FY 2022
Revenues:				
Operating Revenues	$ 15,098,497	$ 16,167,735	$ 14,588,478	$ 16,066,002
Non-Operating Revenues	22,000	634,339	20,000	18,027
Total Revenues	15,120,497	16,802,074	14,608,478	16,084,029
Operating Expenses:				
Water Operations	6,130,200	4,955,031	5,963,103	4,651,424
Insurance, Taxes and EE Benefits	1,448,809	1,516,712	1,659,292	1,270,306
Depreciation Expense	2,250,000	2,213,605	2,064,000	2,046,345
Customer Service & Acccounting	486,387	596,072	534,012	545,088
Administration	2,032,741	1,666,042	2,157,320	1,808,849
Total Operating Expenses:	12,348,137	10,947,462	12,377,727	10,322,012
Non-Operating Expenses	1,070,000	1,003,776	910,000	745,366
Total Expenses	13,418,137	11,951,238	13,287,727	11,067,378
Increase in Net Position before Contributed Capital	1,702,360	4,850,836	1,430,751	5,016,650
Capital contributions	100,000	114,915	120,000	83,920
Increase in Net Position	1,802,360	4,965,751	1,550,751	5,100,570
Net position- beginning	83,135,047	83,135,047	78,034,477	78,034,477
Net position- ending	$ 84,937,407	$ 88,100,798	$ 79,585,228	$ 83,135,047

As can be seen from Table A-3 above, the FY2023 revenues were 111.1% of budget estimates while total expenses were 76.8% of budget. The ending Net Position was 105.7% of the Budget projection.

In FY2022 total revenues were 110.1% of budget estimates while total expenses were 83.4% of budget. The ending Net Position was 104.5% of the Budget projection.

Actual expenses in FY2023 were 10.9% lower than budgeted estimates largely due to water consumption returning to a normal level of usage along with some decreases in operation expenses. This decrease includes a decrease in professional services versus budget due largely to delays in projects. Revenues in FY2023 were higher than budget expectations based upon the 4.0% rate increase in FY 2022 plus the 4.0% increase in FY 2023 offsetting the decreased consumption as we return to normal usage.

Capital Assets and Debt Administration

At the end of Fiscal 2023, the Authority had invested $89.5 million in a broad range of infrastructure including reservoirs, dams, water plants and facilities, maintenance and administration facilities, water lines, vehicles and equipment as shown in Table A-4.

Table A-4
Capital Assets

	February 28th FY 2023	February 28th FY 2022
Capital Assets:		
Land and improvements	$ 3,274,221	$ 3,274,221
Treatment, storage and admin facilities	9,760,018	9,734,485
Distribution system	99,000,154	90,557,796
Equipment	12,172,502	12,125,841
Construction in progress	4,202,980	7,040,829
Total Capital Assets:	128,409,875	122,733,172
Less accumulated depreciation	(35,439,566)	(33,281,711)
Net Capital Assets	$ 92,970,309	$ 89,451,461

During **FY2023** the following are major capital asset additions or changes:

- $47K in Equipment which includes $27.6K for a new Pickup.
- $8.4MM in the Distribution System which includes $7.5M for Phase 1 completion.
- $25K in Treatment, Storage & Admin Facilities.
- $2.8MM decrease in Construction in Process Phase 1 completion offsetting the projects underway.

During **FY2022** the following are major capital asset additions or changes:

- $42K in Equipment which includes $9K in Meters
- $5.1MM in the Distribution System which includes $64K in New Services
- $337K in Treatment, Storage & Admin Facilities
- $3.7MM increase in Construction in Process with more projects underway.

In Table A-5 below, the Authority's Fiscal 2024 Capital Budget estimates spending approximately $7.9MM for Capital Projects, principally for supply and distribution. Approximately, $5.75MM will be paid by the project funds from the Webster bond which was obtained in March 2023. The remaining balance will be paid by cash IFR funds and projected cash flow in FY2024.

Table A-5
Capital Budget FY 2024

Computer Systems/SCADA	$ 50,000
Facilities	785,000
Supply and distribution	6,760,000
Equipment/meters/vehicles	295,000
Total	$ 7,890,000

Long Term Debt

Table A-6 **Debt Service Ratio Coverage**	February 28th FY 2023		February 28th FY 2022		February 29th FY 2021	
Revenue fund balance	$21,221,350		$18,509,028		$15,554,265	
Revenue collected from operations	16,735,000		16,250,000		16,100,000	
Interest income	486,227		3,264		175,511	
Total Revenue Available	38,442,577		34,762,292		31,829,776	
Total Operating Expenses, Net	$ 8,519,282	**	$ 8,816,771	**	$ 8,362,517	**
Net Revenues Available	$29,923,295		$25,945,521		$23,467,259	
Debt Service Requirement	$ 4,356,383		$ 3,405,787		$ 3,480,765	
Debt Service Coverage Ratio	6.87		7.62		6.74	
Debt Service Required Ratio	1.25		1.25		1.25	

Table A-6 shows the decrease in the Authority's Debt Service Ratio from 7.62 in FY2022 to 6.87 in FY2023 due to an increase in debt service offset by the increase in the Revenue Fund balance this year. Our Bond and Loan covenants require that the Authority maintains at least a 1.25 ratio of net revenues available to cover the current debt service for each year. A ratio consistently over 6.50 creates more confidence from lenders meaning lower rates for our current and future borrowing. This is evident in the excellent rates we received on our $12MM Webster bond (2.88%) subsequent to FY 2023 and the TD Bank refunding of the 2014A bond this year to a 5-year bond at a rate of .975% during FY 2022. The key to this improvement has been building our Revenue & IFR Reserve Funds over the last few years and the recent reduction in debt service as BCWA paid off older bonds. (** Note-FY2021, FY2022, and FY2023 Net Expenses are net of cash paid to capital projects from operating cash).

Table A-7 **Cost of Capital**	Debt Balance Feb. 28, 2023	Average Coupon Rate	Debt Balance Feb. 28, 2022	Average Coupon Rate
Bond/Loan:				
2008 Loan	$ 2,393,000	3.150%	$ 2,684,000	3.150%
2011 Loan	531,000	2.930%	580,000	2.930%
2012 Loan (RICWFA)	0	1.400%	55,000	1.400%
2014 Loan (RICWFA)	912,554	2.180%	974,551	2.180%
2018 Bond (TD Bank)	2,641,709	3.320%	3,086,476	3.320%
2018 Bond (RIIB)	3,246,100	2.030%	3,402,100	2.030%
2019 Bond (Chase)	14,771,000	1.880%	15,863,000	1.880%
2021 Bond (TD Bank)*	4,030,000	0.975%	5,350,000	0.975%
2022 Bond (Webster)	12,000,000	2.880%	0	0.000%
Total Bond/Loan Balance:	$ 40,525,363		$ 31,995,127	

Table A-7 above shows that the total net Bond/Loan balance increased by approximately $8.5MM in FY2023 a result of the 2022 Webster bonds which were issued in March 2022 less principal payments on the remaining bonds during FY2023.

Economic Factors and Next Year's Budget and Rates

The Authority's Board of Directors and management considered many factors when setting the Fiscal 2024 budget, user fees, and charges. Inflation in the Bristol County area is considered to be comparable to the National Consumer Price Index (CPI) increase. The Authority uses regional average wage increases and wage increases in accordance with its collective bargaining agreement when considering employment cost increases. These indicators were taken into consideration when adopting the Authority budget for Fiscal 2024. However, historical financial data also plays a large part in its formulation.

Table A-8 **FY 2024 Budget vs. FY 2023 Actual**	Budget FY 2024	Actual FY 2023
Revenues:		
Operating Revenues	$ 15,867,055	$ 16,167,735
Non-Operating Revenues	104,004	634,339
Total Revenues	15,971,059	16,802,074
Expenses:		
Depreciation Expense	2,300,004	2,213,605
Other Operating Expenses	9,286,644	6,984,842
Non-Operating Expense	3,798,700	2,752,791
Total Expenses	15,385,348	11,951,238
Increase in Net Position before Contributed Capital	585,711	4,850,836
Capital contributions	108,000	114,915
Changes in Net Position:	693,711	4,965,751
Net position- beginning	89,747,340	83,135,047
Net position- ending	$ 90,441,051	$ 88,100,798

As shown in Table A-8 above, operating budget revenues available for recovering operating costs are projected to be about $15.9MM, a decrease over last year's actual. Although a rate increase of 6.0% has been budgeted and implemented for Fiscal 2024, the Authority is conservatively projecting revenues to be lower than the actual of FY2023 with consumption returning to a more normal level. Historically the demand for water continues to decline. The possible impact of an extremely wet or dry summer, continued conservation efforts of the ratepayers, and other possible economic factors can play a factor in revenue for the year. We anticipate a sharp increase in non-operating expenses as we start the demolition of the former treatment plant. These projections will be reviewed for propriety each year and/or when operating changes having a financial impact dictate. Budget expenses for FY2024 are estimated to increase versus the actual expenses of FY2023 due to inflationary pressures and the demolition of the former treatment plant. The Authority is always making efforts to reduce costs and will continue to do so in Fiscal 2024

Contacting the Authority's Manager of Finance

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Bristol County Water Authority's Manager of Finance, P. 0. Box 447, Warren, Rhode Island 02885.

