Bristol County Water Authority

Fiscal Year 2024 Annual Report

March 1, 2023 – February 29, 2024

bcwari.com

About BCWA

In 1984, the Rhode Island legislature established the Bristol County Water Authority (BCWA). Prior to this, the Bristol County Water Company directed the management of the water supply for Barrington, Bristol, and Warren for over a century.

BCWA continually integrates 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 3.2 million gallons of quality water daily to 17,393 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

The daily tasks and projects may change, but the vision remains the same. The history of public water supply and distribution in Bristol County is one of recognizing a need and having a vision for addressing it.

Until 1998, water in Bristol and Warren was supplied by reservoirs in Rehoboth and Swansea, Massachusetts. This water system of dams, reservoirs, and pipelines was created in 1883 by the private company Bristol and Warren Water Works. Barrington Water Company was purchased in 1912, and in 1934, the company was renamed the Bristol County Water Company. The Bristol County Water Company served all of Bristol County.

Recently, BCWA Board members visited the Shad Factory Reservoir Dam in Rehoboth, located about eight miles north of our Child Street offices in Warren. In 1912, this dam and the reservoir it created supplemented the original 1883 system. During our tour, a board member remarked that when the Shad Factory Reservoir and other earlier reservoirs were proposed, the developers had considerable **vision** to see the need for a public water supply. The hopes and dreams of future prosperity resulted in a large demand for safe, high-quality drinking water. At the time, the three towns had a population of about 11,000 residents. According to the 2020 census, the population is now 50,793. That water source and other similar impoundments in Massachusetts served Bristol County in Rhode Island for more than a century. Over the years, numerous natural and imposed changes took place in the area, leading to declining quality and quantity issues for the aging water supply and system.

The **vision** remained the same, only new approaches were needed.

After years of planning, discussion, design and construction, the Cross-Bay Pipeline was put into operation by the BCWA in 1998. This pipeline delivered high-quality water in sufficient quantity from the Scituate Reservoir of the Providence Water Supply Board. After 20 years of service, a leak in this pipeline was detected by the BCWA. Repairs were made quickly, but this incident highlighted the need for redundancy in our water supply. To address our vision, we are moving forward with a new major connection to the Pawtucket Water system. This pipeline is currently in the design phase with construction expected to start in 2027. At the same time, we have an on-going program to repair and replace local water lines.

Implementing a vision for the future of our water supply continues at the BCWA today.

This Annual Report is a testament to the BCWA's commitment to achieving its vision for Bristol County's water supply. The major commitments, projects, and programs we have made on behalf of our customers and towns are summarized here.

For more information on your public water system, please go to the BCWA website at **bcwari.com**. The BCWA also has an online presence on Facebook at **facebook.com/Bristol County Water Authority**. The Board's meetings are open to the public meetings on the fourth Thursday of each month. Each agenda includes an opportunity for public input. Minutes and videos of all Board meetings are archived on the website. If you have other questions, issues, or problems regarding your water services, please call or visit our office.

Finally, a thank you to the dedicated individuals on the BCWA staff whose hard work is key to continually improving our water supply systems and enhancing our interactions with customers.

Juan Mariscal
Chairman

Executive Director's Report

Reliable, dependable, and safe infrastructure systems, whether it be our transportation network, system of sanitary sewers, or drinking water supply, are critical for us to go about our daily lives. When one of these significant systems fails, it can cause a major disruption in all that we do. At BCWA, our mission is to provide all our customers within Barrington, Warren, and Bristol with reliable, high-quality water every minute of every day. Our dedicated team of water professionals works hard to meet this objective, and I would like to share with you some of our activities over this past year as well as our plans to continue to deliver this vital resource to the homes and businesses that we serve.

All of our water is purchased from Providence Water and comes from the Scituate Reservoir. BCWA's pipeline is 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 securing a connection with Pawtucket Water to provide this area with an additional high-quality and reliable supply. In 2022, we completed Phase I of the Pawtucket Pipeline Project which provides us with a major pipeline interconnection to East Providence's water system, offering a redundant connection to our water source with Providence Water.

Additionally, 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 are prone to breaks, leaks, 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 100,000 feet of water main and this past year, we improved 2.2 miles of pipeline at a cost of $2.5 million. This year, we plan to make improvements to an additional 7,500 feet of pipeline, including the removal of all 52 lead service lines, at a cost of $2 million.

Despite significant supply chain delays on mechanical and electrical equipment, we look forward to commissioning the new Hope Street Pump Station this year. This pumping station has been designed to improve system pressures and fire flow for approximately 1,000 customers in Bristol.

Following several years of planning, engineering, and permitting, the removal of the Kickemuit River Dams is currently well underway. The removal of the dams is due to the fact we no longer rely on the Kickemuit Reservoir for our water supply. This project will restore the Kickemuit River estuary and is widely supported by various environmental groups. We have secured nearly $4 million in grant funding to cover the costs associated with this project. We have also completed Phase I of the abandoned water treatment facilities demolition, which included the removal of outdoor tanks and piping. This year, we are moving ahead with Phase II, which includes the demolition of the decommissioned treatment plant buildings on Child Street. As we divest from obsolete infrastructure, we look forward to making new investments in the BCWA water system.

The BCWA team consists of experienced water works professionals, and they bring these projects to fruition guided by our mission, vision, and values outlined in our Strategic Plan. Additionally, I am fortunate to work with a dedicated and supportive Board of Directors that work hard for the communities they represent to ensure that we continue to provide our customers with reliable, dependable, high-quality water.

Stephen Coutu, P.E.
Executive Director

Bristol County Water Authority
Five Year Comparative Analysis

ITEM	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
# Customers:						
Residential	16,236	16,224	16,187	16,141	16,068	15,944
Commercial	1,060	1,060	1,056	1,057	1,052	1,058
Industrial	8	8	8	8	8	8
Municipal	89	89	103	85	85	101
Total:	**17,393**	**17,381**	**17,354**	**17,291**	**17,213**	**17,111**
# Employees (FTEs)*:	32	33	33	34	34	33.25
Consumption: (Thousands of Gallons)						
Residential	742,153	741,515	753,177	838,030	745,556	792,096
Commercial	195,733	195,180	190,196	187,366	209,581	208,028
Industrial	1,893	1,682	1,481	1,322	1,331	1,460
Municipal	19,249	18,362	20,397	20,845	22,443	17,056
Total:	**956,028**	**956,739**	**965,251**	**1,047,563**	**978,911**	**1,018,640**
Unaccounted-for Water (%):	11.5%	13%	9.97%	9.80%	10.0%	12.0%
Rate Increases (%):	6%	4%	3.5%	10.00%	4.50%	3.25%

FINANCIAL	FY2024	FY2023	FY2022	FY2021	FY2020	FY2019
Operating Revenue	$ 17,247,931	$ 16,167,735	$ 16,066,002	$ 16,223,925	$ 14,014,867	$ 13,945,622
Operating Expenses	$ 12,973,560	$ 10,947,462	$ 10,322,013	$ 11,386,966	$ 10,675,724	$ 9,608,020
Operating Income	$ 4,274,371	$ 5,220,273	$ 5,743,989	$ 4,836,959	$ 3,339,143	$ 4,337,602
Net Assets	$94,849,837	$88,100,798	$83,135,047	$78,034,477	$73,856,835	$70,803,180
Accounts Receivable (A/R)	$ 3,187,563	$ 3,364,224	$ 3,291,024	$ 3,094,067	$ 2,717,961	$ 2,643,645
Debt Coverage Ratio	6.66	6.87	7.62	6.74	9.75	7.99

* Full Time Equivalents

Pawtucket Pipeline Project Update

Progress continues on Phase II of the Pawtucket Pipeline Project

The Pawtucket Pipeline Project is a five mile, 30-inch connection to the Pawtucket Water Supply. With Phase I of the project complete, we continue to make progress on Phase II; its design is roughly 60% complete. When it is finished, we will have access to two separate sources of high-quality water. This will enable us to regulate our water consumption by drawing a minimal amount from both the Providence and Pawtucket water supply sources to maintain freshness. This also allows BCWA the flexibility to purchase the remaining volume from the more cost-effective source. The construction of the pipeline is projected to start in 2026, with completion expected by 2030.

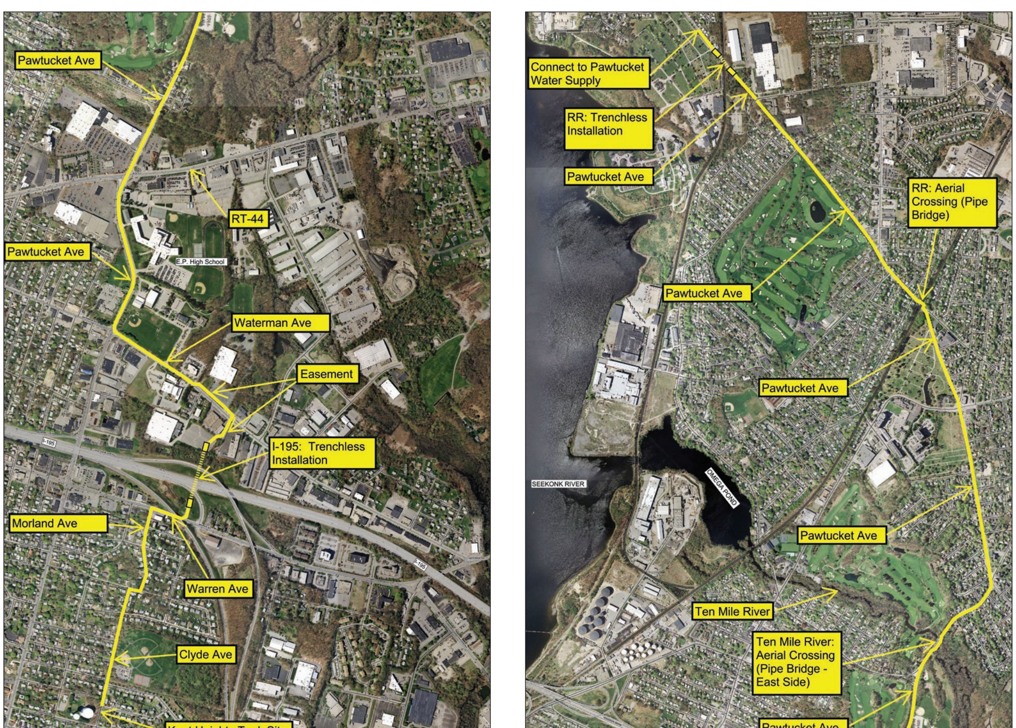
Navigating project expenses

The construction contract for Phase I was initially valued at $6.9 million and was successfully completed for $5.9 million. The City of East Providence agreed to share the Phase II design costs with BCWA, contributing half of $2 million, due to a mutual reliance on Providence Water.

