



Fiscal Year 2025 Annual Report

March 1, 2024 - February 28, 2025

bcwari.com



About BCWA

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

BCWA continually adopts operational efficiencies while it invests in, modernizes, and maintains the utility. With strategic planning, vigilant maintenance, and constant innovation, BCWA successfully supplies an average of 3.15 million gallons of quality water daily to 17,428 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

**Cover Photo by Jim Vieira
1st Place Winner, NEWWA 2024 Photo Contest
"Operators Repairing Network Lines, Roger Williams Tank, Bristol, RI"*

Chairman's Letter



Since the 17th century, history has repeated itself many times with philosophers, historians and even 20th century songwriters stating the message: “You never miss the water until the well runs dry.” This quote means we often take everyday necessities for granted such as clean drinking water. Public water supply agencies ensure that water is available and that the well, reservoir, or water supply does not “run dry.”

Bristol County Water Authority (BCWA) provides drinking water to over 50,000 people and over 1,000 commercial customers in Bristol County. The East Bay Pipeline provides access to the State’s largest water supply, the Scituate Reservoir. Redundancy is vital in a public water supply. Three years ago, a new emergency connection in East Providence was completed, also providing access to the Scituate supply. A design for a new connection to the Pawtucket Water Supply system is about 90% complete. This will establish a safe and reliable water supply for Bristol County in the future.

Last year, BCWA began a program to replace lead service lines in the distribution system as well as on customer premises. This project offers low-cost financing for homeowners from BCWA. Most affected BCWA lines were replaced last year, with the remainder scheduled to be completed this year.

On Child Street in Warren two former water treatment facility buildings, initially planned to be razed, are now being considered for adaptive reuse. Public meetings and discussions were held with community leaders, interested parties, and historic preservation interest groups to evaluate alternatives for reuse that would benefit the community and BCWA. Formal proposals are being sought.

In August 2024, George Champlin of Barrington passed away. George was a very active and admired member of the BCWA Board of Directors for eight years, serving as Secretary/Treasurer and Chair of the Finance Committee. His knowledge, wisdom, and friendship are missed.

There are nine members of the Board of Directors (three from each town, selected by each Town Council). Over the last 10 years, 17 men and women have served on the Board. I thank them and the present Board Directors who have carefully deliberated issues, made appropriate decisions, guided BCWA’s success, and served the people of Bristol County well.

BCWA’s operations staff ensures that over 230 miles of water supply lines, pump stations, fire hydrants, metering facilities, and other related appurtenances are fully functional and provide drinking water to customers. Administrative and support staff provide vital customer service, billing, accounting, financial management, planning, engineering, and other services to support the ongoing maintenance and upgrades of the public water system while ensuring accountability to the public.

Finally, on behalf of all Board members, thank you to our Executive Director, Stephen Coutu, who continues to be an excellent leader of BCWA and a steward of BCWA assets and water resources, and to all our employees for their dedication in supporting, maintaining, and upgrading the water system and providing outstanding service to our customers.

Juan Mariscal
Chairman

Executive Director's Letter



Water is essential to our daily lives, and at BCWA, we are committed to delivering safe, high-quality water to every customer, every day. Our mission is to ensure a reliable supply while continuously improving our systems and services. Our Strategic Plan focuses on four key priorities:

- Maintaining water quality and securing an alternative supply
- Providing exceptional customer service
- Enhancing operational efficiency
- Ensuring financial stability

Our dedicated team of professionals work diligently to achieve these goals, and we are excited to share some of our accomplishments and future plans. While challenges exist, particularly our reliance on a single water source, we are proactively addressing these issues through strategic investments and infrastructure improvements.

BCWA purchases all its water from Providence Water, sourced from the Scituate Reservoir. Our primary pipeline connects with the Providence system crossing 160 feet below the Providence River. A 2019 pipeline leak underscored the vulnerability of this connection, reinforcing the need for an additional water source. Our top priority is establishing a connection with the Pawtucket Water Supply, which would ensure a high-quality, reliable secondary source of supply.

BCWA is responsible for maintaining over 230 miles of pipelines and approximately 1,000 hydrants. Some of our oldest pipes, made of cast iron, are over 100 years old and susceptible to breaks, leaks, and water quality issues. To address these concerns, our Capital Improvement Program focuses on ongoing system rehabilitation. Over the past decade, we have upgraded 100,000 feet of water main.

In addition to replacing aging infrastructure, we are working to improve water pressure in historically low-pressure areas. Each year, we identify priority upgrades within the funding available through our capital improvement plan, ensuring our customers receive consistent and high-quality water service.

We recently completed the construction of a new pump station at the Hope Street storage tank to improve system pressures and fire flow in this area of Bristol. With the pump station in operation, system pressure has improved for 811 customers in the area and with the completion of some pipeline improvement work on Gooding Avenue scheduled for this year, we will improve pressure for an additional 94 customers.