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Fund Financial Section

BRISTOL COUNTY WATER AUTHORITY

Statement of Net Position

February 28, 2023 and February 28, 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	$ 590,783	$ 698,450
Accounts recevable, less allowance of		
$437,813 and $306,923 in 2023 and 2022		
Billed	1,710,172	1,296,012
Unbilled	1,654,052	1,995,012
Total accounts receivable	3,364,224	3,291,024
Accrued investment income	114,889	218
Prepaid Items	40,513	43,120
Inventory and other assets	242,518	231,443
Unrestricted current assets		
Funds held by BCWA	25,062,601	22,122,090
Total Current Assets	29,415,528	26,386,345
Noncurrent Assets		
Restricted Assets		
Funds held by trustee	7,310,461	5,865,677
Bond Proceeds	6,504,017	851,892
Net Pension asset	0	116,519
Non-depreciable capital assets	3,274,222	3,274,222
Depreciable capital assets	89,696,087	86,177,239
Total Noncurrent Assets	106,784,787	96,285,549
Total Assets	136,200,315	122,671,894
Deferred Outflows of Resources		
Pension related outflows	1,021,191	424,616
OPEB related outflows	702,482	713,796
Total Deferred Outflows of Resources	$ 1,723,673	$ 1,138,412
Total Assets and Deferred Outflows of Resources	$ 137,923,988	$ 123,810,306

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Net Position *(continued)*

February 28, 2023 and February 28, 2022

	2023	2022
Liabilities		
Current Liabilities		
Accounts payable	$ 298,146	$ 323,097
Other payables	142,544	147,167
Accrued expenses	414,553	389,726
Customer deposits, net	413,675	387,261
State water protection escrow	701,608	692,228
Retainage payable	315,429	455,562
Accrued interest expense	412,145	290,717
Long-term debt due within one year	3,928,445	3,469,765
Total Current Liabilities	6,626,545	6,155,523
Noncurrent Liabilities		
Net pension obligation	823,271	0
Net other post employment benefit liability	3,207,145	3,756,071
Long-term debt due after one year	36,596,918	28,525,362
Total Non-Current Liabilities	40,627,334	32,281,433
Total Liabilities	47,253,879	38,436,956
Deferred Inflows of Resources		
Deferred bond subsidy	176,678	188,682
Pension related inflows	432,365	596,898
OPEB related inflows	1,960,268	1,452,723
Total Deferred Inflows of Resources	2,569,311	2,238,303
Net Position		
Net investment in capital assets	51,667,911	56,535,708
Restricted	13,814,477	6,717,569
Unrestricted	22,618,410	19,881,770
Total Net Position	$ 88,100,798	$ 83,135,047
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 137,923,988	$ 123,810,306

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Revenues, Expenses and Changes in Net Position

Years Ended February 28, 2023 and February 28, 2022

	2023	2022
Operating Revenues (Net Refunds)		
Water	$ 15,708,008	$ 15,621,589
Fire services	348,489	334,680
Other	111,238	109,733
Total Operating Revenues (Net Refunds)	16,167,735	16,066,002
Operating Expenses		
Operations	7,088,361	6,519,160
Operations - nonrecurring	102,472	185,625
Engineering and administrative	1,543,024	1,570,883
Depreciation	2,213,605	2,046,345
Total Operating Expenses	10,947,462	10,322,013
Operating Income	5,220,273	5,743,989
Non-Operating Revenues (Expenses)		
Interest income	636,215	20,669
Interest expense	(1,003,776)	(745,366)
Other	(1,876)	(2,642)
Net Non-Operating Revenues (Expenses)	(369,437)	(727,339)
Increase in Net Position before Capital Contributions	4,850,836	5,016,650
Capital Contributions		
Capital contributions	114,915	83,920
Increase in Net Position	4,965,751	5,100,570
Net Position at March 1	83,135,047	78,034,477
Net Position at February 28	$ 88,100,798	$ 83,135,047

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Cash Flows

Years Ended February 28, 2023 and February 28, 2022

	2023	2022
Cash Flows from Operating Activities:		
Cash received from customers	$ 16,120,949	$ 15,867,157
Cash received from government agency	(4,623)	(5,237)
Cash paid to employees and suppliers for goods and services	(8,745,971)	(8,026,066)
Net Cash Provided by Operating Activities	7,370,355	7,835,854
Cash Flows from Investing Activities:		
Interest income (expense), net	636,215	20,669
BCWA and trustee revenue and debt service accounts, net	(4,385,295)	(2,643,963)
Net Cash used for Investing Activities	(3,749,080)	(2,623,294)
Cash flows from capital and Related Financing Activities:		
Purchase of property, plant and equipment	(5,617,538)	(9,156,195)
Proceeds from long-term debt	6,347,875	8,263,420
Payments on bonds and note payable	(3,460,384)	(3,417,867)
Interest payments	(998,895)	(764,009)
Net cash provided by (used for) Capital and Related Financing Activities	(3,728,942)	(5,074,651)
Net Increase in Cash and Cash Equivalents	(107,667)	137,909
Cash and Cash Equivalents, March 1	698,450	560,541
Cash and Cash Equivalents, February 28	$ 590,783	$ 698,450
Cash and Cash Equivalents, per Balance Sheet	$ 590,783	$ 698,450

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Cash Flows (*Continued*)

Years Ended February 28, 2023 and February 28, 2022

	2023	2022
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 5,220,273	$ 5,743,989
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,213,605	2,046,345
Change in customer extension deposits		
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	(46,786)	(198,845)
Increase (decrease) in inventory and other assets	(8,468)	91,401
Increase (decrease) in deferred outflows of resources	(585,261)	89,438
Increase (decrease) in other liability	(4,623)	(5,237)
(Decrease) increase in accounts payable and accrued expenses	(140,257)	292,568
(Decrease) increase in net pension liability	939,790	(761,620)
(Decrease) increase in other post employment liability	(548,926)	(966,043)
(Decrease) increase in deferred inflows of resources	331,008	1,503,858
Net Cash Provided by Operating Activities	$ 7,370,355	$ 7,835,854

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Fiduciary Net Position
(Except Pension Trust Fund, which is as of June 30, 2022 and June 30, 2021)

February 28, 2023 and February 28, 2022

	OPEB and Pension Trust Fund (as of June 30 2022 and 2021)	
	2023	2022
Assets		
Cash and cash equivalents	$ 0	$ 0
Investments, at fair value		
Fixed Income	2,426,686	1,535,784
Equity	2,115,496	3,812,931
Short-Term	30,684	254,478
Investment income	0	0
Total assets	4,572,866	5,603,193
Liabilities		
None	0	0
Net Position		
Restricted for pension	3,293,332	4,347,596
Held in trust for other post-employment benefits	1,279,534	1,255,597
Total Net Position	$ 4,572,866	$ 5,603,193

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Changes in Fiduciary Net Position
(Except for Pension Trust Fund, which is as of June 30, 2022 and June 30, 2021)

Years Ended February 28, 2023 and February 28, 2022

	OPEB and Pension Trust Fund (as of June 30 2022 and 2021)	
	2023	2022
Additions		
Contributions		
Employer contributions	$ 317,416	$ 508,184
Total contributions	317,416	508,184
Investment income		
Net investment income	(623,684)	1,173,689
Total investment income	(623,684)	1,173,689
Total additions	(306,268)	1,681,873
Deductions		
Administration fees	622,439	8,811
Actual and service benefits payments	101,620	1,626,157
Total deductions	724,059	1,634,968
Change in net position	(1,030,327)	46,905
Net Position - March 1	5,603,193	5,556,288
Net Position - February 28	$ 4,572,866	$ 5,603,193

The accompanying notes are an integral part of the financial statements

Notes to the Financial Statements

NOTE 1. BASIS OF PRESENTATION AND ORGANIZATION

Reporting Entity

The Bristol County Water Authority (the Authority) was authorized as a public corporation on May 12, 1981, by an act of the Rhode Island Legislature and was created for purposes of acquiring, constructing, improving, operating and maintaining water distribution systems in order to provide adequate water supplies to the residents of Bristol County. Bristol County includes the municipalities of Barrington, Bristol and Warren, Rhode Island. In November 1983, the voters of Bristol County approved the establishment of the Authority and, with the appointment of its members, the Authority came into existence on February 28, 1984. The Authority commenced its principal operations on November 25, 1986, with the acquisition of the Bristol County Water Company (Water Company).

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds each of which is 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 two major categories: proprietary and fiduciary.

The funds of the financial reporting entity are described below:

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. The operations of the Authority are accounted for on a Proprietary Fund Type (Enterprise Fund) basis. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other uses. The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority's Proprietary Fund are accounted for on a flow of economic resources management focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position. The statement of net position presents information on the Authorities assets, deferred outflows, liabilities, and deferred inflows. Differences between these amounts are reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating. Net position is segregated into three components: net investment in capital assets, restricted, and unrestricted net position.

Proprietary fund revenues and expenses are recognized on the accrual basis. Revenues are recognized in the accounting period in which they are earned and become measurable; expenses are recognized in the period incurred, if measurable. Operating revenues consist of customer charges for usage and services. All other revenues are considered non-operating sources of revenue.

NOTE 1. BASIS OF PRESENTATION AND ORGANIZATION (CONTINUED)

Fund Financial Statements

Fiduciary Fund

Other Post-Employment Benefit Trust (OPEB) and Pension Trust funds are used to account for resources legally held in trust for the payment of benefits other than pensions. The OPEB Trust Fund accumulates resources for future retiree health and insurance benefits for eligible retirees.

OPEB and Pension trust fund financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due. Investment income is recognized when earned and expenses (benefits and administration) are recognized when they are due and payable in accordance with the terms of the plan.

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, it is the Authority's policy to use restricted resources first.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***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.

***Marketable Securities* -** Marketable securities included in funds held by trustee are stated at fair value.

***Receivables* -** Revenues include amounts billed to customers on a monthly or quarterly cycle basis and unbilled amounts based on estimated usage from the date of the latest meter reading to the end of the Authority's fiscal year. The allowance for doubtful accounts for February 28, 2023 and 2022 was $437,813 and $306,923, respectively.

***Materials and Supplies Inventory* -** Materials and supplies inventory is stated at the lower of cost (average cost method) or market.

***Capital Assets* -** Depreciation is computed on the straight-line method over the estimated remaining useful lives of the applicable assets. The capitalization threshold is any individual item with a total cost equal to or greater than $5,000. Maintenance and repairs are charged to expenses as incurred. Major renewals or betterments are capitalized and depreciated over their estimated useful lives. Estimated useful lives are as follows:

Equipment	5 years
Land improvements	5-45 years
Buildings and storage facilities	10-75 years
Distribution system	40-100 years

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Construction in Progress - Construction in progress consists of the capital projects' design, planning and construction costs. Upon completing the project and finalizing the financial transaction, the construction in progress is transferred into the completed project capital asset account. Once transferred, the Authority will start to depreciate the completed capital project.

Capital Contributions - Capital contributions consist of property, plant, and equipment paid for by customers for water installations. Once the installation is complete, the property, plant, and equipment transfer to the Authority.