To prepare for the potential cost impacts, BCWA has built reserves over the past several years, aiming to minimize the need for rate increases. Notably, our budget does not include provisions for state or federal funding. However, BCWA has applied to the Rhode Island Infrastructure Bank, and our project holds a prominent position on the State Project Priority List.

The purpose behind the Pawtucket Pipeline project

BCWA currently purchases all its water (3.2 million gallons a day) from a single source: Providence Water. If there were ever flow reduction, service termination, or issues with the East Bay pipeline (as we faced in 2019), we would be at great risk of not being able to meet the needs of our customers. Addressing this risk is the primary challenge driving this project.



Phase II pipeline map. The yellow line highlights Phase II pipeline construction/ installation route.

Strategic Plan Update and Initiatives

A strategic approach

The Bristol County Water Authority uses a Strategic Plan as a guide for executing the initiatives set forth by the Board of Directors. It establishes shared objectives for our organization, directs our staff towards achievable actions, and guides investments in resources.

BCWA's four major strategic initiatives are

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

We align our efforts with these strategic initiatives to address challenges such as

- our single-source water supply – all water is purchased from Providence Water (Scituate Reservoir)
- our aging infrastructure – many aged cast-iron pipes and low system pressure areas
- declining water usage
- increasing costs of necessary infrastructure upgrades
- limited state and federal funding
- the divestment of obsolete infrastructure
- increasing need for facility and cyber security
- maintaining a well-trained workforce

We're actively addressing these challenges by:

- setting up a secondary water supply with the Pawtucket Pipeline
- securing additional bonding and capital funding for modernizing utilities
- leveraging technology to enhance infrastructure performance and resilience
- exercising fiscal responsibility
- utilizing our in-house expertise to cut costs
- strengthening our employee development program

Through technological advancements, staff training, innovative approaches, and continuous improvements to operational efficiencies, BCWA has made significant strides in modernizing and optimizing our utility over the years. We remain committed to utilizing all available resources to ensure quality water delivery through an efficient and dependable system.

Access the current BCWA strategic plan at **bcwari.com**.

Capital Plan Update

Flowing forward: improving to better serve our customers

Ongoing maintenance and special projects are crucial components of BCWA's daily operations for peak efficiency and performance. Ensuring high-quality water delivery involves following a plan to improve our distribution system, which includes

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

Water main improvement

Our 10-year capital plan allocates $1-1.5 million annually for pipeline renewal. Over the past 10 years, nearly 100,000 feet of pipeline have been rehabilitated. In 2023, we rehabilitated 2.2 miles of pipeline, and we plan to rehabilitate an additional 7,500 feet in 2024. Water system upgrades completed in 2023, along with the renovation projects planned for 2024, include

Barrington

FY2023	FY2024
• cleaned and cement-lined over 4,300 feet of older cast iron pipe in Rumstick Road and Annawamscutt Road • replaced existing main with 1,580 feet of new ductile iron pipe in Rumstick Road, Annawamscutt Road, and Governor Bradford Street • replaced existing main with 300 feet of new polyethylene (PE) pipe in Annawamscutt and Appian Way	• clean and cement-line over 3,500 feet of older cast iron pipe and install 300 feet of new ductile iron pipe in Rumstick Road and Chachapacasset Road

Bristol

FY2023	FY2024
• installed 220 feet of new ductile iron pipe in Bradford Street, Central Street, and Burnside Street, while cleaning and cement-lining 2,140 feet of older cast iron pipe • installed 90 feet of new ductile iron pipe, 110 feet of new PE pipe, and cleaned and cement-lined 2,925 feet of cast iron pipe in Low Lane and Monkeywrench Lane	• clean and cement-line 2,000 feet in State Street

Warren

FY2024
• clean and cement line 1,650 feet of cast iron pipe in Maple Street, Bradford Road, and Locust Terrace

Hope Street Pump Station construction

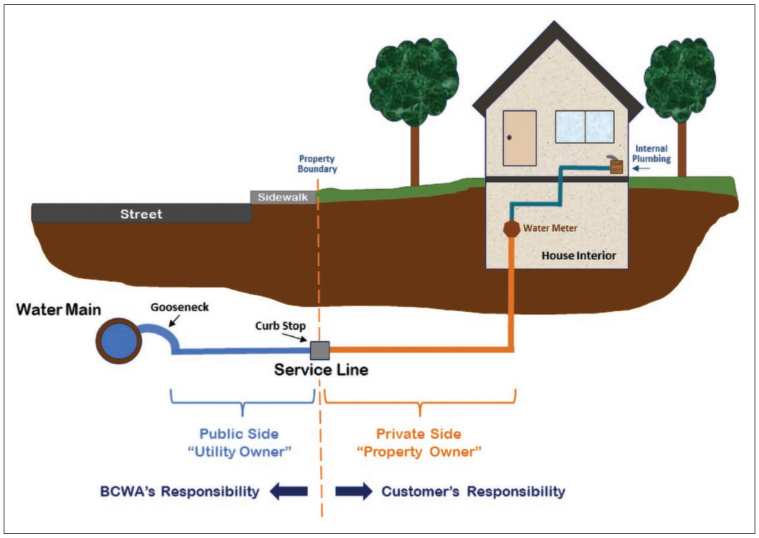
The construction of the Hope Street Pump Station is scheduled to be completed this year. Once finished, this new building in Bristol will improve the water system pressure for approximately 1,000 customers. The pump station's exterior blends in with the surrounding neighborhood, adding a friendly touch to the area.

Lead service line replacements

The State of Rhode Island recently passed new regulations regarding lead service lines and requires public water systems to take an active role in addressing them within their respective service areas. Over the past 10 years, BCWA has been proactively replacing service lines on the public side where lead gooseneck connectors are present at the main. The new state regulations will continue that work with additional requirements. Key aspects of these regulations include

- **revised definition to what is considered a lead service line:** lead service line replacements now involve replacing the entire length of the service line. This includes lines traditionally considered on the "public" side of the connection (maintained by the water authority) as well as the "private" side of the connection. The "private" side starts at the curb stop and is the responsibility of the homeowner.
  Lead connectors are included in this classification of lead service lines, as are galvanized steel or iron lines downstream of the lead connectors. If there's no proof that a service line isn't made of lead, it's assumed to be.
- **mandatory replacement:** if lead is or was present on the public side, the entire service line must be replaced.
- **service line inventory:** a comprehensive inventory of both public and private service lines must be developed by the public water systems by October 16, 2024.
- **timeline:** the replacement of all public and private lead service lines must be completed within 10 years.

BCWA's response to the new regulations



In addition to BCWA's ongoing public side lead service line replacements, the new requirement states the private side must also be replaced, which is at the homeowner's expense.

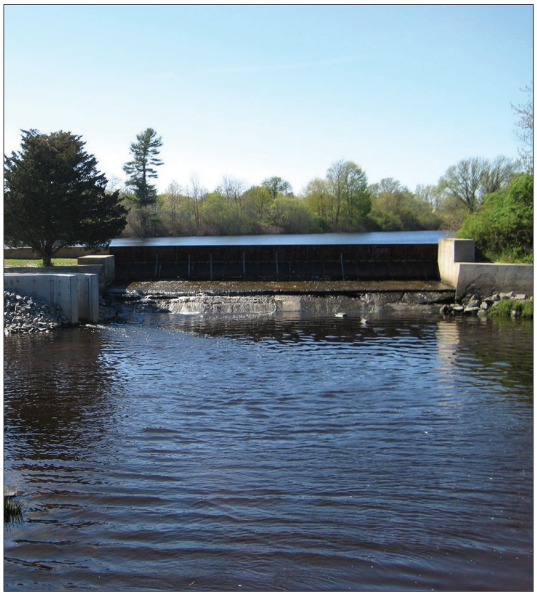
We understand this can be a financial burden to homeowners and our customers, so we will be offering a no interest, five-year finance program to replace lead and/or galvanized lines on the private side.
The estimated private side cost is about $5,000 per location. BCWA has allocated $4 million in its Capital Improvement Program over the next two years to update the public side service lines and finance private side loans to assist homeowners in also complying with these new regulations.

We have established a website where customers can identify the materials that make up their water service line. Information is updated as service lines are replaced and as we gather and verify information about service line materials at **bcwari.com/map-room**.

Divesting from the past - investing in the future

We have made notable headway on two major infrastructure projects: the removal of the Kickemuit Reservoir dams and the demolition of obsolete treatment facilities.