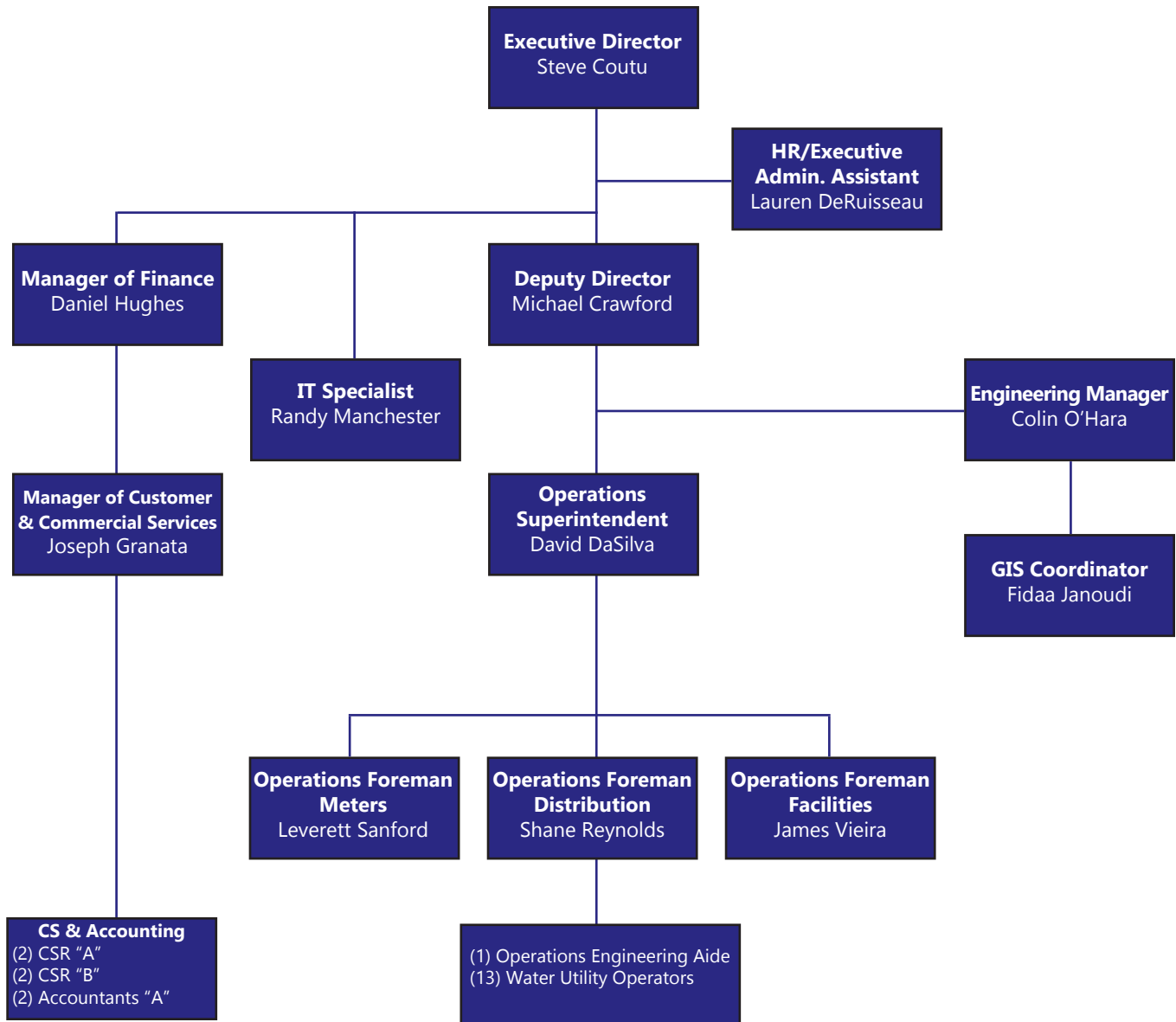
Since we no longer rely upon the Kickemuit Reservoir for our water supply, we completed the removal of both the Upper and Lower Kickemuit Reservoir Dams this past year. This project, which restored the Kickemuit River as a tidal estuary as it existed over 125 years ago, was, and continues to be, widely supported by various environmental groups. We secured \$4 million in grant funding to cover the costs associated with this project. Divesting ourselves from obsolete water system infrastructure removes the liability and costs for on-going maintenance.

These are just some of the more high-profile projects that have been taking place to improve your water system. However, it takes a team effort on a daily basis from every one of our water utility operators, customer service personnel, management team, and Board of Directors to continuously provide our customers and the community we serve with reliable, dependable, high-quality water.

Stephen Coutu, P.E.