Leases – A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. A lessor would recognize a lease receivable and a deferred inflow of resources. A lessee would recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Authority uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than one year and initial present value over a designated threshold are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses. For the year ended February 28, 2023, the authority did not have any lease agreements that met the above criteria.

Subscription-Based Information Technology Arrangements (SBITA) – A SBITA is a contract that conveys control of the right to use another party's IT software, alone or with a combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The entity would need to maintain control over the underlying IT assets (the right to the present service capacity and to dictate the nature and manner of use of the asset).

Short-Term SBITA's, a maximum term of 12 months at the commencement of the subscription period, and maintenance fees from already purchased programs, are exempt from the implementation of GASB 96. For the fiscal year ended February 28, 2023, the Authority only had maintenance expenses, which did not increase the efficiency or add functionality.

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. At February 28, 2023 and 2022, there were $1,723,673 and $1,138,412 in deferred outflows respectively, relating to pension and OPEB related outflows.

In addition to liabilities, the statement of financial position can 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 February 28, 2023 and 2022, there were $2,569,311 and $2,238,303, respectively in deferred inflows relating to subsidies, pension and OPEB inflows.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences – Employees are granted vacation and sick leave in varying amounts based on years of service with the Authority. At the termination of service, an employee is paid for accumulated unused vacation leave and sick leave. Sick leave payments are based on age and years of service for both union and non-union employees. The accrued vacation and sick leave is reported on the Statement of Net Position as accrued expenses under liabilities.

Long-term Debt – Long-term debt is reported as a liability in the Statement of Net Position. Bond premiums are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium.

***Income Taxes* -** The Authority is exempt from Federal and State income taxes.

***Regulatory* -** The Authority sets their own rates and have a public rate hike hearing for the ratepayers to ask questions and express opinions, however the decision is ultimately that of the Board.

***Use of Estimates* -** The preparation of financial statements in conformity with GAAP 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 expenses during the reporting period. Actual results could differ from those estimates.

***Summarized Financial Information* -** The financial information for the year February 28, 2022, 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.

***Recently Issued Accounting Standards* –** For the year ending February 28, 2023, the Authority implemented the following pronouncements issued by the GASB:

- GASB Statement No. 91, *Conduit Debt Obligations*. This Statement is effective for reporting periods beginning after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. ***There was no effect on the Authority's financial statements for fiscal year 2023.***

- Statement No. 93, "Replacement of Interbank Offered Rates". GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. ***There was no effect on the Authority's financial statements for fiscal year 2023.***

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards – For the year ending February 28, 2023, the Authority implemented the following pronouncements issued by the GASB: *(continued)*

- Statement No. 94, "Public-Private and Public-Public Partnerships and Availability Payment Arrangements". GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). ***There was no effect on the Authority's financial statements for fiscal year 2023.***

- Statement No. 96, "Subscription-Based Information Technology Arrangements". GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. ***There was no material effect on the Authority's financial statements for fiscal year 2023.***

- Statement No. 97, "Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32". The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. ***This standard did not apply to the Authority in fiscal year 2023.***

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting standards that the Authority is currently reviewing for applicability and potential impacts on future financial statements include (continued)–

- GASB Statement No. 99, *Omnibus 2022*, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. ***The impact of this standard will be evaluated by the Authority's management for fiscal year 2024.***

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No.62,* This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting— understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. ***The impact of this standard will be evaluated by the Authority's management for fiscal year 2024.***

- GASB Statement No. 101, *Compensated Absences,* This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. ***The impact of this standard will be evaluated by the Authority's management for fiscal year 2024.***

NOTE 3. CASH AND CASH EQUIVALENTS

The carrying amount of deposits is separately displayed on the Statement of Net Position as "cash and cash equivalents". The carrying value of deposits, investments and petty cash funds reported on the Statement of Net Position as "cash and cash equivalents" are as follows:

Description	2023	2022
Petty cash	$ 800	$ 477
Deposits with financial institutions	589,983	697,973
Total cash and cash equivalents	$ 590,783	$ 698,450

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

The carrying amount of the Authority's deposits at February 28, 2023 was $590,783 and the bank balance was $602,839.

***Custodial Credit Risk* -** Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority 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 February 28, 2023, all of the authority's funds were either FDIC insured or under a collateralization agreement, whereas as of February 28, 2022, the Authority had $468,691 uninsured funds.

	2023 Bank Balance	2022 Bank Balance
Insured (Federal depository insurance funds)	$ 273,545	$ 264,842
Collateralized	329,294	0
Uninsured	0	468,691
Total bank balance	$ 602,839	$ 264,842

The commercial paper had credit ratings of AA-/Aa1 by Standard & Poor's and Moody's at both February 28, 2023 and February 28, 2022.

NOTE 4. INVESTMENTS

In accordance with the Authority's investment policy, permitted investments include government obligations, bonds, notes or other investments wholly-owned by the United States of America, obligations issued by any state or any public agencies or municipalities which are rated in either of the two highest rating categories by Moody or Standard & Poor, commercial paper under the laws of any state of the United States of America rated A-1 by Moody or P-1 by Standard & Poor, investments in money market fund or other fund invested exclusively of obligations described above. At February 28, 2023 and 2022, the Authority's uncollateralized deposits had maturities of less than ninety (90) days and were with an institution that met the minimum capital standards.

At February 28, 2023, the Authority had the following investments classified as funds held by trustee:

Description	Maturity	Interest Rate	Fair Value	Rating
U.S Bank NA Commercial Paper	3/1/2022	0.2%	$ 13,814,478	Aa1, AA-

At February 28, 2022, the Authority had the following investments classified as funds held by trustee:

Description	Maturity	Interest Rate	Fair Value	Rating
U.S Bank NA Commercial Paper	3/1/2021	0.2%	$ 6,717,569	Aa1, AA-

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The Authority does not have a deposit or investment policy for custodial credit risk.

Interest Rate Risk - It is the policy of the Authority to limit the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing changing rates.

Credit Risk - Government Money Market is not a rated security, as the fund invests in short-term obligations issued by the U.S. Treasury and invests in repurchase agreements and other instruments collateralized or secured by U.S. Treasury obligations. The U.S. Treasury does not directly or indirectly insure or guarantee the performance of the fund. Treasury obligations have historically involved minimal risk of loss if held to maturity. However, fluctuations in market interest rates may cause the value of Treasury obligations in the Fund's portfolio to fluctuate.

Concentration of Credit Risk - The Authority does not have a formal policy that limits the amount that may be invested in any one issuer. The U.S. Bank NA Commercial Paper represents 100% of the Authority's investments.

For the purposes of the statements of cash flows, the Authority considers only cash balances in its operating cash accounts as cash. Cash and investment funds held by trustee are not considered cash equivalents due to restrictions on the use of the funds.

NOTE 4. INVESTMENTS (CONTINUED)

Pension trust fund and OPEB trust fund investments had carrying amounts at February 28 as follows:

	2023	2022
Pension (as of June 30, 2022 and 2021)	$ 3,293,332	$ 4,347,596
OPEB	1,279,534	1,255,597
	$ 4,572,866	$ 5,603,193

The Plan categorizes their fair market value measurements within the fair value hierarchy established by generally accepted accounting principles. According to the GASB 72 fair value hierarchy provides the following definition for the three levels of input data for determining the fair value of an asset or liability:

Level 1: represents quoted prices for identical items in active, liquid and visible markets (i.e. Stock exchanges).
Level 2: represents observable information for similar items in active or inactive markets (i.e. two similarly situated buildings in the same real estate market).
Level 3: represents unobservable inputs to be used in situations where markets do not exist or are illiquid (i.e. Credit crisis).

The Plan has the following recurring fair value measurements as of February 28, 2023:

		OPEB Fair Value Measurements		
	February 28, 2023	Quoted Prices in Active Markets Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Mutual Funds				
Fixed Income	$ 505,696	$ 505,696	$ 0	$ 0
Equity	767,551	767,551	0	0
Short Term Investment	6,287	0	6,287	0
Total investments measured at fair value	$ 1,279,534	$ 1,273,247	$ 6,287	$ 0

		Pension Fair Value Measurements		
	June 30, 2022	Quoted Prices in Active Markets Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Mutual Funds				
Fixed Income	$ 1,920,990	$ 1,920,990	$ 0	$ 0
Equity	1,347,945	1,347,945	0	0
Short Term Investment	24,397	0	24,397	0
Total investments measured at fair value	$ 3,293,332	$ 3,268,935	$ 24,397	$ 0

NOTE 5. FUNDS HELD BY TRUSTEE (RESTRICTED NET POSITION)

Pursuant to the Bristol County Water Authority Bond Resolutions (Bond Resolutions) adopted November 13, 1986, and as amended, certain restricted funds that the Authority is required to maintain can be used only for the purposes specified in the Bond Resolution. Furthermore, the Authority is required to establish water rates so that net revenues, as defined in the Bond Resolution, shall equal at least the required debt service ratio of 1.25 during the fiscal year.