The removal of both the upper and lower Kickemuit Reservoir dams is scheduled to be completed this year. The lower dam, which historically divided saltwater and freshwater portions of the Kickemuit River, faced frequent overtopping due to storm surges and rising sea levels. Prep work for the demolition of the lower dam began in late October with the removal of contaminated sediments. Despite facing challenges due to historic high tidal waters and runoff from heavy downpours, the removal of the lower dam was successfully completed in the spring of 2024.



Before removal of the lower Kickemuit Dam

After removal of the lower Kickemuit Dam

Demolition began on the upper dam last year, but was suspended over the winter and spring in accordance with our permit from the RIDEM to minimize the disruption of amphibian activity. The removal of the upper dam is currently slated for summer/fall 2024. This initiative, which has been widely supported by environmental groups throughout our state, aims to create cleaner waters, enhance wildlife habitat, and mitigate flooding. The project has received a total of $3,921,000 in grant funds, which has covered the costs for the dam removals.

In addition to removal of the dams, several years ago, BCWA decommissioned its obsolete water treatment facilities, which were built in the late 19th and early 20th centuries. After careful consideration, Phase I, which included the removal of the exterior plant tanks and piping, was completed. Phase II is scheduled for late summer/fall 2024 and includes the demolition of the water treatment buildings.

Divesting ourselves from the obsolete dams and treatment plant facilities removes the ongoing costs and liability associated with maintaining infrastructure that is no longer part of our water supply system. With the completion of these projects, we look forward to investing in improvements to the water supply system, such as the Pawtucket Water Supply connection, to ensure system reliability and sustainability.

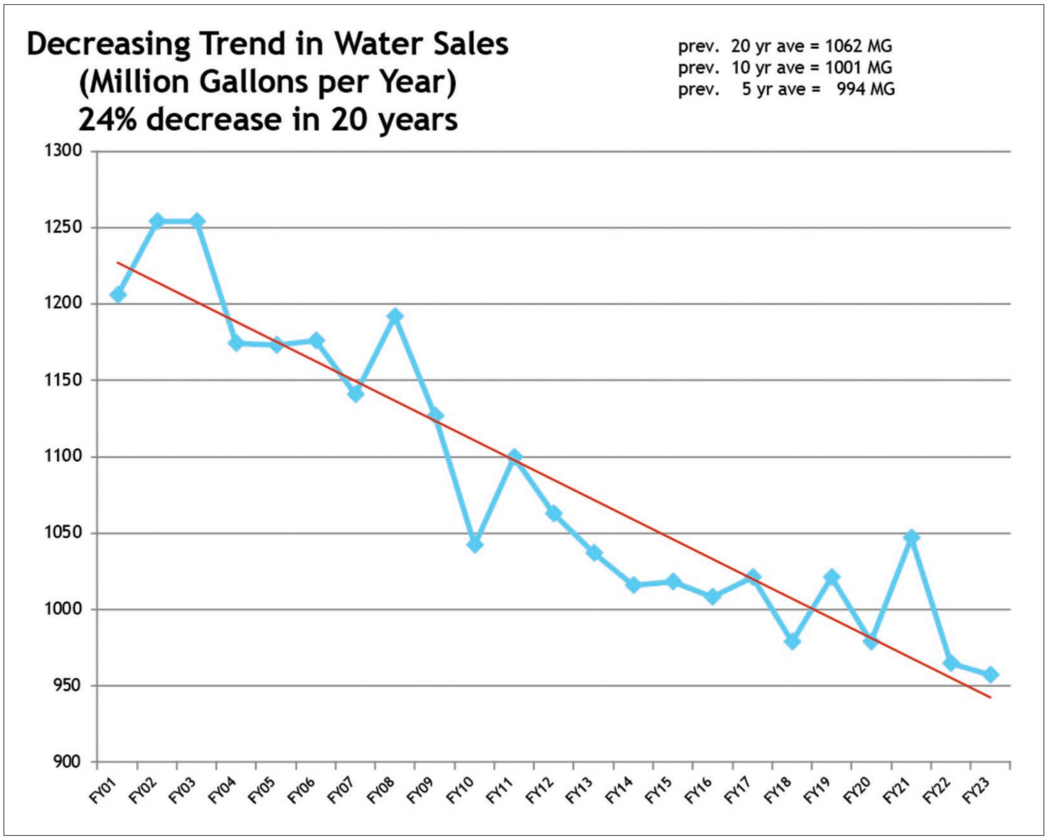
FY2025 Rate Increase

The BCWA Board of Directors has implemented a rate increase of 5.00% for FY2025 to help us fulfill our ongoing commitment to provide a safe, high-quality, and reliable water supply. This increase is crucial to meet our revenue needs and support our 10-year Financial Plan for the Capital Improvement Program.

With this rate adjustment, the average residential water bill is projected to increase by approximately $3.42 per month, or $41.00 annually. All funds received by BCWA are directly reinvested into our operations, reserves, and capital ventures. This rate increase will help us

- ensure water supply security through the Pawtucket Pipeline Project
- finance infrastructure projects that enhance water quality and reliability
- continue to provide exceptional customer service
- preserve reserves for bonding and minimizing future rate hikes
- adjust for decreases in water consumption

We understand the burden that a rate increase places on our customers. Yet, it's crucial to ensure the consistent delivery of safe and reliable water – a fundamental service that every BCWA customer deserves.



For over two decades, BCWA water sales have experienced a continuous decline. We diligently manage our resources to ensure declining water usage does not have a negative impact on our quality of service.

FY2024 System Information

Total water purchased:	1,160 million gallons
Water purchased (average day):	3.2 million gallons per day
Miles of pipe:	233

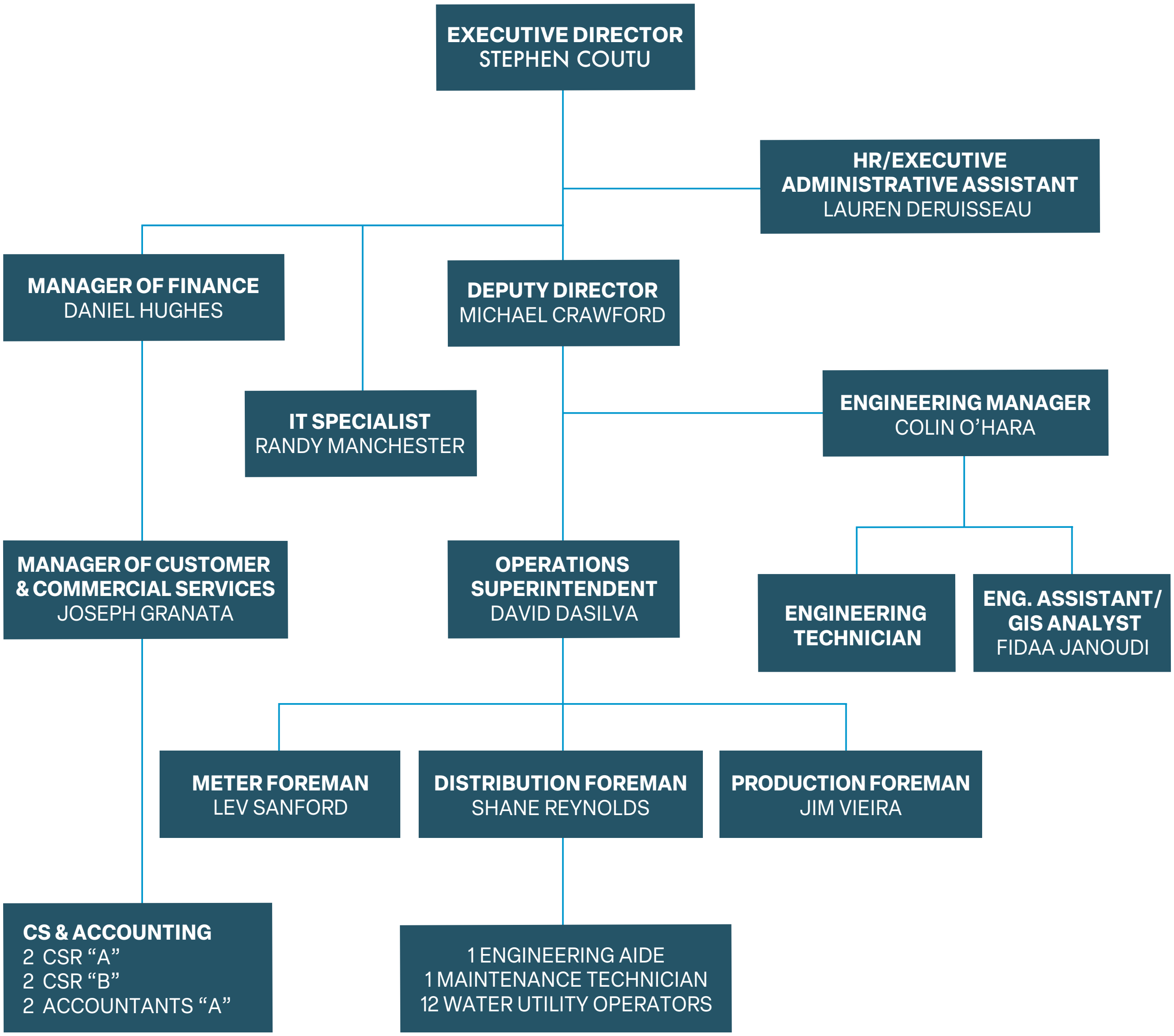
Number of service accounts:

Residential:	16,236
Commercial:	1,060
Industrial:	8
Government:	89
Total:	17,393

Residential population served:	50,793 (per 2020 U.S. Census)
Average residential annual demand:	45,710 gallons per year
Gallons/person/day:	40
Average annual water bill:	$718
Average cost per gallon:	$1.6 cents per gallon

Cost of Providence Water:	$2,549,055 or 15% of budget revenue
Number of employees:	32

Organization



Board of Directors

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

Mr. Thomas Kraig
Vice Chairman
Barrington Representative
Term Ending: 2/28/27

Mr. Christopher Stanley
Secretary/Treasurer
Warren Representative
Term Ending: 1/31/27

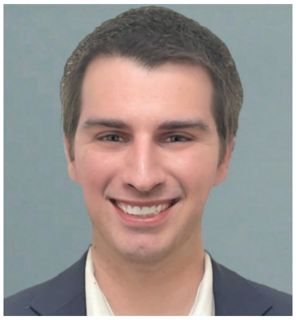
Mr. John M. Jannitto
Warren Representative
Term Ending: 1/31/26

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

Mr. Richard E. Fournier
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: 2/28/27



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

BRISTOL COUNTY WATER AUTHORITY
WARREN, RHODE ISLAND

ANNUAL FINANCIAL STATEMENTS

Years Ended February 29, 2024 and February 23, 2023

Bristol County Water Authority
Warren, Rhode Island

February 29, 2024 and February 28, 2023

Table of Contents

HAGUE, SAHADY & CO., P.C.