Executive Director

Organization



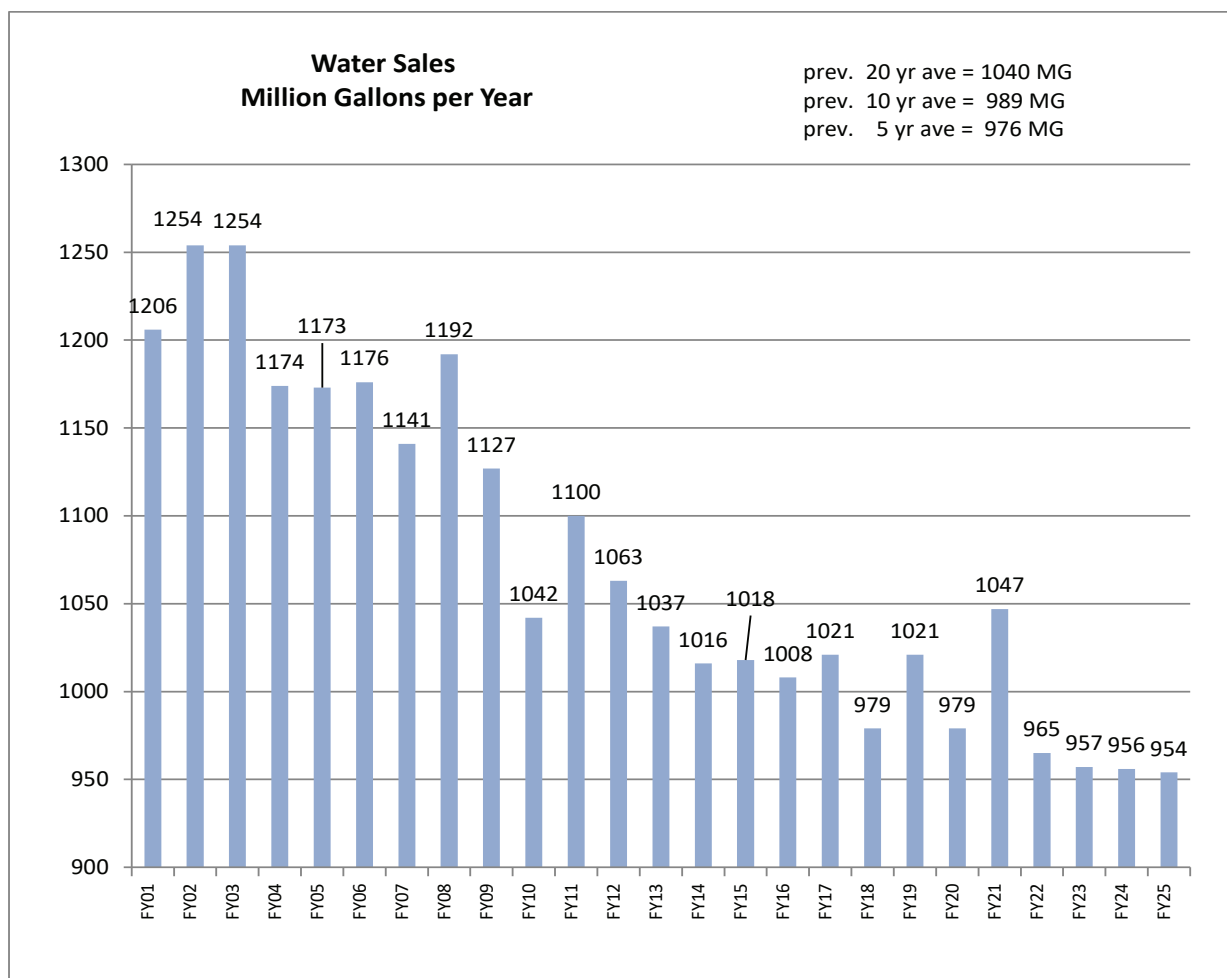
FY2026 Rate Increase

The BCWA Board of Directors has implemented a rate increase of 3.00% for FY2026 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 minimize future rate hikes
- adjust for decreases in water consumption

We understand that rate increases of any kind affect our customers' households and businesses. However, this increase enables us to effectively address the current and future needs of our customers



Bristol County Water Authority

Five Year Comparative Analysis

ITEM	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
# Customers:						
Residential	16,257	16,236	16,224	16,187	16,141	16,068
Commercial	1,070	1,060	1,060	1,056	1,057	1,052
Industrial	8	8	8	8	8	8
Municipal	93	89	89	103	85	85
Total:	17,428	17,393	17,381	17,354	17,291	17,213
# Employees (FTEs)*:	32	32	33	33	34	34
Consumption: (Thousands of Gallons)						
Residential	746,106	742,153	741,515	753,177	838,030	745,556
Commercial	187,308	195,733	195,180	190,196	187,366	209,581
Industrial	2,208	1,893	1,682	1,481	1,322	1,331
Municipal	18,428	19,249	18,362	20,397	20,845	22,443
Total:	954,050	956,028	956,739	965,251	1,047,563	978,911
Unaccounted-for Water (%):	11.3%	11.5%	13%	9.97%	9.8%	10%
Rate Increases (%):	5%	6%	4%	3.5%	10%	4.5%

FINANCIAL	FY2025	FY2024	FY2023	FY2022	FY2021	FY2020
Operating Revenue	\$18,326,430	\$17,247,931	\$16,167,735	\$16,066,002	\$16,223,925	\$14,014,867
Operating Expenses	\$12,868,736	\$12,973,560	\$10,947,462	\$10,322,013	\$11,386,966	\$10,675,724
Operating Income	\$5,457,694	\$4,274,371	\$5,220,273	\$5,743,989	\$4,836,959	\$3,339,143
Net Assets	\$103,741,363	\$94,849,837	\$88,100,798	\$83,135,047	\$78,034,477	\$73,856,835
Accounts Receivable (A/R)	\$3,472,279	\$3,187,563	\$3,364,224	\$3,291,024	\$3,094,067	\$2,717,961
Debt Coverage Ratio	7.87	6.66	6.87	7.62	6.74	9.75

*Full Time Equivalents

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 Jannitto
Warren Representative
Term Ending: 1/31/26



Mr. David E. Fales
Barrington Representative
Term Ending: 2/29/28



Mr. Richard E. Fournier
Bristol Representative
Term Ending: 2/29/28



Mr. William F. Gosselin
Warren Representative
Term Ending: 1/31/28



Mr. Robert Martin
Bristol Representative
Term Ending: 2/28/27



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

FY2025 System Information



Total water purchased:

1,150 million gallons

Water purchased (average day):

3.15 million gallons per day

Miles of pipe:

233



Number of service accounts:

Residential:

16,257

Commercial:

1,070

Industrial:

8

Government:

93

Total:

17,428



Residential population served:

50,793 (per 2020 U.S. Census)

Average residential annual demand:

45,894 gallons per year

Gallons/person/day:

40

Average annual water bill:

\$738

Average cost per gallon:

\$1.6 cents per gallon



Cost of Providence Water:

\$2,522,383 or 15% of budget revenue



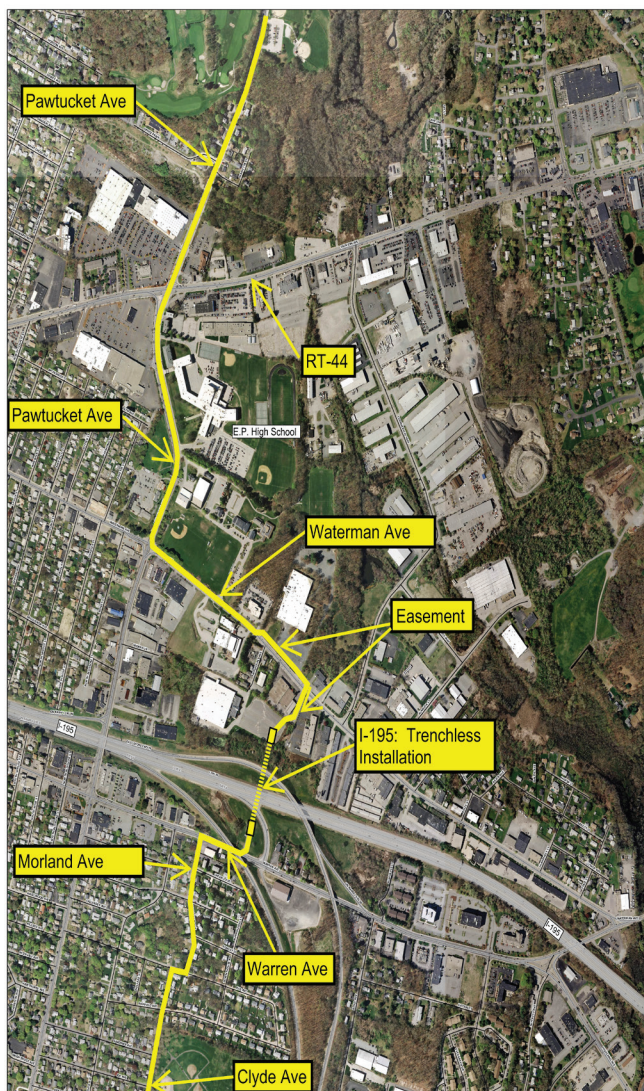
Number of employees:

32

Pawtucket Pipeline Project

Design Work Continues on Phase II of the Pawtucket Pipeline Project

The Pawtucket Pipeline Project is a challenging five mile, 30-inch pipeline project that commences at the Kent Heights Water Tank site in East Providence and will connect to the Pawtucket Water Supply near the East Providence/Pawtucket line on Pawtucket Avenue. As shown on the images below, most of the pipeline will be installed along the most direct route within Pawtucket Avenue, with complex crossings of I-195, the Ten Mile River, and the railroad at two locations.