The assets of these funds are pledged as security for the bonds. Restricted assets at February 28 are as follows:

Restricted For:	2023	2022
Debt service fund	$ 1,278,075	$ 929,458
Operations and maintenance reserve fund	1,750,000	1,500,000
Debt service reserve fund 2022A	801,180	0
Debt service reserve fund 2021A	674,452	666,068
Debt service reserve fund 2019A	1,411,718	1,394,169
Debt service reserve fund 2018A	479,753	473,789
Debt service reserve fund 2018B	275,078	271,659
Debt service reserve fund 2014A	97,931	96,714
Debt service reserve fund 2012B	51,459	50,819
Debt service reserve fund 2011	74,429	73,504
Debt service reserve fund 2008	414,652	409,497
Project Fund 2019A	12	851,892
Project Fund 2022A	6,505,739	0
Total	$ 13,814,478	$ 6,717,569
Restricted Assets/Net Position on Balance Sheet:	$ 13,814,478	$ 6,717,569

NOTE 5. FUNDS HELD BY TRUSTEE (CONTINUED)

The funds held by the trustee are invested in cash and long and short-term securities that meet the requirements of the Bond Resolution for permitted investments. These investments include money market accounts and commercial paper. These funds are generally collateralized with securities held by the trustee's trust department and are generally uninsured and unregistered securities held by the trustee's trust department as agent for the Authority. The fair value of investments at February 28, 2023 and 2022 were as follows:

	2023	2022
Commercial paper	$ 13,814,478	$ 6,717,569
Total	$ 13,814,478	$ 6,717,569

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity during the year ended February 28, 2023 was as follows:

	Balance at February 28, 2022	Additions	Disposals	Transfers	Balance at February 28, 2023
Non-Depreciable					
Land and improvements	$ 3,274,221	$ 0	$ 0	$ 0	$ 3,274,221
Depreciable					
Treatment, storage and admin facilities	9,734,485	25,533	0	0	9,760,018
Distribution system	90,557,796	8,442,358	0	0	99,000,154
Equipment	12,125,841	46,661	0	0	12,172,502
Capital assets in service	115,692,343	8,514,552	0	0	124,206,895
Construction in progress	7,040,829	0	2,837,849	0	4,202,980
Total capital assets	122,733,172	8,514,552	2,837,849	0	128,409,875
Accumulated depreciation	(33,281,711)	(2,157,855)	0	0	(35,439,566)
Net capital assets	$ 89,451,461	$ 6,356,697	$ 2,837,849	$ 0	$ 92,970,309

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Capital asset activity during the year ended February 28, 2022 was as follows:

	Balance at February 28, 2021	Additions	Disposals	Transfers	Balance at February 28, 2022
Non-Depreciable					
Land and improvements	$ 3,274,221	$ 0	$ 0	$ 0	$ 3,274,221
Depreciable					
Treatment, storage and admin facilities	9,397,916	8,269	0	328300	9,734,485
Distribution system	85,413,312	0	0	5,144,484	90,557,796
Equipment	12,083,411	42,430	0	0	12,125,841
Capital assets in service	110,168,860	50,699	0	5,472,784	115,692,343
Construction in progress	3,325,697	9,187,916	0	(5,472,784)	7,040,829
Total capital assets	113,494,557	9,238,615	0	0	122,733,172
Accumulated depreciation	(31,236,866)	(2,044,845)	0	0	(33,281,711)
Net capital assets	$ 82,257,691	$ 7,193,770	$ 0	$ 0	$ 89,451,461

NOTE 7. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The major components of accounts payable, accrued expenses and customer deposits as of February 28, 2023 and 2022 were as follows:

	2023	2022
Supplier	298,145	$ 323,100
Wages and withholding	373,734	343,570
Taxes	7,430	12,088
Audit	21,000	20,000
Water protection charges	12,390	14,068
Customer deposits	413,675	387,261
Other	142,544	147,164
Total	$ 1,268,918	$1,247,251

NOTE 8. LONG-TERM OBLIGATIONS

The Authority issues revenue bonds and applies for loans to support various projects. The following is a summary of the Bond and Loan activity for the years ended February 28, 2023 and 2022.

	Balance March 1, 2022	Increases	Decreases	Refunding	Principle Forgiveness	Outstanding Balance February 28, 2023	Balance Due in 2024	Interest Paid in 2023
Bonds Payable- Direct Borrowing								
General Revenue Bond. Series 2018A	$ 3,086,476	$ 0	$ 444,767	$ 0	$ 0	$ 2,641,709	$ 459,973	$ 95,856
General Revenue Bond. Series 2019A	15,863,000	0	1,092,000	0	0	14,771,000	1,112,000	279,230
General Revenue Refunding Bond, Series 2021A	5,350,000	0	1,320,000	0	0	4,030,000	1,330,000	51,531
General Revenue Bond, Series 2022A	-	12,000,000	-	0	0	12,000,000	450,000	323,520
Total Bonds Payable	$ 24,299,476	$ 12,000,000	$ 2,856,767	$ -	$ -	$ 33,442,709	$ 3,351,973	$ 750,137
Loans Payable- Direct Borrowing								
Drinking Water Revolving Bond, Series 2008A	2,684,000	0	291,000	0	0	2,393,000	303,000	90,972
Drinking Water SRF- Direct Loan, Series 2011	580,000	0	49,000	0	0	531,000	50,000	21,985
Drinking Water SRF- Direct Loan, Series 2012B	55,000	0	55,000	0	0	0	0	677
Safe Drinking Water Program, Series 2014	974,551	0	74,000	0	12,003	912,554	63,672	31,379
Drinking Water SRF, Series 2018	3,402,100	0	156,000	0	0	3,246,100	159,800	108,626
Total Loans Payable	7,695,651	0	625,000	0	12,003	7,082,654	576,472	253,639
Total Debt	$ 31,995,127	$ 12,000,000	$ 3,481,767	$ -	$ 12,003	$ 40,525,363	$ 3,928,445	$ 1,003,776

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

	Balance March 1, 2021	Increases	Decreases	Refunding	Principle Forgiveness	Outstanding Balance February 28, 2022	Balance Due in 2023	Interest Paid in 2022
Bonds Payable- Direct Borrowing								
General Revenue Bond, Series 2015	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
General Revenue Bond. Series 2018A	3,516,542	0	430,066	0	0	3,086,476	444,768	110,595
General Revenue Bond. Series 2019A	16,936,000	0	1,073,000	0	0	15,863,000	1,092,000	298,963
General Revenue Refunding Bond, Series 2021A	6,660,000	0	1,310,000	0	0	5,350,000	1,320,000	63,091
Total Bonds Payable	$ 27,112,542	$ 0	$ 2,813,066	$ 0	$ 0	$ 24,299,476	$ 2,856,768	$ 472,649
Loans Payable- Direct Borrowing								
Drinking Water Revolving Bond, Series 2008A	2,964,000	0	280,000	0	0	2,684,000	291,000	101,898
Drinking Water SRF- Direct Loan, Series 2011	627,000	0	47,000	0	0	580,000	49,000	23,613
Drinking Water SRF- Direct Loan, Series 2012B	108,000	0	53,000	0	0	55,000	55,000	1,966
Safe Drinking Water Program, Series 2014	1,034,872	0	72,000	0	11,679	974,551	61,997	32,912
Drinking Water SRF, Series 2018	3,554,500	0	152,400	0	0	3,402,100	156,000	112,328
Total Loans Payable	8,288,372	0	604,400	0	11,679	7,695,651	612,997	272,717
Total Debt	$ 35,400,914	$ 0	$ 3,417,466	$ 0	$ 11,679	$ 31,995,127	$ 3,469,765	$ 745,366

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds payable

In December 1995, the Authority issued a 1995 Series A General Revenue Bond (the "1995 Bonds") with a face value of $17,790,000. The net proceeds of approximately $17.3 million (after bond issue costs and discount) were used to refund the 1986 Series A General Revenue Bond (the "1986 Bonds") with an outstanding principal balance of $16,950,000 (plus accrued interest).

The refunding resulted in a difference between the redemption price, which includes a 3% call premium and the net carrying amount of the old debt of approximately $1.1 million. The Authority completed the refunding to reduce its total debt service payments by $3.8 million over the next 20 years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $2.1 million.

In July 1997, the Authority issued a 1997 Series A General Revenue Bond (the "1997 Bonds") with a face value of $12,195,000. The net proceeds of approximately $11,900,000 (after bond issue costs and discount) were used to complete the construction of the East Bay Pipeline and Emergency Connection projects and other distribution improvements.

In August 1998, the Authority issued a 1998 Series A General Revenue Bond (the "1998 Bonds") with a face value of $6,090,000. The net proceeds of approximately $5,881,000 (after bond issue costs and premium) were used to complete the construction of the East Bay Pipeline and Emergency Connection projects and other distribution improvements.

In November 2004, the Authority issued a 2004 Refunding Series A General Bond (the "2004 Bonds") with a face value of $11,295,000. The net proceeds of approximately $11 million (after bond issue costs and premium) were used to refund part of the 1995 Series A General Revenue Bond (the "1995 Bonds") with an outstanding principal balance of $10,695,000 (plus accrued interest).

The refunding resulted in a difference between the redemption price, which includes a 2% call premium and the net carrying amount of the old debt of approximately $474,600. The Authority completed the refunding to reduce its total debt service payments by $798,920 over the next 12 years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $603,402.

In August 2012, the Authority issued a 2012 Refunding Series A General Bond (the "2012A Bonds") with a face value of $6,735,000. The net proceeds of approximately $6,665,000 (after bond issue costs) were used to refund the 1997 Series A (the "1997 Bonds") and 1998 Series A (the "1998 Bonds") General Revenue Bonds with combined outstanding principal balances of $6,600,000 (plus accrued interest).

The Authority completed the refunding to reduce its total debt service payments by $525,617 over the next six years and to obtain an economic gain (difference between the present values of the old and new debt service payments) of $512,451. As of end of fiscal year 2019, the Authority has completed the payment for the 2012 Refunding Series A General Bond (the “2012A Bonds”).

In September 2014, the Authority issued a 2014 Series B General Bond (the "2014B Bonds") with a face value of $8,355,000. The net proceeds of approximately $8,301,000 (after bond issue costs) will be used to complete future capital improvements. Interest on the 2014B Bond is paid semi-annually on March 1 and September 1. Principal payments are made annually on September 1. As of fiscal year 2021, the Authority has completed the payment for the 2014 B Bonds as way of refinance.

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds payable (continued)

In June 2018, the Authority issued a 2018 Series A General Revenue Bond (the “2018A Bonds”) with a face value of $4,600,000. The net proceeds of approximately $4,535,000 (after bond issue costs) will be used to complete capital improvements. Of the approximate total after bond issuance costs, $460,000 of the total will be placed into a Debt Service Reserve Fund. Principal and interest on the 2018A bonds are paid on a monthly basis on the first. Principal and interest payments on the 2018A Bonds outstanding at February 28, 2023 are $444,767 and $95,856, respectively and an outstanding principal balance of $2,641,709.

In September 2019, the Authority issued a 2019 Series A General Revenue Bond (the “2019A Bonds”) with a face value of $18,000,000. The net proceeds of approximately $17,935,000 of which $1,382,113 is placed into a Debt Service Reserve Fund, is to be used for the repairs and improvements of the water main that suffered a major break in FY 2019. Interest on the 2019A Bond is paid semiannually on March 1 and September 1. Principal payments are made annually on September 1. Principal and interest payments as of February 28, 2023 are $1,092,000 and $279,230, respectively with a principal balance of $14,771,000.