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www.hague-sahady.com

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 29, 2024 (except for the Pension Trust Fund which for the year ended June 30, 2023), 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 29, 2024, 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.

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, 2023, 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 June 21, 2024 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., CPAs, P.C.

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

Fall River, Massachusetts
June 21, 2024

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 $6.7MM or 7.7%.
- During the year, the Authority's operating revenues increased 6.68% to $17.25MM. Total expenses increased from $10.9MM to $12.97MM or by 18.5%.
- The Authority made an additional deposit of $125K to the established OPEB Irrevocable Trust during fiscal year 2024 increasing the balance to almost $1.61MM.
- The Debt Service Ratio decreased to 6.66 for FY2024.
- The Authority's capital contributions increased from $115K to $140K, 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 $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.

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, $100,000 and 125,040 in FY2024. 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 29th FY 2024	February 28th FY 2023
Assets:		
Current and other Assets	$ 44,684,003	$ 43,230,006
Capital Assets	94,952,797	92,970,309
Total Assets:	139,636,800	136,200,315
Deferred outflows of resources:	1,187,609	1,723,673
Liabilities:		
Long-Term Debt Outstanding	$ 36,596,918	$ 40,525,363
Other Liabilities	7,027,050	6,728,515
Total Liabilities:	43,623,968	47,253,878
Deferred inflows of resources:	2,350,604	2,569,311
Net Assets:		
Net Investments in Capital Assets	$ 57,788,012	$ 51,667,911
Restricted	10,875,079	13,814,477
Unrestricted	26,186,746	22,618,410
Net Position:	$ 94,849,837	$ 88,100,798

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 $6.7MM from $88.1MM in FY2023 to $94.8MM in FY2024. Total assets increased by $3.4MM from FY2023 to FY2024, total liabilities decreased by almost $3.6MM due to principal payments on bonds during the year. In addition, deferred outflows of resources increased $536K and deferred inflows of resources increased by $219K in FY2024.

A further review shows that the Authority's Net Investments in Capital increased by $6.1MM and Restricted Net Assets decreased by $2.9MM. 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 $3.6MM.

Net Position (*Continued*)

Table A-2

Statement of Revenues Expenses & Changes in Net Position	February 29th FY 2024	February 28th FY 2023
Revenues:		
Operating revenues	$ 17,247,931	$ 16,167,735
Non-Operating Revenues	3,279,269	634,339
Total Revenue	20,527,200	16,802,074
Operating Expenses:		
Water Operations	6,868,504	4,955,031
Insurance, Taxes & EE Benefits	1,450,497	1,516,712
Depreciation Expense	2,423,975	2,213,605
Customer Service & Accounting	631,202	596,072
Administration	1,599,382	1,666,042
Total Expenses	$ 12,973,560	$ 10,947,462
Non-Operating Expense	(944,950)	(1,003,776)
Increase in net position before Contributed Capital	6,608,690	4,850,836
Capital contributions	140,349	114,915
Changes in Net Position:	6,749,039	4,965,751
Net position- beginning	88,100,798	83,135,047
Net position- ending	$ 94,849,837	$ 88,100,798

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 $6.6MM in FY2024 as compared to $4.85MM in FY2023. A closer examination of the source of changes in net position reveals that the Authority's operating revenues increased by $1.1MM in FY2024 versus an increase of $102K in FY2023. These revenue changes in FY2024 and FY2023 are reflective of a 6.0% and 4.0% rate increase respectively imposed each year. The increase in FY2024 was attributable to the effect of the rate increase offset by a slight decrease in water consumption by our customers in FY 2024 versus FY 2023.

Total expenses increased from $10.9MM in FY2023 to $12.97MM in FY2024. This increase was caused by the adjustments related to the pension plan ($242k) along with costs associated with the demolition of the water treatment facility tanks and demolition work done on the upper and lower Kickemuit dams. The dam demolition work is covered by grant funds included in Non-Operating Income.

You may also note that Capital Contributions increased over $25K in FY2024 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 $5.0MM 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 2024 and 2023 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 2024	Actual FY 2024	Budget FY 2023	Actual FY 2023
Revenues:				
Operating Revenues	$ 15,867,055	$ 17,247,931	$ 15,098,497	$ 16,167,735
Non-Operating Revenues	104,004	3,279,269	22,000	634,339
Total Revenues	15,971,059	20,527,200	15,120,497	16,802,074
Operating Expenses:				
Water Operations	7,695,271	6,868,504	6,130,200	4,955,031
Insurance, Taxes and EE Benefits	1,725,987	1,450,497	1,448,809	1,516,712
Depreciation Expense	2,300,004	2,423,975	2,250,000	2,213,605
Customer Service & Acccounting	507,784	631,202	486,387	596,072
Administration	2,073,602	1,599,382	2,032,741	1,666,042
Total Operating Expenses:	14,302,648	12,973,560	12,348,137	10,947,462
Non-Operating Expenses	1,298,700	944,950	910,000	1,003,776
Total Expenses	15,601,348	13,918,510	13,258,137	11,951,238
Increase in Net Position before Contributed Capital	369,711	6,608,690	1,702,360	4,850,836
Capital contributions	108,000	140,349	100,000	114,915
Increase in Net Position	477,711	6,749,039	1,802,360	4,965,751
Net position- beginning	88,100,798	88,100,798	83,135,047	83,135,047
Net position- ending	$ 88,578,509	$ 94,849,837	$ 84,937,407	$ 88,100,798

As can be seen from Table A-3 above, the FY2024 revenues were 128.5% of budget estimates while total expenses were 89.2% of budget. The ending Net Position was 107.2% of the Budget projection.

In FY2023 total revenues were 111.1% of budget estimates while total expenses were 89.1% of budget. The ending Net Position was 103.7% of the Budget projection.

Actual expenses in FY2024 were 10.8% lower than budgeted estimates largely due to a variety of things including water consumption returning to a normal level of usage along with some decreases in administration and employee benefit expenses. This decrease includes a decrease in professional services versus budget due largely to delays in projects. Revenues in FY2024 were higher than budget expectations based upon the 4.0% rate increase in FY 2023 plus the 6.0% increase in FY 2024 offsetting the decreased consumption as we return to normal usage.

Capital Assets and Debt Administration

At the end of Fiscal 2024, the Authority had invested $94.95 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 29th FY 2024	February 28th FY 2023
Capital Assets:		
Land	$ 2,020,265	$ 2,020,265
Treatment, storage and admin facilities	9,984,794	9,760,018
Distribution system	104,333,714	100,254,110
Equipment	12,284,597	12,172,502
Construction in progress	4,192,967	4,202,980
Total Capital Assets:	132,816,337	128,409,875
Less accumulated depreciation	(37,863,541)	(35,439,566)
Net Capital Assets	$ 94,952,797	$92,970,309

During **FY2024** the following are major capital asset additions or changes:

- $112K in Equipment which includes $81.4K for a pickup with a dump body.
- $4.08MM in the Distribution System which includes $3.8M for Renewals and the FY2024 Capital Projects.
- $225K in Treatment, Storage & Admin Facilities which includes replacing the roof of the administration building.
- $10K decrease in Construction in Process Phase 1 completion offsetting the projects underway.

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.

In Table A-5 below, the Authority's Fiscal 2025 Capital Budget estimates spending approximately $5.76MM for Capital Projects, principally for supply and distribution. Approximately, $1.5MM 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 FY2025.

Table A-5
Capital Budget FY 2025

Computer Systems/SCADA	$ 50,000
Facilities	425,000
Supply and distribution	4,960,000
Equipment/meters/vehicles	320,000
Total	$ 5,755,000

Long Term Debt

Table A-6 **Debt Service Ratio Coverage**	February 29th FY 2024		February 28th FY 2023		February 28th FY 2022	
Revenue fund balance	$24,141,601		$21,221,350		$18,509,028	
Revenue collected from operations	16,990,000		16,735,000		16,250,000	
Interest income	1,841,125		486,227		3,264	
Total Revenue Available	42,972,726		38,442,577		34,762,292	
Total Operating Expenses, Net	$10,327,913	**	$ 8,519,282	**	$ 8,816,771	**
Net Revenues Available	$32,644,813		$29,923,295		$25,945,521	
Debt Service Requirement	$ 4,901,202		$ 4,356,383		$ 3,405,787	
Debt Service Coverage Ratio	6.66		6.87		7.62	
Debt Service Required Ratio	1.25		1.25		1.25	

Table A-6 shows the decrease in the Authority's Debt Service Ratio from 6.87 in FY2023 to 6.66 in FY2024 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 which was offset by the $12MM bond issue in FY2023. (** Note-FY2022, FY2023, and FY2024 Net Expenses are net of cash paid to capital projects from operating cash).