The project design is nearing the 90% completion phase and is expected to be submitted for permitting this year. Depending on permit review timing, construction of the pipeline could start in 2026, with completion expected by 2029.

Pawtucket Pipeline Project

Project Purpose

BCWA currently purchases all its water (3.2 million gallons a day) from a single source: Providence Water. If there was a flow reduction, service termination, or issue 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. The City of East Providence is equally vulnerable, as such this project is being designed as a jointly owned pipeline. Phase I of this project was completed in June 2022 and established a critical inter-connection between the BCWA and East Providence water systems.

Project Costs

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 has shared in the costs for Phase II design (\$2 million) with BCWA, due to their mutual reliance on Providence Water. The estimated construction cost for Phase II is approximately \$50 to \$70 million.

To prepare for potential cost impacts, BCWA has built reserves over the past several years, aiming to minimize the need for significant rate increases. Notably, our budget does not include provisions for any 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.

This project will provide water security and reliability for the communities of Barrington, Warren, Bristol, and East Providence for future generations.



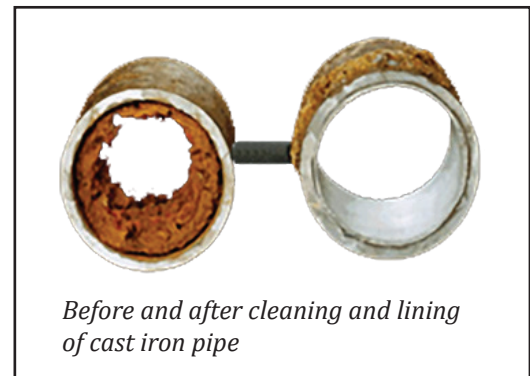
Capital Plan

Investments in Water System Infrastructure

Ongoing maintenance and infrastructure improvements 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

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 2024, we rehabilitated 1.3 miles of pipeline including:

Barrington

- Rumstick Road: 1,820 feet of cleaning and lining of 6-inch CI (cast iron) pipe
- Chachapacasset Road: 1,715 feet of cleaning and lining of 6-inch CI pipe

Bristol

- State Street: 1,860 feet of cleaning and lining of 8-inch CI pipe

Warren

- Bradford Street: Installation of 230 feet of new 2-inch water main
- Maple Street: 810 feet of cleaning and lining of 6-inch CI pipe and installed 150 feet of new 2-inch water main.
- Locust Terrace: Installation of 320 feet of new 2-inch water main

For 2025, our water main improvements will include:

Bristol

- Gooding Avenue and Naomi Street: Removal of approximately 740 linear feet of 8" ductile iron and 8" cast iron water main and installation of approximately 740 linear feet of new 8" ductile iron water main, and associated appurtenances.

Capital Plan

The work on Gooding and Naomi in Bristol will replace water main that was found to be compromised due to corrosion. Upon replacement, we will be able to expand the high service area to additional customers.

Warren

- Child Street: Installation of approximately 330 linear feet of new 12” ductile iron water main, and associated appurtenances, including cutting and capping of old water mains from BCWA’s former water treatment facility.

The work on Child Street will cut and cap the water mains from the former water treatment facility, replace older main within Child Street, and increase the resilience to the water main which serves the east Warren area.

All of this work is designed to improve system performance and reliability so that our customers can expect a dependable water supply.



Capital Plan

Hope Street Pump Station Construction

A significant project that greatly improved system pressure for this area was the completion of the Hope Street Pump Station in Bristol. With the Pump Station in operation, system pressure has improved for 811 customers in the area and with the completion of the pipeline work on Gooding Avenue, we will add an additional 94 customers to the High Service Area.



Lead Service Line Replacements

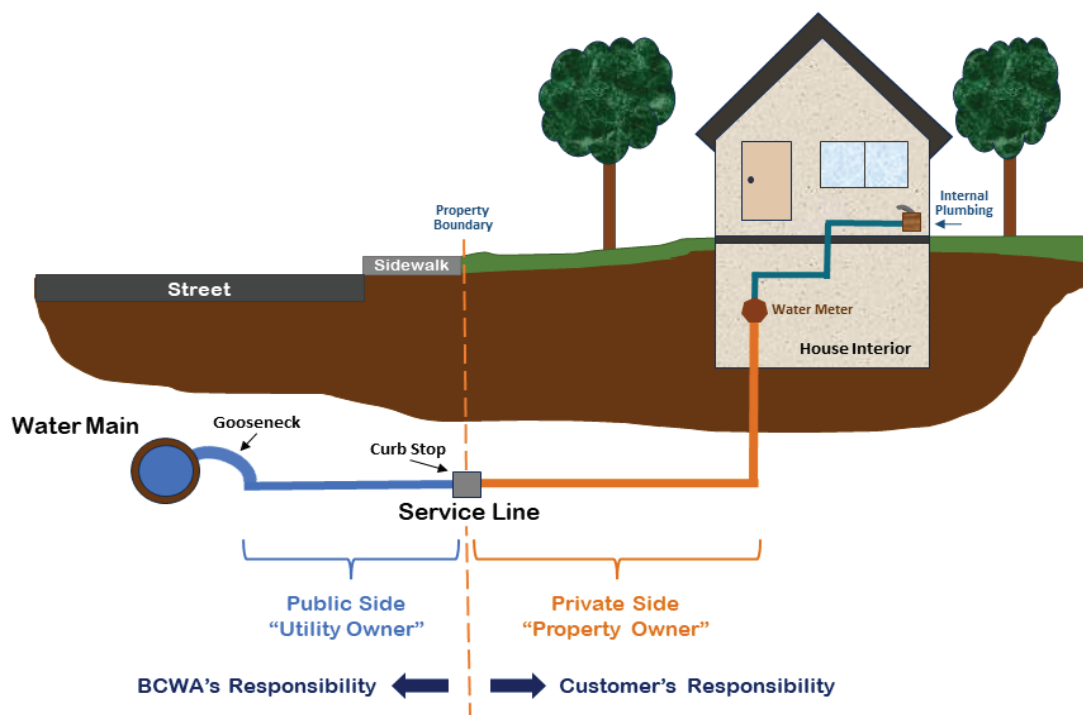
The State of Rhode Island recently passed new regulations regarding lead service lines and requiring public water systems to take an active role in addressing them within their respective service areas. Over the past 10 years, BCWA has been proactively replacing service lines on the public side where lead gooseneck connectors are present at the main. The new state regulations will continue that work as well as add 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, including lines traditionally considered on the “public” side of the connection (maintained by the water authority) as well as the “private” side of the connection (which starts at the curb stop 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 lead connectors. If there’s no proof that a service line isn’t made of lead, it’s assumed to be.