In January 2021, the Authority issued a 2021 Series A General Revenue Refunding Bonds (the “2021A Bonds”) with a face value of $6,660,000. The net proceeds of $6,510,000 refinanced 2014B bond. Interest on the 2021A Bond is paid semiannually on January 15 and July 15. Principal payments are made annually on January 15. Principal and interest payments as of February 28, 2023 are 1,320,000 and 51,531, respectively, with a principal balance of $4,030,000.

In March 2022, the Authority issued a 2022 Series A General Revenue Bond (the “2022A Bond”) with a face value of $12,000,000. Interest is paid semiannually on April 1 and October 1. Principal payments are made annually on April 1. Principal and interest payments as of February 28, 2023 are $0 and $353,520, respectively, with a principal balance of $12,000,000.

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds payable (continued)

The annual debt service requirements of the general long-term bonds payable as of February 28, 2023 are as follows:

	Bonds from Direct Borrowings		
Fiscal Year Ended February 28:	Principal	Interest	Total
2024	$ 3,351,990	$ 729,012	$ 4,081,002
2025	3,418,489	667,309	4,085,798
2026	3,474,951	603,629	4,078,580
2027	2,172,769	538,845	2,711,614
2028	2,227,161	485,723	2,712,884
2029-2035	18,797,349	2,895,812	21,693,161
	$33,442,709	$5,920,330	$39,363,039

The Authority's outstanding notes from direct borrowings relate to business-type activities of $33,442,709 are secured by the Authority's pledge of the proceeds of the bonds, revenues, securities, receivables, sale of Authority's real property, exclusive of monies collected as water quality protection charges, and other amounts in all funds and accounts established by or pursuant to the General Bond Resolutions, except the General Fund and the Rebate Fund.

The Authority must meet certain financial covenants. The Authority was in compliance with all such covenants at February 28, 2023 and 2022.

NOTE 8. LONG-TERM OBLIGATION (CONTINUED)

Loans payable

In June 2008, the Authority obtained a twenty-one year (21), $5,500,000 loan from Rhode Island Infrastructure Bank. There were no drawdowns in the Fiscal Year. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. Principal and interest payments outstanding under the loan agreement as of February 28, 2023 are $2,393,000 and $404,237, respectively.

In October 2011, the Authority obtained a twenty-year (20), $1,000,000 loan from Rhode Island Infrastructure Bank. There were no drawdowns in the Fiscal Year. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. Principal and interest payments outstanding under the loan agreement as of February 28, 2023 are $531,000 and $113,752 respectively.

In November 2012, the Authority obtained a ten-year (10), $500,000 loan from Rhode Island Infrastructure Bank of which there were no drawdowns in the Fiscal Year. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. As of February 28, 2023, this loan has been paid off completely.

In August 2014, the Authority obtained a twenty-year (21), $1,643,232 loan from Rhode Island Infrastructure Bank of which there were no drawdowns in the Fiscal Year. This loan includes principal forgiveness of $266,540 resulting in a net direct loan of $1,376,692. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. Net Principal and interest payments outstanding under the loan agreement as of February 28, 2023 are $912,554 and $219,106 respectively. This Debt also has $176,678 total in loan forgiveness.

In November 2018, the Authority obtained a twenty-year (20), $3,850,000 loan from Rhode Island Infrastructure Bank of which a total of $3,200,816 was drawn down as of February 28, 2021. This loan includes principal forgiveness of $295,500 resulting in a net direct loan of $3,554,500. Interest on the loan payable is paid semi-annually on March 1 and September 1. Principal payments are made annually on September 1. Principal and interest payments outstanding under the loan agreement as of February 28, 2023 are $3,246,100 and $1,018,459 respectively.

The annual debt service requirements of the loans payable as of February 28, 2023 are as follows:

Year Ended February 28,	Principal	Interest & Fees	Total
2024	$ 576,472	$ 254,634	$ 831,106
2025	595,448	235,013	830,461
2026	616,524	214,383	830,907
2027	638,737	192,556	831,293
2028	660,413	169,486	829,899
2029-2038	3,995,060	689,482	4,684,542
	$ 7,082,654	$ 1,755,554	$ 8,838,208

NOTE 9. LINE OF CREDIT

The Authority maintains a loan agreement (Agreement) with Washington Trust Bank. Such Agreement includes a revolving line of credit with maximum available borrowings of $150,000. Interest is payable monthly at the LIBOR 30 days at 1st of the month plus 2.50% (2.50% at February 29, 2016). At February 28, 2023 and 2022, the outstanding balance on the line was $0 and $0, respectively.

NOTE 10. PENSION PLAN

Plan Description

(a) Plan Administration

The Bristol County Water Authority (BCWA) administers the Pension Plan (Plan) for employees of the BCWA, a single employer defined benefit pension plan that provides pensions for employees of the BCWA who were hired prior to September 1, 2012. The pension plan is closed to new entrants.

(b) Benefits Provided

The Plan for employees of the BCWA provides retirement, disability, and death benefits. Retirement benefits for plan members are calculated at 1.85% of the member's final 5-year average salary times the member's years of service to a maximum of 25 years plus 0.7 percent of the member's final 5-year average salary times the member's years of service in excess of 25 years. Members are eligible to retire at age 65, or at 62 with 20 years of service, at age 61 with 19 years of service or at 64 with 17 years of service. All plan members are eligible for disability benefits after 10 years of service. Disability retirement benefits are calculated as 1.15% of the members final 5-year average salary times the member's years of service. Death benefits are payable to the surviving spouse of a member who dies at after 10 years of service. A plan member who leaves BCWA after 5 years of service is vested in their benefit earned to date of termination.

(c) Plan Membership

At June 30, 2022, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	6
Subtotal	17

(d) Contributions

The BCWA establishes contribution rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits expected to be earned by plan members during the year with an additional amount to finance any actuarial gains or losses over the compensation weighted average future working life of active members. For the year ended June 30, 2022 (i.e. the measurement date), the actuarially determined contribution was $176,088 and the actual contribution was $100,000.

NOTE 10. PENSION PLAN (CONTINUED)

Summary of Significant Accounting Policies

(a) Basis of Accounting

The Plan's statement of fiduciary net position and statement of change in fiduciary net position are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined benefit plans. These are included in this financial statement in fiduciary net position as outlined in the Table of Contents. Employer contributions are recognized when made, because there are no required due dates for contributions. Other additions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document. Plan expenses, other than benefits and refunds are recognized on the accrual basis in accordance with generally accepted accounting principles.

(b) Plan Expenses

Certain expenses are paid from the assets of the Plan and are recorded as administrative expenses on the financial statements. These expenses include benefit payment processing fees and other administrative expenses.

(c) Fair Value of Investments

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

(d) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial values at the date of the financial statements. Actual results could differ from these estimates.

Investments

(a) Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the BCWA. It is the policy of the BCWA board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

NOTE 10. PENSION PLAN (CONTINUED)

Investments (Continued)

(a) Investment Policy (Continued)

The following was the BCWA's adopted asset allocation policy as of June 30, 2022:

Asset Class	Target Allocation
Domestic equity	58%
International equity	8%
Fixed income	28%
Short term investments	6%
Cash	0%
Total	100%

(b) Rate of Return

For the year ended June 30, 2022 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was -13.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the BCWA

The components of the net pension liability of the BCWA at June 30, 2022, were as follows:

Total pension liability	$ 4,116,603
Plan fiduciary net position	(3,293,332)
BCWA's net pension liability (asset)	$ 823,271
Plan fiduciary net position as a percentage of the total pension liability	80.00%

NOTE 10. PENSION PLAN (CONTINUED)

Net Pension Liability of the BCWA (Continued)

(a) Actuarial assumptions

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

Inflation	2.00 percent
Salary increases	3.00 percent, average, including inflation
Investment rate of return	7.50 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, with adjustments for future mortality improvement using Mortality Improvement Scale MP-2014. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighted Real Rate of Return
Domestic equity	58%	7.0%	4.06%
International equity	8%	7.5%	0.60%
Fixed income	28%	3.5%	0.98%
Short term investments	6%	2.0%	0.12%
Cash	0%	0.0%	0.00%
Total	100%		5.76%
		Investment Expense	-1.00%
		Inflation	2.00%
		Total Calculated Rate	6.76%
		Long-Term Rate of Return Assumption	7.50%
		Merit and Productivity Pay Increases	1.00%
		Inflation	2.00%
		Salary Increase Assumption	3.00%

NOTE 10. PENSION PLAN (CONTINUED)

Net Pension Liability of the BCWA (Continued)

(b) Discount rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that BCWA contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of 7/01/2021	$ 4,231,077	$ 4,347,596	$ (116,519)
Changes for the year:			
Service cost	42,839	0	42,839
Interest on total pension liability	297,541	0	297,541
Differences between expected and actual experience	158,559	0	158,559
Contributions - employer	0	100,000	(100,000)
Net investment income	0	(540,851)	540,851
Benefit payments	(613,413)	(613,413)	0
Net changes	(114,474)	(1,054,264)	939,790
Balance as of 6/30/2022	$ 4,116,603	$ 3,293,332	$ 823,271

NOTE 10. PENSION PLAN (CONTINUED)

Net Pension Liability of the BCWA (Continued)

(c) Sensitivity of the net pension liability to changes in the discount rate

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

	1% Decrease 6.50%	Current Discount Rate (7.50%)	1% Increase 8.50%
Plan's Net Pension Liability (Asset)	$ 1,093,231	$ 823,271	$ 581,709

(d) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended February 28, 2023, the BCWA recognized pension expense of $278,682. At February 28, 2023, the BCWA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 155,402	$ 0
Difference between projected and actual earnings on plan investments	865,789	432,365
Total deferred outflows / (inflows)	$ 1,021,191	$ 432,365
Net deferred outflows/deferred infows		$ 588,826

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 February 28:	
2024	$ 244,707
2025	130,771
2026	34,614
2027	178,734
2028	0
Thereafter	0
	$ 588,826

NOTE 11. COMMITMENTS AND CONTINGENCIES

Payment in Lieu of Taxes

The Authority has entered into an agreement with the Towns of Bristol County providing for annual payments of $0 and $ 113,550, by the Authority in lieu of taxes to the towns for the years ended February 28, 2023 and 2022. For the fiscal year 2023 through fiscal year 2039, the Authority will make no PILOT payments to the Towns and the Authority will not charge the Town of Bristol County for public fire protection.