Table A-7 **Cost of Capital**	Debt Balance Feb. 29, 2024	Average Coupon Rate	Debt Balance Feb. 28, 2023	Average Coupon Rate
Bond/Loan:				
2008 Loan	$ 2,090,000	3.150%	$ 2,393,000	3.150%
2011 Loan	481,000	2.930%	531,000	2.930%
2014 Loan (RICWFA)	848,881	2.180%	912,554	2.180%
2018 Bond (TD Bank)	2,181,737	3.320%	2,641,709	3.320%
2018 Bond (RIIB)	3,086,300	2.030%	3,246,100	2.030%
2019 Bond (Chase)	13,659,000	1.880%	14,771,000	1.880%
2021 Bond (TD Bank)*	2,700,000	0.975%	4,030,000	0.975%
2022 Bond (Webster)	11,550,000	2.880%	12,000,000	0.000%
Total Bond/Loan Balance:	$ 36,596,918		$ 40,525,363	

Table A-7 above shows that the total net Bond/Loan balance decreased by approximately $3.93MM in FY2024 as a result of the principal payments made during FY2024.

Economic Factors and Next Year's Budget and Rates

The Authority's Board of Directors and management considered many factors when setting the Fiscal 2025 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 2025. However, historical financial data also plays a large part in its formulation.

Table A-8 **FY 2024 Budget vs. FY 2023 Actual**	Budget FY 2025	Actual FY 2024
Revenues:		
Operating Revenues	$ 16,549,425	$ 17,247,931
Non-Operating Revenues	1,464,120	3,279,269
Total Revenues	18,013,545	20,527,200
Expenses:		
Depreciation Expense	2,500,008	2,423,975
Other Operating Expenses	10,494,228	10,549,585
Non-Operating Expense	902,340	944,950
Total Expenses	13,896,576	13,918,510
Increase in Net Position before Contributed Capital	4,026,969	6,608,690
Capital contributions	108,000	140,349
Changes in Net Position:	4,134,969	6,749,039
Net position- beginning	94,849,798	88,100,798
Net position- ending	$ 98,984,767	$ 94,849,837

As shown in Table A-8 above, operating budget revenues available for recovering operating costs are projected to be about $17.9MM, a decrease over last year's actual. Although a rate increase of 5.0% has been budgeted and implemented for Fiscal 2025, the Authority is conservatively projecting revenues to be lower than the actual of FY2024 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 slight decrease in non-operating expenses as due to a decrease in interest expense. These projections will be reviewed for propriety each year and/or when operating changes having a financial impact dictate. Budget expenses for FY2025 are estimated to decrease slightly versus the actual expenses of FY2024 due to a decreased costs associated with the demolition of the former treatment plant and dam which are offset by inflationary pressures on operating cost being offset by. The Authority is always making efforts to reduce costs and will continue to do so in Fiscal 2025.

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.

Fund Financial Section

BRISTOL COUNTY WATER AUTHORITY

Statement of Net Position

February 29, 2024 and February 28, 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	$ 521,233	$ 590,783
Accounts recevable, less allowance of $592,446 and $437,813 in 2024 and 2023		
Billed	1,213,960	1,710,172
Unbilled	1,973,603	1,654,052
Total accounts receivable	3,187,563	3,364,224
Grants receivable	1,334,227	0
Accrued investment income	154,015	114,889
Prepaid Items	92,275	40,513
Inventory and other assets	276,872	242,518
Unrestricted current assets		
Funds held by BCWA	28,242,739	25,062,601
Total Current Assets	33,808,924	29,415,528
Noncurrent Assets		
Restricted Assets		
Funds held by trustee	10,875,079	13,814,478
Non-depreciable capital assets	6,213,232	6,223,245
Depreciable capital assets	88,739,565	86,747,064
Total Noncurrent Assets	105,827,876	106,784,787
Total Assets	139,636,800	136,200,315
Deferred Outflows of Resources		
Pension related outflows	591,110	1,021,191
OPEB related outflows	596,499	702,482
Total Deferred Outflows of Resources	$ 1,187,609	$ 1,723,673
Total Assets and Deferred Outflows of Resources	$ 140,824,409	$ 137,923,988

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Net Position *(continued)*

February 29, 2024 and February 28, 2023

	2024	2023
Liabilities		
Current Liabilities		
Accounts payable	909,300	$ 298,145
Other payables	152,284	142,544
Accrued expenses	396,282	414,553
Customer deposits, net	427,296	413,675
State water protection escrow	702,309	701,608
Retainage payable	416,168	315,429
Accrued interest expense	384,335	412,145
Long-term debt due within one year	4,013,937	3,928,445
Total Current Liabilities	7,401,911	6,626,545
Noncurrent Liabilities		
Net pension obligation	484,468	823,271
Net other post employment benefit liability	3,154,608	3,207,145
Long-term debt due after one year	32,582,981	36,596,918
Total Non-Current Liabilities	36,222,057	40,627,334
Total Liabilities	43,623,968	47,253,879
Deferred Inflows of Resources		
Deferred bond subsidy	164,351	176,678
Pension related inflows	394,306	432,365
OPEB related inflows	1,791,947	1,960,268
Total Deferred Inflows of Resources	2,350,604	2,569,311
Net Position		
Net investment in capital assets	57,788,012	51,667,911
Restricted	10,875,079	13,814,477
Unrestricted	26,186,746	22,618,410
Total Net Position	$ 94,849,837	$ 88,100,798
Total Liabilities, Deferred Inflows of Resources and Net Position	$ 140,824,409	$ 137,923,988

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 29, 2024 and February 28, 2023

	2024	2023
Operating Revenues (Net Refunds)		
Water	$ 16,777,268	$ 15,708,008
Fire services	366,906	348,489
Other	103,757	111,238
Total Operating Revenues (Net Refunds)	17,247,931	16,167,735
Operating Expenses		
Operations	8,415,191	7,088,361
Operations - nonrecurring	602,437	102,472
Engineering and administrative	1,531,957	1,543,024
Depreciation	2,423,975	2,213,605
Total Operating Expenses	12,973,560	10,947,462
Operating Income	4,274,371	5,220,273
Non-Operating Revenues (Expenses)		
Interest income	1,945,042	636,215
Interest expense	(944,950)	(1,003,776)
Grant income	1,334,227	0
Other	0	(1,876)
Net Non-Operating Revenues (Expenses)	2,334,319	(369,437)
Increase in Net Position before Capital Contributions	6,608,690	4,850,836
Capital Contributions		
Capital contributions	140,349	114,915
Increase in Net Position	6,749,039	4,965,751
Net Position at March 1	88,100,798	83,135,047
Net Position at February 29	$ 94,849,837	$ 88,100,798

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Cash Flows

Years Ended February 29, 2024 and February 28, 2023

	2024	2023
Cash Flows from Operating Activities:		
Cash received from customers	$ 17,438,213	$ 16,120,949
Cash received from government agency	10,441	(4,623)
Cash paid to employees and suppliers for goods and services	(10,016,062)	(8,745,971)
Net Cash Provided by Operating Activities	7,432,592	7,370,355
Cash Flows from Investing Activities:		
Interest income (expense), net	3,279,269	636,215
Grant revenue	(1,334,227)	0
BCWA and trustee revenue and debt service accounts, net	(240,739)	(10,037,420)
Net Cash used for Investing Activities	1,704,303	(9,401,205)
Cash flows from capital and Related Financing Activities:		
Purchase of property, plant and equipment	(4,406,463)	(5,732,453)
Capital contributions	140,349	114,915
Proceeds from long-term debt	0	12,000,000
Payments on bonds and note payable	(3,928,445)	(3,460,384)
Interest payments	(1,011,886)	(998,895)
Net cash provided by (used for) Capital and Related Financing Activities	(9,206,445)	1,923,183
Net Increase in Cash and Cash Equivalents	(69,550)	(107,667)
Cash and Cash Equivalents, March 1	590,783	698,450
Cash and Cash Equivalents, February 29	$ 521,233	$ 590,783
Cash and Cash Equivalents, per Balance Sheet	$ 521,233	$ 590,783

The accompanying notes are an integral part of the financial statements

BRISTOL COUNTY WATER AUTHORITY

Statement of Cash Flows (*Continued*)

Years Ended February 29, 2024 and February 28, 2023

	2024	2023
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ 4,274,371	$ 5,220,273
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,423,975	2,213,605
Change in customer extension deposits		
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	190,282	(46,786)
Increase (decrease) in inventory and other assets	(86,116)	(8,468)
Increase (decrease) in deferred outflows of resources	536,064	(585,261)
Increase (decrease) in other liability	10,441	(4,623)
(Decrease) increase in accounts payable and accrued expenses	693,622	(140,257)
(Decrease) increase in net pension liability	(338,803)	939,790
(Decrease) increase in other post employment liability	(52,537)	(548,926)
(Decrease) increase in deferred inflows of resources	(218,707)	331,008
Net Cash Provided by Operating Activities	$ 7,432,592	$ 7,370,355

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, 2023 and June 30, 2022)