Capital Plan

- 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:

BCWA has proactively been removing known lead service lines within the district and by the end of 2025 (well in advance of the 10-year requirement), all lead service lines on the public side will have been removed. 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.

BCWA recognizes that this can be a financial burden to homeowners and our customers, as such BCWA has developed a no interest, five-year finance program to assist customers if they are interested in replacing their lead and/or galvanized water service lines. The estimated private side cost is about \$7,500 per location. BCWA has allocated \$700,000 in its Capital Improvement Program over the next two years to update the public side service lines and to finance private side loans to assist homeowners in complying with these new regulations.

Capital Plan

As required, the BCWA completed its comprehensive inventory of all the water service lines in the district and has identified the material makeup of the service line on both the public and private side. We have established a website (www.bcwari.com/map-room) where customers can identify the materials that make up their water service line.

If your property is still listed as unknown, please take our survey located on our website (www.bcwari.com/lead-service-line-survey) to assist us in identifying the material make-up of your service line. Information is updated as service lines are replaced and as we gather and verify information about service line materials.

Restoring the Ecological Resilience of the Kickemuit River

Following a decade of planning, engineering analyses, and regulatory permitting both the Lower and Upper Kickemuit River Dams were successfully removed last year, thereby restoring the Kickemuit River to a tidal estuary as it existed over 125 years ago.

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 over \$4 million in grant funds, which has covered the costs for the dam removals.



Construction work to remove the Upper Dam

Investing in the Future

Divesting ourselves from the obsolete dams and treatment plant facilities removes the on-going 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.

**BRISTOL COUNTY WATER AUTHORITY
WARREN, RHODE ISLAND**

FINANCIAL STATEMENTS

**FOR THE YEARS ENDED FEBRUARY 28, 2025
AND FEBRUARY 29, 2024**

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BRISTOL COUNTY WATER AUTHORITY

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BRISTOL COUNTY WATER AUTHORITY

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Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Bristol County Water Authority (Authority), as of and for the year ended February 28, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of February 28, 2025, and the respective changes in financial position, and its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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 is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of the Authority as of and for the year ended February 29, 2024 were audited by other auditors whose reported dated June 21, 2024 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 management's discussion and analysis, pension plan information and other post-employment information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 3, 2025, 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.

CBIZ CPAs P.C.

Providence, RI
July 3, 2025

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BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Overview of the 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).

Overview of the Financial Statements:

As noted in the Independent Auditor's Report, Management's Discussion and Analysis (MD&A) provides required supplementary 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.

The financial statements include (1) the statement of net position, (2) the statement of revenues, expenses and changes in net position, (3) the statement of cash flows, (4) the statement of fiduciary net position, (5) the statement of changes in fiduciary net position, and (6) notes to the financial statements.

Financial Highlights – Fiscal Year 2025

- The Authority's net position increased by \$8.9 million or 9.4%.
- During the year, the Authority's operating revenues increased 6.3% to \$18.3 million. Total expenses decreased from \$13.0 million to \$12.9 million or by 0.8%.
- The Debt Service Ratio increased to 7.87 for FY2025.

Financial Highlights – Fiscal Year 2024

- 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 Debt Service Ratio decreased to 6.66 for FY2024.

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

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.

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Financial Highlights:

Summary of Net Position

Presented below is the Authority's condensed summary of net position at February 28, 2025 compared to February 29, 2024 and February 28, 2023. The statement of net position presents the assets and deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end-of-year data for assets, deferred outflows of resources, liabilities, and net position (assets and deferred outflows of resources, minus liabilities and deferred inflows of resources).

SUMMARY OF NET POSITION February 28, 2025, 2024 and 2023

	2025	2024	2023
Current and Other Assets	\$ 47,151,209	\$ 44,684,003	\$ 43,230,005
Capital Assets	<u>96,413,212</u>	<u>94,952,797</u>	<u>92,970,309</u>
Total Assets	<u>143,564,421</u>	<u>139,636,800</u>	<u>136,200,314</u>
Deferred Outflows of Resources	<u>657,106</u>	<u>1,187,609</u>	<u>1,723,673</u>
Current Liabilities	6,796,815	7,027,050	6,728,515
Noncurrent Liabilities	<u>31,842,462</u>	<u>36,596,918</u>	<u>40,525,363</u>
Total Liabilities	<u>38,639,277</u>	<u>43,623,968</u>	<u>47,253,878</u>
Deferred Inflows of Resources	<u>1,840,887</u>	<u>2,350,604</u>	<u>2,569,311</u>
Net Investment in Capital Assets	63,184,236	57,788,012	51,667,911
Restricted	7,868,041	10,875,079	13,814,477
Unrestricted	<u>32,689,086</u>	<u>26,186,746</u>	<u>22,618,410</u>
Total Net Position	<u>\$ 103,741,363</u>	<u>\$ 94,849,837</u>	<u>\$ 88,100,798</u>

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

2025 Comparative Information

Total assets of the Authority at February 28, 2025 and 2024 were \$143,564,421 and \$139,636,800, respectively, a change of 2.8%. The significant components of current assets are cash, accounts receivable, and funds held by the Authority. The significant components of noncurrent assets are capital assets and funds held by trustees. Capital assets include land, facilities, distribution systems, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

Total liabilities of the Authority at February 28, 2025 and 2024 were \$38,639,277 and \$43,623,968, respectively, a change of 11.4%. Current liabilities include accounts payable, accrued liabilities, unearned revenue and current portion of long-term debt. Noncurrent liabilities are primarily made up of the long-term portion of debt and pension and OPEB liabilities.