Litigation

The Authority is subject to litigation arising from its normal business operations. In the opinion of management, and legal counsel, the ultimate disposition of these matters is not expected to have a material adverse effect on the Authority's combined financial position or results of operations.

Commitment

As of February 28, 2023, and 2022 the Authority had entered into various contracts and had a commitment of approximately $4,065,205 and $8,908,440, respectively, related to these contracts.

NOTE 12. NET POSITION

Net position represents the difference between assets and liabilities. The net position amounts at February 28, 2023 and 2022 were as follows:

	2023	2022
Net investment in capital assets:		
Net capital assets in service	$ 92,970,309	$ 89,451,461
Less: bonds and notes payable	(40,525,362)	(31,995,127)
Less: other capital related liabilities	(777,036)	(920,626)
Net investment in capital assets	51,667,911	56,535,708
Restricted:		
Restricted funds held by trustee	13,814,477	6,717,569
Total restricted	13,814,477	6,717,569
Unrestricted	22,618,410	19,881,770
Total Net Position	$ 88,100,798	$ 83,135,047

Net Investment in Capital Assets

Net investment in capital assets reflects the portion of net position associated with non-liquid capital assets, less outstanding capital assets related debt. The net investment in capital assets also includes cash or cash equivalents restricted for the acquisition of capital assets or debt service.

NOTE 12. NET POSITION (CONTINUED)

Restricted

This category represents external restrictions imposed by creditors, grantors, contributions, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted

This category represents the residual amount of net position not included in the net investment in capital assets or the restricted categories highlighted above.

NOTE 13. MAJOR SUPPLIER

The Authority's water purchases from one supplier for the years ended February 28, 2023 and 2022 were approximately 23.2% and 22.7%, respectively, of the Authority's operations expense.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS

Plan Description

The cost of post-employment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in future years when it will be paid. In adopting the requirements of GASB Statement No. 75 during the year ended February 28, 2023, the Authority recognizes the cost of post-employment healthcare and life insurance in the year when the employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Authority's future cash flows.

The Authority's OPEB Plan is a single employer defined benefit postretirement health and life insurance program. The Authority provides post-employment benefits to eligible retirees in accordance with the various labor contracts and personnel policies. As of March 1, 2023, 25 active employees were participating in the Plan. An actuarial consultant, The Angell Pension Group, Inc., was hired to determine the Authority's actuarial valuation of the post-retirement benefits that are offered to current and future retirees as of February 28, 2010, which was the first actuarial valuation that the Authority had in determining its OPEB obligation. The actuary, as of February 28, 2023, has updated the actuarial valuation. The plan does not issue a stand-alone report.

Basis of Accounting

In fiscal year 2014, the Authority established an OPEB trust fund to fund future OPEB liabilities. The OPEB trust fund financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal budgetary commitments and contractual requirements. Investment income is recognized when earned and expenses (benefits and administration) are recognized when they are due and payable in accordance with the terms of the plan.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Funding Policy

The contribution requirements of plan members and the Authority are established and may be amended by the Authority, subject to applicable labor contracts. Contributions are recognized when due on a pay-as-you-go basis, pursuant to formal budgetary commitments and contractual requirements.

Benefit Provisions and Contributions

Eligible retirees receive medical and dental insurance coverage under individual or individual/spouse plans. Retirees are required to contribute to the cost of health insurance at a co-pay rate of 6% in the first year of retirement. The co-pay rate gradually increases to 20% by year four of retirement and thereafter. No health coverage is available to a retiree whose spouse has similar insurance coverage available. If the participant retires earlier than age 65, or his/her spouse is under the age of 65, the Plan will reimburse the participant for full medical and dental coverage outside of the Plan under a health insurance plan that provides equivalent coverage that the Bristol County Water Authority's active health plan would have covered. At age 65, the participants enter in the Authority's Plan 65 medical coverage.

Surviving spousal coverage ends upon the death of a retired member.

Eligible retirees are covered under a $50,000 life insurance policy until age 65. The benefit is then reduced to $25,000 until age 70, when the benefit ends. As of December 1, 2012, retirees who have reached age 70 will be entitled to a $500 stipend per year for the next five years.

Classes of Employees Covered

As of February 28, 2023 (date of the last actuarial valuation) membership data was as follows:

Description	Active Employees	Inactive or Beneficiaries Receiving Benefits	Total
Number	25	30	55

Actuarial Methods and Assumptions

The accompanying schedules of employer contributions present trend information about the amounts contributed to the Plan by employers in comparison to the Actuarially Determined Contribution (ADC). The ADC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. 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 the 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.

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

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. The annual OPEB cost was determined as part of the actuarial valuation. Additional information and assumptions used as of the last actuarial valuation are summarized below:

	Notes to Required Supplementary Information:
Actuarial Methods:	
Measurement Date:	March 1, 2022 for OPEB expense and February 28, 2023 for Net OPEB Liability
Actuarial Cost Method:	Costs have been computed in accordance with the Entry Age Actuarial Cost Method. The service cost is the sume of the service costs for all participants For a current participant, the individual service cost is (a) the present value of future benefits as of the participant's entry age divided by (b) the present value of future compensation as of the partcipant's entry age multiplied by (c) current compensation. For other than a current active participant, the service cost equal $0. The accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability is equal to (d) the present value of future benefits less (e) the service cost accrual rate multiplies by (f) the present value of future compensation.
Asset-Valuation Method:	For purposes of determining the unfunded actuarial liability, the actuarial value of assets is equal to the fair market value.
Census Information:	Census data as of March 1, 2021 and premium information as of February 28, 2022 were used to calculate the OPEB Expense. Census data and premium information as of March 1, 202 were used to calculate the Total OPEB Liability as of March 1, 2023
Actuarial Assumptions:	
Discount rate:	4.77% for February 28, 2023 3.33% for February 28, 2022 2.55% for February 28, 2021
Investment Rate of Return:	6.75%
Salary Scale:	3.00%
Healthy Mortality:	PubG.H-2010 Employee and Healthy Annuitant with Scale MP-2021 generational improvements (Male/Female)
Disabled Mortality:	PubG.H-2010 Disabled Annuitant with Scale MP-2021 generational improvements (Male/Female)
Health Care Cost Trend Rates:	
Medical Costs:	Starting at 6.5% grading down using the Getzen model to an ultmate rate of 34.14%
Participation:	100% of eligible future retirees are assumed to elect medical coverage under Plan
Marital Status:	80% of future retirees are assumed to be married and elect family medical coverage. Female spouses are assumed to be 3 years younger than males.
Retirement Rates:	Ranging from 5% at age 55 to 100% at age 70
Aging Assumption:	Dental claims costs are assumed to increase by 3.00% per year of age up to age 70 Medical claim costs are assumed to increase range from: from 3.0% at <70 to 0.0% at 90+

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Investment Policy and Rate of Return

The Water District's policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members.

For the year ended February 28, 2023 the annual money-weighted rate of return on investment, net of investment expense, was -6.33%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The following was the Authority's adopted asset allocation policy as of February 28, 2023:

Asset Class	Asset Allocation	Target Allocation	Long-term Expected Real Rate of Return
Cash and Receivables	0.00%	N/A	N/A
Cash and Equivalents	0.00%	N/A	N/A
Mutual Funds - Fixed Income	40.00%	N/A	N/A
Mutual Funds - Equity	60.00%	N/A	N/A
Total	100.00%	N/A	

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at March 1, 2022	$ 5,011,668	$ 1,255,597	$ 3,756,071
Service cost	247,342	0	247,342
Interest on Total OPEB liability	171,670	0	171,670
Differences between actual and expected experience	(67,987)	0	(67,987)
Changes in assumptions	(774,394)	0	(774,394)
Benefit payments, including refunds	(101,620)	(101,620)	0
Trust administrative expenses	0	(9,026)	9,026
Contributions - employer	0	217,416	(217,416)
Contributions - active employees	0	0	0
Net investment income	0	(82,833)	82,833
Net changes	(524,989)	23,937	(548,926)
Balances at February 28, 2023	$ 4,486,679	$ 1,279,534	$ 3,207,145

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

The following presents the net OPEB liability of the Authority, 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 (3.77 percent) or 1-percentage-point higher (5.77 percent) than the current discount rate:

	Impact of 1% Change in Discount Rate		
	1% Decrease (3.77%)	Current discount rate (4.77%)	1% Increase (5.77%)
Total OPEB liability	$ 3,814,102	$ 3,207,145	$ 2,704,755

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate(continued)

The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using health care cost trend rates that are 1-percentage point lower (3.14 percent) or 1-percentage-point higher (5.14 percent) than the current discount rate:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (5.5% decreasing to 3.14%)	Current trend rate (6.5% decreasing to 4.14%)	1% Increase (7.5% decreasing to 5.14%)
Total OPEB liability	$ 2,614,390	$ 3,207,145	$ 3,959,378

Net OPEB Liability

The components of the net OPEB liability of the Authority at February 28, 2023 were as follows:

Total OPEB liability	$ 4,486,679
Plans fiduciary net position	(1,279,534)
Authority's net OPEB liability	$ 3,207,145
Plan net position as a percentage of the total OPEB liability	-28.52%

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

For the year ended February 28, 2023 the Authority reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference between expected and actual experience	$ 26,748	$ (546,731)
Changes of assumptions	522,269	(1,371,855)
Difference between projected and actual earnings on OPEB plan investments	153,465	(41,682)
Total Deferred Outflows/(Inflows)	$ 702,482	$ (1,960,268)
		$ (1,257,786)

NOTE 14. OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB (continued)

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

Year ended February 29:	
2024	$ (162,068)
2025	(168,662)
2026	(144,860)
2027	(149,584)
2028	(244,210)
Thereafter	(388,402)
	$ (1,257,786)

NOTE 15. DEFERRED COMPENSATION PLAN

The Authority offers its employees “The Bristol County Water Authority 457(b) Deferred Compensation Plan” (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan, available to all Authority employees hired after September 1, 2012, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The Authority's Board of Directors is responsible for establishing or amending the Plan’s provisions and establishing or amending contribution requirements. The defined contribution Plan is currently administered by Security Benefits.