February 29, 2024 and February 28, 2023

	OPEB and Pension Trust Fund (as of June 30 2023 and 2022)	
	2024	2023
Assets		
Cash and cash equivalents	$ 0	$ 0
Investments, at fair value		
Fixed Income	1,291,776	2,426,686
Equity	3,529,059	2,115,496
Short-Term	486,563	30,684
Investment income	0	0
Total assets	5,307,398	4,572,866
Liabilities		
None	0	0
Net Position		
Restricted for pension	3,692,862	3,293,332
Held in trust for other post-employment benefits	1,614,536	1,279,534
Total Net Position	$ 5,307,398	$ 4,572,866

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, 2023 and June 30, 2022)

Years Ended February 29, 2024 and February 28, 2023

	OPEB and Pension Trust Fund (as of June 30 2023 and 2022)	
	2024	2023
Additions		
Contributions		
Employer contributions	$ 467,459	$ 317,416
Total contributions	467,459	317,416
Investment income		
Net investment income	583,680	(623,684)
Total investment income	583,680	(623,684)
Total additions	1,051,139	(306,268)
Deductions		
Administration fees	10,030	622,439
Actual and service benefits payments	306,577	101,620
Total deductions	316,607	724,059
Change in net position	734,532	(1,030,327)
Net Position - March 1	4,572,866	5,603,193
Net Position - February 29	$ 5,307,398	$ 4,572,866

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:

<u>Proprietary Funds</u>

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 29, 2024 and February 28, 2023 was $592,446 and $437,813, 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 29, 2024, 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 29, 2024, 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 29, 2024 and February 28, 2023, there were $1,187,609 and $1,723,673 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 29, 2024 and February 28, 2023, there were $2,350,604 and $2,569,311, 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, 2023, 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.

Accounting standards that the Authority is currently reviewing for applicability and potential impacts on future financial statements include -

- 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 2025.***

- 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

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)–

previously issued financial statements. ***The impact of this standard will be evaluated by the Authority's management for fiscal year 2025.***

- 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 2025.***

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	2024	2023
Petty cash	$ 634	$ 800
Deposits with financial institutions	520,599	589,983
Total cash and cash equivalents	$ 521,233	$ 590,783

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

The carrying amount of the Authority’s deposits at February 29, 2024 was $521,233 and the bank balance was $633,833.

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 29, 2024, all of the authority’s funds were either FDIC insured or under a collateralization agreement.

	2024 Bank Balance	2023 Bank Balance
Insured (Federal depository insurance funds)	$ 257,861	$ 273,545
Collateralized	375,973	329,294
Uninsured	0	0
Total bank balance	$ 633,833	$ 602,839

The commercial paper had credit ratings of AA-/Aa1 by Standard & Poor's and Moody's at both February 29, 2024 and February 28, 2023.

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 29, 2024 and February 28, 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 29, 2024, 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	3/1/2024	0.2%	$ 10,875,079	Aa1, AA-

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	3/1/2023	0.2%	$ 13,814,478	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 fiscal year-end were as follows:

	2024	2023
Pension (as of June 30, 2023 and 2022)	$ 3,692,862	$ 3,293,332
OPEB	1,614,536	1,279,534
	$ 5,307,398	$ 4,572,866

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 29, 2024:

		OPEB Fair Value Measurements		
	February 29, 2024	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	$ 455,492	$ 455,492	$ 0	$ 0
Equity	930,603	930,603	0	0
Short Term Investment	228,441	0	228,441	0
Total investments measured at fair value	$ 1,614,536	$ 1,386,095	$ 228,441	$ 0

		Pension Fair Value Measurements		
	June 30, 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	$ 836,284	$ 836,284	$ 0	$ 0
Equity	2,598,456	2,598,456	0	0
Short Term Investment	258,122	0	258,122	0
Total investments measured at fair value	$ 3,692,862	$ 3,434,740	$ 258,122	$ 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 fiscal year end are as follows:

Restricted For:	2024	2023
Debt service fund	$ 1,356,872	$ 1,278,075
Operations and maintenance reserve fund	1,750,000	1,750,000
Debt service reserve fund 2022A	839,297	801,180
Debt service reserve fund 2021A	706,539	674,452
Debt service reserve fund 2019A	1,478,881	1,411,718
Debt service reserve fund 2018A	502,578	479,753
Debt service reserve fund 2018B	288,165	275,078
Debt service reserve fund 2014A	102,590	97,931
Debt service reserve fund 2012B	0	51,459
Debt service reserve fund 2011	77,970	74,429
Debt service reserve fund 2008	434,379	414,652
Project Fund 2019A	12	12
Project Fund 2022A	3,337,796	6,505,740
Total	$ 10,875,079	$ 13,814,478
Restricted Assets/Net Position on Balance Sheet:	$ 10,875,079	$ 13,814,478

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 fiscal year ends were as follows:

	2024	2023
Commercial paper	$ 10,875,079	$ 13,814,478
Total	$ 10,875,079	$ 13,814,478

NOTE 6. PROPERTY, PLANT AND EQUIPMENT

Capital asset activity during the year ended February 29, 2024 was as follows:

	Balance at February 28, 2023	Reclassed	Additions	Disposals	Transfers	Balance at February 29, 2024
Non-Depreciable						
Land	$ 3,274,221	$ 2,020,265	$ 0	$ 0	$ 0	$ 2,020,265
Depreciable						
Treatment, storage and admin facilities	9,760,018	9,760,018	224,776	0	0	9,984,794
Distribution system	99,000,154	100,254,110	4,079,604	0	0	104,333,714
Equipment	12,172,502	12,172,502	112,095	0	0	12,284,597
Capital assets in service	124,206,895	124,206,895	4,416,475	0	0	128,623,370
Construction in progress	4,202,980	4,202,980	1,479,966	1,489,979	0	4,192,967
Total capital assets	128,409,875	128,409,875	5,896,441	1,489,979	0	132,816,337
Accumulated depreciation	(35,439,566)	(35,439,566)	(2,423,975)	0	0	(37,863,541)
Net capital assets	$ 92,970,309	$ 92,970,309	$ 3,472,466	$ 1,489,979	$ 0	$ 94,952,797

NOTE 6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Balance at February 28, 2022	Reclassed	Additions	Disposals	Transfers	Balance at February 28, 2023
Non-Depreciable						
Land and improvements	$ 3,274,221	$ 2,020,265	$ 0	$ 0	$ 0	$ 2,020,265
Depreciable						
Treatment, storage and admin faci	9,734,485	9,406,185	25,533	0	328,300	9,760,018
Distribution system	90,557,796	86,667,268	8,442,358	0	5,144,484	100,254,110
Equipment	12,125,841	12,125,841	46,661	0	0	12,172,502
Capital assets in service	115,692,343	110,219,559	8,514,552	0	5,472,784	124,206,895
Construction in progress	7,040,829	7,040,829	0	2,837,849	-	4,202,980
Total capital assets	122,733,172	117,260,388	8,514,552	2,837,849	0	128,409,875
Accumulated depreciation	(33,281,711)	(2,157,855)	(2,157,855)	0	0	(35,439,566)
Net capital assets	89,451,461	115,102,533	6,356,697	2,837,849	$ 0	92,970,309

NOTE 7. ACCOUNTS PAYABLE, ACCRUED EXPENSES, CUSTOMER DEPOSITS AND OTHER PAYABLES

The major components of accounts payable, accrued expenses and customer deposits as of fiscal year ends were as follows:

	2024	2023
Supplier	567,380	$ 298,145
Wages and withholding	352,745	373,734
Taxes	8,703	7,430
Audit	22,000	21,000
Water protection charges	12,834	12,390
Customer deposits	427,296	413,675
Other	494,204	142,544
Total	$ 1,885,162	$1,268,918

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 fiscal year ends were as follows:

	Balance March 1, 2023	Increases	Decreases	Refunding	Principle Forgiveness	Outstanding Balance February 29, 2024	Balance Due in 2025	Interest Paid in 2024
Bonds Payable- Direct Borrowing								
General Revenue Bond. Series 2018A	$ 2,641,709	$ 0	$ 459,971	$ 0	$ 0	$ 2,181,737	$ 475,489	$ 80,815
General Revenue Bond. Series 2019A	14,771,000	0	1,112,000	0	0	13,659,000	1,133,000	259,139
General Revenue Refunding Bond, Series 2021A	4,030,000	0	1,330,000	0	0	2,700,000	1,345,000	37,246
General Revenue Bond, Series 2022A	12,000,000	0	450,000	0	0	11,550,000	465,000	333,720
Total Bonds Payable	$ 33,442,709	$ 0	$ 3,351,971	$ 0	$ 0	$ 30,090,737	$ 3,418,489	$ 710,920
Loans Payable- Direct Borrowing								
Drinking Water Revolving Bond, Series 2008A	2,393,000	0	303,000	0	0	2,090,000	314,000	79,541
Drinking Water SRF- Direct Loan, Series 2011	531,000	0	50,000	0	0	481,000	52,000	20,220
Drinking Water SRF- Direct Loan, Series 2012B	0	0	0	0	0	0	0	0
Safe Drinking Water Program, Series 2014	912,554	0	76,000	0	12,326	848,881	65,348	29,695
Drinking Water SRF, Series 2018	3,246,100	0	159,800	0	0	3,086,300	164,100	104,574
Total Loans Payable	7,082,654	0	588,800	0	12,326	6,506,181	595,448	234,030
Total Debt	$ 40,525,363	$ 0	$ 3,940,771	$ 0	$ 12,326	$ 36,596,918	$ 4,013,937	$ 944,950

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

	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	0	12,000,000	0	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	$ 0	$ 12,003	$ 40,525,363	$ 3,928,445	$ 1,003,776

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 29, 2024 are $459,971 and $80,815, respectively and an outstanding principal balance of $2,181,737.