Deferred outflows of resources relate to the Authority's pension and OPEB liabilities. In 2025, the Authority's deferred outflows decreased by \$530,503. Deferred inflows of resources relate to the Authority's deferred bond subsidy and pension and OPEB liabilities. In 2025, the Authority's deferred inflows decreased by \$509,717.

Net position represents the Authority's equity, which is accounted for in three major categories. The first category, net investment in capital assets, represents the Authority's equity in land, buildings and building improvements, construction in progress, and equipment, net of accumulated depreciation and related capital debt outstanding. The next net position category is restricted net position; this shows the amounts subject to external restriction. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position increased by \$6,502,040, or 24.8%, for the fiscal year.

2024 Comparative Information

Total assets of the Authority at February 28, 2024 and 2023 were \$139,636,800 and \$136,200,314, respectively, a change of 2.44%. The significant components of current assets are cash, accounts receivable, and funds held by the Authority. The significant components of noncurrent assets are capital assets and funds held by trustees. Capital assets include land, facilities, distribution systems, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation.

Total liabilities of the Authority at February 28, 2024 and 2023 were \$43,623,968 and \$47,253,878, respectively, a change of 7.7%. Current liabilities include accounts payable, accrued liabilities, unearned revenue and current portion of long-term debt. Noncurrent liabilities are primarily made up of the long-term portion of debt and pension and OPEB liabilities.

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Deferred outflows of resources relate to the Authority's pension and OPEB liabilities. In 2024, the Authority's deferred outflows decreased by \$536,064. Deferred inflows of resources relate to the Authority's deferred bond subsidy and pension and OPEB liabilities. In 2024, the Authority's deferred inflows decreased by \$218,707.

Net position represents the Authority's equity, which is accounted for in three major categories. The first category, net investment in capital assets, represents the Authority's equity in land, buildings and building improvements, construction in progress, and equipment, net of accumulated depreciation and related capital debt outstanding. The next net position category is restricted net position; this shows the amounts subject to external restriction. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position increased by \$3,568,336, or 15.8%, for the fiscal year.

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Summary of Revenues, Expenses and Changes in Net Position

Presented below is the condensed summary of revenues, expenses and changes in net position information for fiscal year ended February 28, 2025 compared to the year ended February 29, 2024 and February 28, 2023. The information reflects the results of operations for the Authority. All revenues and expenses are accounted for on an accrual basis.

SUMMARY OF REVENUES, EXPENSES AND CHANGES IN NET POSITION **For the years ended February 28, 2025, 2024 and 2023**

	2025	2024	2023
Revenue			
Operating Revenues	\$ 18,326,430	\$ 17,247,931	\$ 16,167,735
Non-operating Revenues	<u>4,205,676</u>	<u>3,279,269</u>	<u>634,339</u>
Total Revenues	<u>22,532,106</u>	<u>20,527,200</u>	<u>16,802,074</u>
Expenses			
Water Operations	6,945,582	6,868,504	4,955,031
Insurance, Taxes & EE Benefits	1,308,687	1,450,497	1,516,712
Depreciation Expense	2,431,338	2,423,975	2,213,605
Customer Service & Accounting	512,939	631,202	596,072
Administration	<u>1,670,190</u>	<u>1,599,382</u>	<u>1,666,042</u>
Total Expenses	<u>12,868,736</u>	<u>12,973,560</u>	<u>10,947,462</u>
Non-Operating Expense	<u>(862,234)</u>	<u>(944,950)</u>	<u>(1,003,776)</u>
Increase in net position before Contributed Capital	<u>8,801,136</u>	<u>6,608,690</u>	<u>4,850,836</u>
Capital Contributions	<u>90,390</u>	<u>140,349</u>	<u>114,915</u>
Changes in Net Position	<u>8,891,526</u>	<u>6,749,039</u>	<u>4,965,751</u>
Net Position - Beginning of Year	<u>94,849,837</u>	<u>88,100,798</u>	<u>83,135,047</u>
Net Position - End of Year	<u>\$ 103,741,363</u>	<u>\$ 94,849,837</u>	<u>\$ 88,100,798</u>

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

2025 Comparative Information

The Authority's operating revenues increased by \$1.1 million in 2025 versus an increase of \$1.1 million in 2024. These revenue changes in 2025 and 2024 are reflective of a 5.0% and 6.0% rate increase respectively imposed each year.

Total expenses decreased from \$13.0 million in 2024 to \$12.9 million in 2025. This decrease was caused by the adjustments related to the pension plan 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.

Overall, the Authority has shown a steady healthy increase in Net Position over the past five years averaging over \$5.0 million per year.

2024 Comparative Information

The Authority's operating revenues increased by \$1.1 million in 2024. These revenue changes in 2024 are reflective of a 6.0% rate increase respectively imposed each year.

Total expenses increased from \$10.9 million in 2023 to \$13.0 million in 2024. This increase was caused by the adjustments related to the pension plan 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.

Overall, the Authority has shown a steady healthy increase in Net Position over the past five years averaging over \$5.0 million per year.

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

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 2025 and 2024 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.