The Authority is obligated to remit to the administrator an amount equal to 5% of each employee's prior year's base rate compensation on an annual basis. If an employee contributes 5% or more of their base rate compensation, the Authority will also match up to 3% of base employee compensation. The Authority's contribution totaled $207,323 and $196,928 for the years ended February 28, 2023 and 2022, respectively. Employees are allowed to make contributions to the Plan up to, but not exceeding, the lesser of 33 1/3% of their individual compensation or $18,000 ($24,000 if age 50 or older). Employee contributions to the Plan for the years ended February 28, 2023 and 2022 were $124,523 and $122,541, respectively. The employees pick and manage their selection of a broad range of funds as offered by Security Benefits.

NOTE 16. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS (OPEB)

GAAP requires that all pension and Other Postemployment Trust Funds (OPEB) be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plan that are included in the Fiduciary Funds as Pension and Other Postemployment Benefits Trust funds, comparatively.

Statement of Fiduciary Net Position

	OPEB Trust Fund		Pension Trust Fund (as of June 30)	
	2023	2022	2022	2021
Assets				
Short term investments	$ 6,287	$ 107,720	$ 24,397	$ 146,758
Investments, at fair value	1,273,247	1,147,877	3,268,935	4,200,839
Investment income	0	0	0	0
Total Assets	1,279,534	1,255,597	3,293,332	4,347,597
Deferred outflows of resources				
None	0	0	0	0
Total Deferred outflows of resources	0	0	0	0
Total assets and deferred outflows of resources	1,279,534	1,255,597	3,293,332	4,347,597
Liabilities				
None	0	0	0	0
Total liabilities	0	0	0	0
Deferred inflows of resources				
None	0	0	0	0
Total deferred inflows of resources	0	0	0	0
Net Position				
Restricted- OPEB benefits	1,279,534	1,255,597	0	0
Restricted- Pension benefits	0	0	3,293,332	4,347,597
Total net position	1,279,534	1,255,597	3,293,332	4,347,597
Total liabilities, deferred inflows of resources and net position	$1,279,534	$1,255,597	$3,293,332	$4,347,597

NOTE 16. FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS (OPEB) (CONTINUED)

Statement of Changes in Fiduciary Net Position

	OPEB Trust Fund		Pension Trust Fund (as of June 30)	
	2023	2022	2022	2021
Additions				
Contributions				
Employer contributions	$ 217,416	$ 230,184	$ 100,000	$ 278,000
Total contributions	217,416	230,184	100,000	278,000
Investment Income				
Net Investment Income	205,091	48,932	(540,851)	1,152,827
Total investment income	205,091	48,932	(540,851)	1,152,827
Total additions	422,507	279,116	(440,851)	1,430,827
Deductions				
Administration fees	9,026	8,811	41,744	28,070
Actual and service benefits payments	101,620	89,624	613,413	1,536,533
Total deductions	110,646	89,624	655,157	1,564,603
Change in net position	311,861	189,492	(1,096,008)	(133,776)
Net position - March 1, 2022	967,673	778,181	4,389,340	4,523,116
Net position - February 28, 2023	$ 1,279,534	$ 967,673	$ 3,293,332	$ 4,389,340

NOTE 17. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 16, 2023, the date the financial statements were to be issued.

In March of 2023 (Fiscal Year 2024), the Beta Grop for Design of Phase II Pawtucket Pipeline Project, requested an amendment of $414,348, which brought the new total to $1,971,332.

Required Supplementary Information

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Schedule of Changes in the Authority's Net Pension Liability and Related Ratios

Last Ten Fiscal Years**
Measured as of June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability									
Service cost	$ 42,839	$ 42,825	$ 50,344	$ 84,412	$ 79,150	$ 104,910	$ 164,052	$ 165,962	$ 195,345
Interest	297,541	330,077	370,531	398,672	400,373	429,481	473,937	457,069	418,247
Differences between expected and actual experience	158,559	268,235	46,960	(53,738)	104,028	(1,073)	(52,783)	186,447	113,788
Changes of assumptions	0	0	0	0	0	0	0	418,440	328,009
Benefit payments, including refunds of participant contributions	(613,413)	(1,536,533)	(462,851)	(1,078,149)	(144,836)	(1,646,500)	(591,117)	(1,017,891)	(32,262)
Net change in total pension liability	(114,474)	(895,396)	4,984	(648,803)	438,715	(1,113,182)	(5,911)	210,027	1,023,127
Total pension liability - beginning	4,231,077	5,126,473	5,121,489	5,770,292	5,331,577	6,444,759	6,450,670	6,240,643	5,217,516
Total pension liability - ending	$ 4,116,603	$ 4,231,077	$ 5,126,473	$ 5,121,489	$ 5,770,292	$ 5,331,577	$ 6,444,759	$ 6,450,670	$ 6,240,643
Pension fiduciary net position									
Contributions - employer	$ 100,000	$ 278,000	$ 325,000	$ 409,000	$ 467,000	$ 582,000	$ 350,000	$ 405,081	$ 275,000
Contributions - employee	0	0	0	0	0	0	0	0	0
Net investment income	(540,851)	1,124,757	103,907	205,023	413,208	494,351	(190,089)	369,331	641,659
Benefit payments, including refunds of participant contributions	(613,413)	(1,536,533)	(462,851)	(1,078,149)	(144,836)	(1,646,500)	(591,117)	(1,017,891)	(32,262)
Administrative expense	0	0	(7,800)	(8,300)	(8,300)	(8,150)	(6,420)	(6,815)	(7,979)
Net change in plan fiduciary net position	(1,054,264)	(133,776)	(41,744)	(472,426)	727,072	(578,299)	(437,626)	(250,294)	876,418
Plan fiduciary net position - beginning	4,347,596	4,481,372	4,523,116	4,995,542	4,268,470	4,846,769	5,284,395	5,534,689	4,658,271
Plan fiduciary net position - ending	$ 3,293,332	$ 4,347,596	$ 4,481,372	$ 4,523,116	$ 4,995,542	$ 4,268,470	$ 4,846,769	$ 5,284,395	$ 5,534,689
BCWA's net pension liability (asset) - ending	$ 823,271	$ (116,519)	$ 645,101	$ 598,373	$ 774,750	$ 1,063,107	$ 1,597,990	$ 1,166,275	$ 705,954

** - Per paragraph 138 of GASB Statement No. 68, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

See Independent Auditors' Report

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Schedule of Changes in the Authority's Net Pension Liability and Related Ratios

Last Ten Fiscal Years**
Measured as of June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	$ 4,116,603	$ 4,231,077	$ 5,126,473	$ 5,121,489	$ 5,770,292	$ 5,331,577	$ 6,444,759	$ 6,450,670	$ 6,240,643
Plan fiduciary net position	(3,293,332)	(4,347,596)	4,481,372	4,523,116	4,995,542	4,268,470	4,846,769	5,284,395	5,534,689
BCWA's net pension liability (asset)	$ 823,271	$ (116,519)	$ 645,101	$ 598,373	$ 774,750	$ 1,063,107	$ 1,597,990	$ 1,166,275	$ 705,954
Plan fiduciary net position as a percentage of the total pension liability	80.00%	102.75%	87.42%	88.32%	86.57%	80.06%	75.20%	81.92%	88.69%
Covered-employee payroll	$ 503,778	$ 603,323	$ 858,466	$ 1,078,697	$ 1,231,521	$ 1,180,179	$ 1,450,870	$ 1,567,423	$ 1,964,651
Net pension liability as a percentage of covered-employee payroll	163.42%	-19.31%	75.15%	55.47%	62.91%	90.08%	110.14%	74.41%	35.93%

** - Per paragraph 138 of GASB Statement No. 68, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

See Independent Auditors' Report

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Schedule of Authority's Contributions

Last Ten Fiscal Years**
Measured at June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 176,088	$ 26,353	$ 213,045	$ 249,122	$ 326,836	$ 368,310	$ 342,076	$ 272,873	$ 271,574
Contributions in relation to the actuarially determined contribution	100,000	278,000	325,000	409,000	467,000	582,000	350,000	405,081	275,000
Contribution deficiency (excess)	$ 76,088	$ (251,647)	$ (111,955)	$ (159,878)	$ (140,164)	$ (213,690)	$ (7,924)	$ (132,208)	$ (3,426)
Covered-employee payroll	$ 503,778	$ 603,323	$ 858,466	$ 1,078,697	$ 1,231,521	$ 1,180,179	$ 1,450,870	$ 1,567,423	$ 1,964,651
Contributions as a percentage of covered-employee payroll	34.95%	4.37%	24.82%	23.09%	26.54%	31.21%	23.58%	17.41%	13.82%

** - Per paragraph 138 of GASB Statement No. 68, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Schedule of Investment Returns

Last Ten Fiscal Years**
Measured at June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	-13.22%	29.20%	2.90%	5.76%	9.21%	12.30%	-3.13%	7.34%	13.41%

** - Per paragraph 138 of GASB Statement No. 68, the Authority is not required to retrospectively present its' 10-year RSI schedules, as this information was not available at transition and historical information was not measured in accordance with the parameters of GASB Statement No. 68.

See Independent Auditors' Report

Required Supplementary Information

Schedule of Pension Related Notes

Last Ten Fiscal Years**
Measured at June 30, 2022

Notes to the Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2022.