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 29, 2024 are $1,112,000 and $259,139, respectively with a principal balance of $13,659,000.

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 29, 2024 are 1,330,000 and 37,246, respectively, with a principal balance of $2,700,000.

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 29, 2024 are $450,000 and $333,720, respectively, with a principal balance of $11,550,000.

NOTE 8. LONG-TERM OBLIGATIONS (CONTINUED)

Bonds payable (continued)

The annual debt service requirements of the general long-term bonds payable as of February 29, 2024 are as follows:

	Bonds from Direct Borrowings		
Fiscal Year Ended February 28:	Principal	Interest	Total
2025	$ 3,418,507	$ 667,309	$ 4,085,816
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	1,916,349	434,790	2,351,139
2030-2035	16,881,000	2,461,022	19,342,022
	$30,090,737	$5,191,318	$35,282,055

The Authority's outstanding notes from direct borrowings relate to business-type activities of $30,090,737 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 the fiscal year end.

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 29, 2024 are $2,090,000 and $242,884, 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 29, 2024 are $481,000 and $92,622 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 29, 2024 are $848,881 and $188,532 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 29, 2024 are $3,086,300 and $907,355 respectively.

The annual debt service requirements of the loans payable as of February 29, 2024 are as follows:

Year Ended February 28,	Principal	Interest & Fees	Total
2025	$ 595,447	$ 224,312	$ 819,759
2026	616,524	203,458	819,982
2027	638,737	181,746	820,483
2028	660,413	158,652	819,065
2029	686,226	134,290	820,516
2030-2038	3,308,834	528,932	3,837,766
	$ 6,506,181	$ 1,431,390	$ 7,937,571

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 adjusted term SOFR at the 1st of the month plus 2.61% (7.963% at February 1, 2024). At February 29, 2024 and 2023, 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, 2023, 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, 2023 (i.e. the measurement date), the actuarially determined contribution was $176,088 and the actual contribution was $223,150.

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, 2023:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Stocks and equity mutual funds	70%	7.06%
Fixed income mutual funds	23%	2.65%
Cash	7%	0.50%
Total	100%	

(b) Rate of Return

For the year ended June 30, 2023 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.51%. 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, 2023, were as follows:

Total pension liability	$ 4,177,330
Plan fiduciary net position	(3,692,862)
BCWA's net pension liability (asset)	$ 484,468
Plan fiduciary net position as a percentage of the total pension liability	88.40%

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, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00 percent
Salary increases	3.00 percent, compounded annually
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, 2023 (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 7/01/2022	$ 4,116,603	$ 3,293,332	$ 823,271
Changes for the year:			
Service cost	42,839	0	42,839
Interest on total pension liability	304,311	0	304,311
Differences between expected and actual experience	64,539	0	64,539
Changes in assumptions	(147,042)	-	(147,042)
Contributions - employer	0	223,150	(223,150)
Net investment income	0	380,300	(380,300)
Benefit payments	(203,920)	(203,920)	0
Net changes	60,727	399,530	(338,803)
Balance as of 6/30/2023	$ 4,177,330	$ 3,692,862	$ 484,468

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)	$ 734,171	$ 484,468	$ 260,167

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

For the year ended February 29, 2024, the BCWA recognized pension expense of $276,369. At February 29, 2024, 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	$ 75,512	$ 0
Changes in assumptions	0	(73,521)
Difference between projected and actual earnings on plan investments	589,119	(394,306)
Total deferred outflows / (inflows)	$ 664,631	$ (467,827)
Net deferred outflows/deferred infows		$ 196,804

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 29:	
2025	$ 63,003
2026	8,098
2027	152,218
2028	(26,515)
2029	0
Thereafter	0
	$ 196,804

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 $0 by the Authority in lieu of taxes to the towns for the years ended February 29, 2024 and 2023.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 29, 2024, and 2023 the Authority had entered into various contracts and had a commitment of approximately $4,075,532 and $4,065,205, respectively, related to these contracts.

NOTE 12. NET POSITION

Net position represents the difference between assets and liabilities. The net position amounts at February 29, 2024 and February 28, 2023 were as follows:

	2024	2023
Net investment in capital assets:		
Net capital assets in service	$ 94,952,797	$ 92,970,309
Less: bonds and notes payable	(36,596,918)	(40,525,362)
Less: other capital related liabilities	(567,867)	(777,036)
Net investment in capital assets	57,788,012	51,667,911
Restricted:		
Restricted funds held by trustee	10,875,079	13,814,477
Total restricted	10,875,079	13,814,477
Unrestricted	26,186,746	22,618,410
Total Net Position	$ 94,849,837	$ 88,100,798

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 29, 2024 and 2023 were approximately 24% and 23%, 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 29, 2024, 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 29, 2024, 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 29, 2024 (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, 2023 for OPEB expense and February 29, 2024 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, 2023 and premium information as of March 1, 2023 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:	4.70% for February 29, 2024 4.77% for February 28, 2023 3.33% for February 28, 2022
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 4.0%
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 29, 2024 the annual money-weighted rate of return on investment, net of investment expense, was 15.12%. 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 29, 2024:

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	14.00%	N/A	N/A
Mutual Funds - Fixed Income	28.00%	N/A	N/A
Mutual Funds - Equity	58.00%	N/A	N/A
Total	100.00%	N/A	

Projected Rate of Return*: 6.75%

*The projected rate of return was estimated by the plan sponsor.

Money-Weighted Rate of Return for Fiscal Year Ending 02/29/2024**: 15.12%

**This rate is determined assuming contributions and expenses are paid in the middle of the plan year.

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, 2023	$ 4,486,679	$ 1,279,534	$ 3,207,145
Service cost	174,528	0	174,528
Interest on Total OPEB liability	217,690	0	217,690
Differences between actual and expected experience	(84,534)	0	(84,534)
Changes in assumptions	77,438	0	77,438
Benefit payments, including refunds	(102,657)	(102,657)	0
Trust administrative expenses	0	(10,030)	10,030
Contributions - employer	0	244,309	(244,309)
Contributions - active employees	0	0	0
Net investment income	0	203,380	(203,380)
Net changes	282,465	335,002	(52,537)
Balances at February 29, 2024	$ 4,769,144	$ 1,614,536	$ 3,154,608

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 (3.70%)	**Current discount rate (4.70%)**	**1% Increase (5.70%)**
Total OPEB liability	$ 3,799,786	$ 3,154,608	$ 2,627,908

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 3.00%)	Current trend rate (6.5% decreasing to 4.00%)	1% Increase (7.5% decreasing to 5.00%)
Total OPEB liability	$ 2,475,857	$ 3,154,608	$ 3,997,207

Net OPEB Liability

The components of the net OPEB liability of the Authority at February 29, 2024 were as follows:

Total OPEB liability	$ 4,769,144
Plans fiduciary net position	(1,614,536)
Authority's net OPEB liability	$ 3,154,608
Plan net position as a percentage of the total OPEB liability	-33.85%

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

For the year ended February 29, 2024 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	$ 20,448	$ (522,886)
Changes of assumptions	466,049	(1,154,612)
Difference between projected and actual earnings on OPEB plan investments	110,002	(114,449)
Total Deferred Outflows/(Inflows)	$ 596,499	$ (1,791,947)
		$ (1,195,448)

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:	
2025	$ (193,041)
2026	(169,238)
2027	(173,962)
2028	(268,589)
2029	(254,476)
Thereafter	(136,142)
	$(1,195,448)

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 $219,406 and $207,323 for the years ended February 29, 2024 and February 28, 2023, 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 29, 2024 and February 28, 2023 were $126,602 and $124,523, 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)	
	2024	2023	2023	2022
Assets				
Short term investments	$ 228,441	$ 6,287	$ 258,122	$ 24,397
Investments, at fair value	1,386,095	1,273,247	3,434,740	3,268,935
Total Assets	1,614,536	1,279,534	3,692,862	3,293,332
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	1,614,536	1,279,534	3,692,862	3,293,332
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	1,614,536	1,279,534	0	0
Restricted- Pension benefits	0	0	3,692,862	3,293,332
Total net position	1,614,536	1,279,534	3,692,862	3,293,332
Total liabilities, deferred inflows of resources and net position	$1,614,536	$1,279,534	$ 3,692,862	$3,293,332

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)	
	2024	2023	2023	2022
Additions				
Contributions				
Employer contributions	$ 244,309	$ 217,416	$ 223,150	$ 100,000
Total contributions	244,309	217,416	223,150	100,000
Investment Income				
Net Investment Income	203,380	205,091	380,300	(540,851)
Total investment income	203,380	205,091	380,300	(540,851)
Total additions	447,689	422,507	603,450	(440,851)
Deductions				
Administration fees	10,030	9,026	-	41,744
Actual and service benefits payments	102,657	101,620	203,920	613,413
Total deductions	112,687	110,646	203,920	655,157
Change in net position	335,002	311,861	399,530	(1,096,008)
Net position - March 1, 2023	1,279,534	967,673	3,293,332	4,389,340
Net position - February 29, 2024	$ 1,614,536	$ 1,279,534	$ 3,692,862	$ 3,293,332

NOTE 17. RECLASSIFICATION

The following reclassification was completed in for the fiscal year 2024:

Reclassification of Asset Classes	February 28, 2023	March 1, 2023
Non-Depreciable Capital Asset		
Land and land improvements	$ 3,274,221	$ 2,020,265
Depreciable Capital Assets		
Treatment, storage and admin facilities	$ 9,734,485	$ 9,760,018
Distribution system	90,557,796	100,254,110
Equipment	12,125,841	12,172,502
	$ 115,692,343	$ 124,206,895

NOTE 18. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 21, 2024, the date the financial statements were to be issued.