	Budget FY2025	Actual 2025	Budget FY2024	Actual 2024	Budget FY2023	Actual 2023
Revenue						
Operating Revenues	\$ 16,549,425	\$ 18,326,430	\$ 15,867,055	\$ 17,247,931	\$ 15,098,497	\$ 16,167,735
Non-operating Revenues	1,464,120	4,205,676	104,004	3,279,269	22,000	634,339
Total Revenues	<u>18,013,545</u>	<u>22,532,106</u>	<u>15,971,059</u>	<u>20,527,200</u>	<u>15,120,497</u>	<u>16,802,074</u>
Expenses						
Water Operations	5,223,813	6,945,582	7,695,271	6,868,504	6,130,200	4,955,031
Insurance, Taxes & EE Benefits	1,719,140	1,308,687	1,725,987	1,450,497	1,448,809	1,516,712
Depreciation Expense	2,500,008	2,431,338	2,300,004	2,423,975	2,250,000	2,213,605
Customer Service & Accounting	533,014	512,939	507,784	631,202	486,387	596,072
Administration	2,108,261	1,670,190	2,073,602	1,599,382	2,032,741	1,666,042
Total Expenses	<u>12,084,236</u>	<u>12,868,736</u>	<u>14,302,648</u>	<u>12,973,560</u>	<u>12,348,137</u>	<u>10,947,462</u>
Non-Operating Expense	<u>1,902,340</u>	<u>862,234</u>	<u>1,298,700</u>	<u>944,950</u>	<u>910,000</u>	<u>1,003,776</u>
Increase in net position before Contributed Capital	<u>4,026,969</u>	<u>8,801,136</u>	<u>369,711</u>	<u>6,608,690</u>	<u>1,862,360</u>	<u>4,850,836</u>
Capital Contributions	<u>108,000</u>	<u>90,390</u>	<u>108,000</u>	<u>140,349</u>	<u>100,000</u>	<u>114,915</u>
Changes in Net Position	<u>4,134,969</u>	<u>8,891,526</u>	<u>477,711</u>	<u>6,749,039</u>	<u>1,962,360</u>	<u>4,965,751</u>
Net Position - Beginning of Year	<u>94,849,837</u>	<u>94,849,837</u>	<u>88,100,798</u>	<u>88,100,798</u>	<u>83,135,047</u>	<u>83,135,047</u>
Net Position - End of Year	<u>\$ 98,984,806</u>	<u>\$ 103,741,363</u>	<u>\$ 88,578,509</u>	<u>\$ 94,849,837</u>	<u>\$ 85,097,407</u>	<u>\$ 88,100,798</u>

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

In 2025 total revenues were 125.1% of budget estimates while total expenses were 106.5% of budget. The ending Net Position was 104.8% of the budget projection. In 2024 total 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.

Actual expenses in 2025 were 6.5% higher 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. Revenues in 2025 were higher than budget expectations based upon the 6.0% rate increase in 2024 plus the 5.0% increase in 2025 offsetting the decreased consumption as we return to normal usage.

Capital Assets

At the end of 2025, the Authority had invested \$96.4 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

	2025	2024	2023
Capital Assets:			
Land	\$ 2,020,265	\$ 2,020,265	\$ 2,020,265
Treatment, storage and admin facilities	10,118,500	9,984,794	9,760,018
Distribution system	111,169,999	104,333,714	100,254,110
Equipment	12,478,100	12,284,597	12,172,502
Construction in progress	921,227	4,192,967	4,202,980
Total Capital Assets	136,708,091	132,816,337	128,409,875
Less: accumulated depreciation	(40,294,879)	(37,863,541)	(35,439,566)
Net Capital Assets	<u>\$ 96,413,212</u>	<u>\$ 94,952,796</u>	<u>\$ 92,970,309</u>

During 2025 the following are major capital asset additions or changes:

- \$134 thousand in Equipment which includes \$110 thousand for a utility truck.
- \$3.6 million in the Distribution System which includes \$3.0 million for Renewals and capital projects.
- \$193 thousand in Treatment, Storage & Admin Facilities which includes \$110 thousand storage containers and canopy roof system.

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

During 2024 the following are major capital asset additions or changes:

- \$112 thousand in Equipment which includes \$81.4 thousand for a pickup with a dump body.
- \$4.1 million in the Distribution System which includes \$3.8 million for Renewals and capital projects.
- \$225 thousand in Treatment, Storage & Admin Facilities which includes replacing the roof of the administration building.
- \$10 thousand decrease in Construction in Process Phase 1 completion offsetting the projects underway.

During 2023 the following are major capital asset additions or changes:

- \$47 thousand in equipment which includes \$27.6 thousand for a new pickup.
- \$8.4 million in the Distribution System which includes \$7.5 million for phase 1 completion.
- \$25 thousand in treatment, storage and admin facilities.
- \$2.8 million in constriction in process phase 1 completion offsetting the projects underway.

In the below, the Authority's Fiscal 2026 Capital Budget estimates spending approximately \$4.31 million for Capital Projects, principally for supply and distribution. Approximately, \$700 thousand 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 2026.

Computer systems /SCADA	\$ 50,000
Facilities	325,000
Supply and distribution	3,580,000
Equipment/meters/vehicles	350,000
	<u>\$ 4,305,000</u>

Long-Term Debt

The table below shows the increase in the Authority's Debt Service Ratio from 6.66 in 2024 to 7.87 in 2025 due to a decrease 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 \$12 million Webster bond (2.88%) subsequent to 2023 and the TD Bank refunding of the 2014A bond this year to a 5-year bond at a rate of .975% during 2022. The key to this improvement has been building our Revenue & IFR Reserve Funds over the last few years which was offset by the \$12 million bond issue in 2023. (** Note-2023, 2024, and 2025 Net Expenses are net of cash paid to capital projects from operating cash).

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Debt Service Ratio Coverage

	2025	2024	2023
Revenue fund balance	\$ 26,242,730	\$ 24,141,601	\$ 21,221,350
Revenue collected from operations	19,228,317	16,990,000	16,735,000
Interest income	1,972,862	1,841,125	486,227
Total revenue available	47,443,909	42,972,726	38,442,577
Total Operating Expenses, Net	8,834,991 **	10,327,913 **	8,519,282 **
Net Revenues Available	\$ 38,608,918	\$ 32,644,813	\$ 29,923,295
Debt service requirement	\$ 4,905,558	\$ 4,901,202	\$ 4,356,383
Debt Service Coverage Ratio	7.87	6.66	6.87
Debt Service Required Ratio	1.25	1.25	1.25

The table below shows that the total net Bond/Loan balance decreased by approximately \$4.0 million in 2025 as a result of the principal payments made during 2025

	2025	Average Coupon Rate	2024	Average Coupon Rate
Bond/Loan:				
2008 Loan	\$ 1,776,000	3.15%	\$ 2,090,000	3.15%
2011 Loan	429,000	2.93%	481,000	2.93%
2014 Loan (RICWFA)	783,533	2.18%	848,881	2.18%
2018 Bond (TD Bank)	1,706,247	3.32%	2,181,737	3.32%
2018 Bond (RIIB)	2,922,200	2.03%	3,086,300	2.03%
2019 Bond (Chase)	12,526,000	18.80%	13,659,000	18.80%
2021 Bond (TD Bank)	1,355,000	0.98%	2,700,000	0.98%
2022 Bond (Webster)	11,085,000	2.88%	11,550,000	2.88%
Total Bond / Loan Balance	<u>\$ 32,582,980</u>		<u>\$ 36,596,918</u>	

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

Economic Factors and Next Year's Budget and Rates

The Authority's Board of Directors and management considered many factors when setting the Fiscal 2026 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 2026. However, historical financial data also plays a large part in its formulation.