Methods and assumptions used to determine contribution rates:

Discount rate	7.50%
Long term rate of return on investments	7.50% compounded annually
Retirement age	Normal retirement age 65
Normal form	Life annuity
Assumed payment form and valuation	Lump sum valued at 5% discount rate post retirement and unisex mortality
Salary progression	3.00%, compounded annually
Inflation	2.00%
Pre retirement mortality	Male - RP-2014 Male Employee Mortality Table Female - RP 2014 Female Employee Mortality Table
Post retirement mortality	Male - RP-2014 Male Annuitant Mortality Table Female - RP 2014 Female Annuitant Mortality Table
Joint and survivor benefit cost	Based on mortality assumptions indicated above with assumptions that 90% of males and 70% of females have eligible spouses at date of death
Asset basis	Market value
Expenses	Assumed paid separately

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Other Post-Employment Benefits – Schedule of Changes in Net OPEB Liability*

For the Years Ended February 28, 2023

	2023	2022	2021	2020	2019	2018
Total OPEB liability						
Service cost	$ 247,342	$ 370,624	$ 407,835	$ 306,682	$ 255,435	$ 260,346
Interest on net OPEB liability and service cost	171,670	145,085	136,415	158,169	149,024	139,890
Differences between actual and expected experience	(67,987)	(508,521)	(132,232)	49,737	(71,160)	3,036
Changes of assumptions	(774,394)	(702,926)	(261,922)	966,809	28,267	32,158
Benefit payments, including refunds	(101,620)	(89,624)	(81,163)	(87,887)	(83,087)	(128,500)
Net change in total OPEB liability	(524,989)	(785,362)	68,933	1,393,510	278,479	306,930
Total OPEB liability - beginning	5,011,668	5,797,030	5,728,097	4,334,588	4,056,109	3,749,179
Total OPEB liability - ending	$4,486,679	$5,011,668	$5,797,030	$5,728,097	$4,334,588	$4,056,109
OPEB fiduciary net position						
Benefit payments, including refunds	$ (101,620)	$ (89,624)	$ (81,163)	$ (87,887)	$ (83,087)	$ (128,500)
Trust administrative expenses	(9,026)	(8,811)	0	0	0	0
Contributions - employer	217,416	230,184	221,163	181,664	149,362	230,922
Contribution - Active employees	0	0	0	0	0	0
Net investment income	(82,833)	48,932	156,735	18,822	9,168	64,572
Net change in plan fiduciary net position	23,937	180,681	296,735	112,599	75,443	166,994
Plan fiduciary net position - beginning	1,255,597	1,074,916	778,181	665,582	590,139	423,145
Plan fiduciary net position - ending	$1,279,534	$1,255,597	$1,074,916	$ 778,181	$ 665,582	$ 590,139
Plan's net OPEB liability - ending	$3,207,145	$3,756,071	$4,722,114	$4,949,916	$3,669,005	$3,465,970
Plan fiduciary net position as a percentage of total OPEB liability	28.52%	25.05%	18.54%	13.59%	15.36%	14.55%
Covered-employee payroll	$2,855,927	$2,712,641	$2,744,000	$2,663,763	$2,592,000	$2,516,888
Net OPEB Liability as a percentage of covered-employee payroll	112.30%	138.47%	172.09%	185.82%	141.55%	137.71%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Other Post-Employment Benefits – Schedule of Investment Returns*

For the Years Ended February 28, 2023

	2023	**2022**	**2021**	**2020**	**2019**	**2018**
Annual money-weighted rate of return, net of investment expense	-6.33%	4.29%	18.48%	2.64%	1.47%	13.61%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

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BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Other Post-Employment Benefits – Schedule of OPEB Related Notes*

For the Years Ended February 28, 2023

Actuarial Methods:	
Measurement Date:	March 1, 2022 for OPEB expense and February 28, 2023 for Net OPEB Liability
Actuarial Cost Method:	Costs have been computed in accordance with the Entry Age Actuarial Cost Method. The service cost is the sume of the service costs for all participants For a current participant, the individual service cost is (a) the present value of future benefits as of the participant's entry age divided by (b) the present value of future compensation as of the partcipant's entry age multiplied by (c) current compensation. For other than a current active participant, the service cost equal $0. The accrued liability is the sum of the individual accrued liabilities for all participants. The individual accrued liability is equal to (d) the present value of future benefits less (e) the service cost accrual rate multiplies by (f) the present value of future compensation.
Asset-Valuation Method:	For purposes of determining the unfunded actuarial liability, the actuarial value of assets is equal to the fair market value.
Census Information:	Census data as of March 1, 2021 and premium information as of February 28, 2022 were used to calculate the OPEB Expense. Census data and premium information as of March 1, 2023 were used to calculate the Total OPEB Liability as of March 1, 2023
Actuarial Assumptions:	
Discount rate:	4.77% for February 28, 2023 3.33% for February 28, 2022 2.55% for February 28, 2021
Investment Rate of Return:	6.75%
Salary Scale:	3.00%
Healthy Mortality:	PubG.H-2010 Employee and Healthy Annuitant with Scale MP-2021 generational improvements (Male/Female)
Disabled Mortality:	PubG.H-2010 Disabled Annuitant with Scale MP-2021 generational improvements (Male/Female)
Health Care Cost Trend Rates:	
Medical Costs:	Starting at 6.5% grading down using the Getzen model to an ultmate rate of 4.14%
Participation:	100% of eligible future retirees are assumed to elect medical coverage under Plan
Marital Status:	80% of future retirees are assumed to be married and elect family medical coverage. Female spouses are assumed to be 3 years younger than males.
Retirement Rates:	Ranging from 5% at age 55 to 100% at age 70
Aging Assumption:	Dental claims costs are assumed to increase by 3.00% per year of age up to age 70 Medical claim costs are assumed to increase range from: from 3.0% at <70 to 0.0% at 90+

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Other Post-Employment Benefits – Schedule of Contributions*

For the Year Ended February 28, 2023

	2023	2022	2021	2020	2019	2018
Actuarial determined contribution	$ 455,474	$ 597,742	$ 642,128	$ 511,960	$ 449,833	$ 448,047
Contributions in relation to the actuarially determined contribution	217,416	230,184	149,362	230,922	149,362	230,922
Contribution deficiency (excess)	$ 238,058	$ 367,558	$ 492,766	$ 281,038	$ 300,471	$ 217,125
Covered-employee payroll	$2,855,927	$2,712,641	$2,592,000	$2,516,888	$ 2,592,000	$ 2,516,888
Contributions as a percentage of covered-employee payroll	7.61%	8.49%	5.76%	9.17%	5.76%	9.17%

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
2/28/2018	590,139	4,056,109	3,465,970	14.55%	2,516,888	137.71%
2/28/2019	665,582	4,334,588	3,669,006	15.36%	2,592,000	141.55%
2/29/2020	778,181	5,728,097	4,949,916	13.59%	2,663,763	185.82%
2/28/2021	1,074,916	5,797,030	4,722,114	18.54%	2,744,000	172.09%
2/28/2022	1,255,597	5,011,668	3,756,071	25.05%	2,712,641	138.47%
2/28/2023	1,279,534	4,486,679	3,207,145	28.52%	2,855,927	112.30%

*This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, OPEB plans should present information for those years for which information is available.

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Other Information

BRISTOL COUNTY WATER AUTHORITY

Other Information

Receipts, Disbursements and Transfers for Funds Held by BCWA and Trustees

Year Ended February 28, 2023

	BCWA Funds			Trustee Funds			
	Project Funds	Debt Service Reserve Funds	Debt Service Fund	Operations and Maintenance Reserve Fund	Operations and Maintenance	Revenue Funds	Total
Balance per bank at February 28, 2022	$ 851,889	$ 3,436,220	$ 929,458	$ 1,500,000	$ 900,740	$ 21,221,352	$ 28,839,659
Receipts:							
Collections from operations	0	0	0	0	0	16,735,000	16,735,000
Interest income	92,494	53,222	15,381	18,785	7,299	299,046	486,227
State and other grants/loan proceeds	11,151,318	848,682	0	0	0	0	12,000,000
Transfers:							
To (from) operating cash accounts	0	0	0	0	20,261	(9,200,260)	(9,179,999)
(To) from other funds	0	0	4,689,619	231,215	0	(4,913,535)	7,299
Interest income tranferred	0	0	0	0	(7,299)	0	(7,299)
Disbursements:							
Project expenditures	(5,591,675)	0	0	0	0	0	(5,591,675)
Payment on principal and accrued interest on Authority's notes	0	0	(4,356,383)	0	0	0	(4,356,383)
Payment of cost of issuance	0	(55,750)	0			0	(55,750)
Payment of Bond Rate Lock/Fees	0	0	0	0	0	0	0
Balance per bank at February 28, 2023	$ 6,504,026	$ 4,282,374	$ 1,278,075	$ 1,750,000	$ 921,001	$ 24,141,603	$ 38,877,079
Change in Accrued Interest							0
Total funds held by trustee at February 28, 2023							$ 38,877,079

See Independent Auditor's Report

BRISTOL COUNTY WATER AUTHORITY

Other Information

Non-Capitalized Fees Paid to Consultants

Year Ended February 28, 2023

Current operations

Legal	$	114,896
Engineering		10,505
Auditing		21,000
Accounting, financial, and computer consulting		37,315
Total	$	183,716

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BRISTOL COUNTY WATER AUTHORITY

Other Information

Debt Service Funds Requirement Calculation (Section 603 - General Bond Resolution)

Year Ended February 28, 2023

Revenue fund balance per bank at March 1, 2022	$ 21,221,350
Revenue collected from operations	16,735,000
Transfer to operating cash accounts for operations and maintenance expenses	(9,200,260)
Operating cash used for capital projects	680,978
Interest income:	
Revenue fund	299,046
Operations and maintenance reserve fund	18,785
Debt service reserve funds	53,222
Debt service fund	15,381
Project fund	92,494
Operations and maintenance interest only	7,299
Total interest income	486,227
Net revenue available for debt service requirement	$ 29,923,295
Debt service requirement	$ 4,356,383
Computed ratio	6.87
Required ratio	1.25

In accordance with Section 603 of the General Bond Resolution, the ratio of the net revenue available for debt service requirements must be equal to or greater than 1.25. The computed ratio for the year ended February 28, 2023 is 6.87

See Independent Auditors' Report

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with Government Auditing Standards

To the Board of Directors of the
Bristol County Water Authority
Warren, Rhode Island

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 business-type activities and the aggregate remaining fund information of the Bristol County Water Authority (the Authority), as of and for the year ended February 28, 2023, and the related notes to the financial statements, and have issued our report thereon dated May 16, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority'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 the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority’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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority'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, Sahady & Co. PC

Hague, Sahady & Co., CPAs,P.C.
Fall River, Massachusetts
May 16, 2023