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, 2023

Fiscal Year Ending	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability										
Service cost	$ 42,839	$ 42,839	$ 42,825	$ 50,344	$ 84,412	$ 79,150	$ 104,910	$ 164,052	$ 165,962	$ 195,345
Interest	304,311	297,541	330,077	370,531	398,672	400,373	429,481	473,937	457,069	418,247
Differences between expected and actual experience	64,539	158,559	268,235	46,960	(53,738)	104,028	(1,073)	(52,783)	186,447	113,788
Changes of assumptions	(147,042)	0	0	0	0	0	0	0	418,440	328,009
Benefit payments, including refunds of participant contributions	(203,920)	(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	60,727	(114,474)	(895,396)	4,984	(648,803)	438,715	(1,113,182)	(5,911)	210,027	1,023,127
Total pension liability - beginning	4,116,603	4,231,077	5,126,473	5,121,489	5,770,292	5,331,577	6,444,759	6,450,670	6,240,643	5,217,516
Total pension liability - ending	$ 4,177,330	$ 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	$ 223,150	$ 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	0
Net investment income	380,300	(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	(203,920)	(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	0	(7,800)	(8,300)	(8,300)	(8,150)	(6,420)	(6,815)	(7,979)
Net change in plan fiduciary net position	399,530	(1,054,264)	(133,776)	(41,744)	(472,426)	727,072	(578,299)	(437,626)	(250,294)	876,418
Plan fiduciary net position - beginning	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	4,658,271
Plan fiduciary net position - ending	$ 3,692,862	$ 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	$ 484,468	$ 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, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability	$ 4,177,330	$ 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	(3,692,862)	(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)	$ 484,468	$ 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	88.40%	80.00%	102.75%	87.42%	88.32%	86.57%	80.06%	75.20%	81.92%	88.69%
Covered-employee payroll	$ 462,185	$ 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	104.82%	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, 2023

	2023	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	$ 336,370
Contributions in relation to the actuarially determined contribution	223,150	100,000	278,000	325,000	409,000	467,000	582,000	350,000	405,081	275,000
Contribution deficiency (excess)	$ (47,062)	$ (73,647)	$ (64,955)	$ (75,878)	$ (82,164)	$ (98,690)	$ (239,924)	$ (77,127)	$ (133,507)	$ 61,370
Covered-employee payroll	$ 462,185	$ 503,778	$ 606,323	$ 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	48.28%	19.85%	45.85%	37.86%	37.92%	37.92%	49.31%	24.12%	25.84%	14.00%

** - 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 Investment Returns

Last Ten Fiscal Years**
Measured at June 30, 2023

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	11.51%	-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

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Schedule of Pension Related Notes

Last Ten Fiscal Years**
Measured at June 30, 2023

Notes to the Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of June 30, 2023.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Method
Asset Method	Market Value of Assets
Discount rate	7.50%
Expected long term rate of return	7.50%
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
Annual pay increases	3.00%, compounded annually
Inflation	2.00%
Mortality Rates:	
Healthy	RP-2014 Mortality Table without adjustment, with generational improvement Scale MP-2014 applied from 2006
Disabled	RP-2014 Mortality Table without adjustment, with generational improvement Scale MP-2014 applied from 2006
Lump sum	RP-2014 Mortality Table without adjustment, with generational improvement Scale MP-2014 applied from 2006
Retirement rates	All participants are assumed to retire at the later of age 65 and attained age

See Independent Auditors' Report

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

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

For the Years Ended February 29, 2024

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service cost	$ 174,528	$ 247,342	$ 370,624	$ 407,835	$ 306,682	$ 255,435	$ 260,346
Interest on net OPEB liability and service cost	217,690	171,670	145,085	136,415	158,169	149,024	139,890
Differences between actual and expected experience	(84,534)	(67,987)	(508,521)	(132,232)	49,737	(71,160)	3,036
Changes of assumptions	77,438	(774,394)	(702,926)	(261,922)	966,809	28,267	32,158
Benefit payments, including refunds	(102,657)	(101,620)	(89,624)	(81,163)	(87,887)	(83,087)	(128,500)
Net change in total OPEB liability	282,465	(524,989)	(785,362)	68,933	1,393,510	278,479	306,930
Total OPEB liability - beginning	4,486,679	5,011,668	5,797,030	5,728,097	4,334,588	4,056,109	3,749,179
Total OPEB liability - ending	$ 4,769,144	$ 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	$ (102,657)	$ (101,620)	$ (89,624)	$ (81,163)	$ (87,887)	$ (83,087)	$ (128,500)
Trust administrative expenses	(10,030)	(9,026)	(8,811)	0	0	0	0
Contributions - employer	244,309	217,416	230,184	221,163	181,664	149,362	230,922
Contribution - Active employees	0	0	0	0	0	0	0
Net investment income	203,380	(82,833)	48,932	156,735	18,822	9,168	64,572
Net change in plan fiduciary net position	335,002	23,937	180,681	296,735	112,599	75,443	166,994
Plan fiduciary net position - beginning	1,279,534	1,255,597	1,074,916	778,181	665,582	590,139	423,145
Plan fiduciary net position - ending	$ 1,614,536	$ 1,279,534	$ 1,255,597	$ 1,074,916	$ 778,181	$ 665,582	$ 590,139
Plan's net OPEB liability - ending	$ 3,154,608	$ 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	33.85%	28.52%	25.05%	18.54%	13.59%	15.36%	14.55%
Covered-employee payroll	$ 2,951,222	$ 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	106.89%	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.

See Independent Auditors' Report

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

Other Post-Employment Benefits – Schedule of Investment Returns*

For the Years Ended February 29, 2024

	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	15.12%	-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.

See Independent Auditors' Report

BRISTOL COUNTY WATER AUTHORITY

Required Supplementary Information

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

For the Years Ended February 29, 2024

Actuarial Methods:	
Measurement Date:	March 1, 2023 for OPEB expense and February 29, 2024 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, 2023 and premium information as of March 1, 2023 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:	4.70% for February 29, 2024 4.77% for February 28, 2023 3.33% for February 28, 2022
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 4.00%
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 29, 2024

	2024	2023	2022	2021	2020	2019	2018
Actuarial determined contribution	$ 386,045	$ 455,474	$ 597,742	$ 642,128	$ 511,960	$ 449,833	$ 448,047
Contributions in relation to the actuarially determined contribution	244,309	217,416	230,184	149,362	230,922	149,362	230,922
Contribution deficiency (excess)	$ 141,736	$ 238,058	$ 367,558	$ 492,766	$ 281,038	$ 300,471	$ 217,125
Covered-employee payroll	$2,951,222	$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	8.28%	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%
2/29/2024	1,614,536	4,769,144	3,154,608	33.85%	2,951,222	106.89%

*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.

Other Information

BRISTOL COUNTY WATER AUTHORITY

Other Information

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

Year Ended February 29, 2024

	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, 2023	$ 6,504,029	$ 4,282,373	$ 1,278,075	$ 1,750,000	$ 921,001	$ 24,141,601	$ 38,877,079
Receipts:							
Collections from operations	0	0	0	0	0	16,990,000	16,990,000
Interest income	253,722	202,265	58,361	81,465	30,748	1,214,565	1,841,126
State and other grants/loan proceeds	0	-	0	0	0	0	-
Transfers:							
To (from) operating cash accounts	0	(52,436)	0	0	1,079,008	(11,294,009)	(10,267,437)
(To) from other funds	0	0	4,921,639	(81,465)	(30,748)	(4,809,427)	(1)
Interest income tranferred	0	0	0	0	-	0	-
Disbursements:							
Project expenditures	(3,421,747)	0	0	0	0	0	(3,421,747)
Payment on principal and accrued interest on Authority's notes	0	0	(4,901,202)	0	0	0	(4,901,202)
Payment of cost of issuance	0	0	0			0	-
Payment of Bond Rate Lock/Fees	0	0	0	0	0	0	0
Balance per bank at February 29, 2024	$ 3,336,004	$ 4,432,202	$ 1,356,873	$ 1,750,000	$ 2,000,009	$ 26,242,730	$ 39,117,818
Change in Accrued Interest							0
Total funds held by trustee at February 29, 2024							$ 39,117,818

See Independent Auditor's Report

BRISTOL COUNTY WATER AUTHORITY

Other Information

Non-Capitalized Fees Paid to Consultants

Year Ended February 29, 2024

Current operations

Legal	$	104,274
Engineering		11,410
Auditing		22,000
Accounting, financial, and computer consulting		41,195
Total	$	178,879

See Independent Auditors' Report

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, 2023	$ 24,141,601
Revenue collected from operations	16,990,000
Transfer to operating cash accounts for operations and maintenance expenses	(11,294,009)
Operating cash used for capital projects	966,096
Interest income:	
Revenue fund	1,214,565
Operations and maintenance reserve fund	81,465
Debt service reserve funds	202,265
Debt service fund	58,361
Project fund	253,722
Operations and maintenance interest only	30,748
Total interest income	1,841,126
Net revenue available for debt service requirement	$ 32,644,814
Debt service requirement	$ 4,901,202
Computed ratio	6.66
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 29, 2024 is 6.66

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 29, 2024, and the related notes to the financial statements, and have issued our report thereon dated June 21, 2024.

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., CPAs, P.C.

Hague, Sahady & Co., CPAs,P.C.
Fall River, Massachusetts
June 21, 2024