	Budget FY2026	Actual FY2025
Revenues:		
Operating Revenues	\$ 16,978,656	\$ 18,326,430
Non-Operating Revenues	<u>1,469,328</u>	<u>4,205,676</u>
Total Revenues	18,447,984	22,532,106
Expenses:		
Depreciation Expense	2,600,400	2,431,338
Other Operating Expenses	10,639,543	10,437,398
Non-Operating Expenses	<u>824,544</u>	<u>862,234</u>
Total Expenses	14,064,487	13,730,970
Increase in Net Position before		
Contribution Capital	4,383,497	8,801,136
Capital Contributions	<u>60,000</u>	<u>90,390</u>
Change in Net Position	4,443,497	8,891,526
Net position - Beginning	<u>103,741,363</u>	<u>94,849,837</u>
Net position - Ending	<u>\$ 108,184,860</u>	<u>\$ 103,741,363</u>

As shown in the table above, budgeted operating revenues available for recovering operating costs are projected to be about \$17.0 million, a decrease over last year's actual. Although a rate increase of 5.0% has been budgeted and implemented for Fiscal 2026, the Authority is conservatively projecting revenues to be lower than the actual of FY2025 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 due to a decrease in interest expense. These projections will be reviewed for

BRISTOL COUNTY WATER AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

propriety each year and/or when operating changes having a financial impact dictate. Budget expenses for FY2026 are estimated to increase slightly versus the actual expenses of FY2025 due to inflationary pressures on operating cost. The Authority is always making efforts to reduce costs and will continue to do so in Fiscal 2026.

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. O. Box 447, Warren, Rhode Island 02885.

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BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF NET POSITION

FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

	2025	2024
Assets		
Current Assets		
Cash and cash equivalents	\$ 34,567,572	\$ 28,763,972
Accounts receivable, less allowance of \$617,051 and \$592,446 in 2025 and 2024		
Billed	1,452,135	1,213,960
Unbilled	<u>2,020,144</u>	<u>1,973,603</u>
Total accounts receivable	3,472,279	3,187,563
Grants receivable	713,118	1,334,227
Accrued investment income	128,215	154,015
Prepaid items	103,722	92,275
Inventory and other assets	<u>298,262</u>	<u>276,872</u>
Total Current Assets	<u>39,283,168</u>	<u>33,808,924</u>
Noncurrent Assets		
Restricted Assets		
Funds held by trustee	7,868,041	10,875,079
Non-depreciable capital assets	2,941,492	6,213,232
Depreciable capital assets	<u>93,471,720</u>	<u>88,739,565</u>
Total Noncurrent Assets	<u>104,281,253</u>	<u>105,827,876</u>
Total Assets	<u>143,564,421</u>	<u>139,636,800</u>
Deferred Outflows of Resources		
Pension related outflows	102,785	591,110
OPEB related outflows	<u>554,321</u>	<u>596,499</u>
Total Deferred Outflows of Resources	<u>657,106</u>	<u>1,187,609</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 144,221,527</u>	<u>\$ 140,824,409</u>

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF NET POSITION (CONTINUED)

FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

	2025	2024
Liabilities		
Current Liabilities		
Accounts payable	\$ 272,243	\$ 909,300
Other payables	2,404	152,284
Accrued expenses	437,109	396,282
Customer deposits, net	441,148	427,296
State water protection escrow	703,191	702,309
Retainage payable	494,297	416,168
Accrued interest expense	354,948	384,335
Long-term debt due within one year	<u>4,091,475</u>	<u>4,013,937</u>
Total Current Liabilities	<u>6,796,815</u>	<u>7,401,911</u>
Noncurrent Liabilities		
Net pension obligation	208,843	484,468
Net other post employment benefit liability	3,142,114	3,154,608
Long-term debt due after one year	<u>28,491,505</u>	<u>32,582,981</u>
Total Noncurrent Liabilities	<u>31,842,462</u>	<u>36,222,057</u>
Total Liabilities	<u>38,639,277</u>	<u>43,623,968</u>
Deferred Inflows of Resources		
Deferred bond subsidy	151,699	164,351
Pension related inflows	11,691	394,306
OPEB related inflows	<u>1,677,497</u>	<u>1,791,947</u>
Total Deferred Inflows of Resources	<u>1,840,887</u>	<u>2,350,604</u>
Net Position		
Net investment in capital assets	63,184,236	57,788,012
Restricted	7,868,041	10,875,079
Unrestricted	<u>32,689,086</u>	<u>26,186,746</u>
Total Net Position	<u>\$ 103,741,363</u>	<u>\$ 94,849,837</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 144,221,527</u>	<u>\$ 140,824,409</u>

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

	2025	2024
Operating Revenues		
Water	\$ 17,829,601	\$ 16,777,268
Fire Services	389,731	366,906
Other	<u>107,098</u>	<u>103,757</u>
Total Operating Revenues	<u>18,326,430</u>	<u>17,247,931</u>
Operating Expenses		
Operations	8,866,227	8,415,191
Operations - nonrecurring	23,762	602,437
Engineering and administrative	1,547,409	1,531,957
Depreciation	<u>2,431,338</u>	<u>2,423,975</u>
Total Operating Expenses	<u>12,868,736</u>	<u>12,973,560</u>
Operating Income	<u>5,457,694</u>	<u>4,274,371</u>
Non-Operating Revenues (Expenses)		
Investment income	1,972,862	1,945,042
Interest expense	(862,234)	(944,950)
Grant income	<u>2,232,814</u>	<u>1,334,227</u>
Net Non-Operating Revenues	3,343,442	2,334,319
Increase in Net Position before Capital Contributions	<u>8,801,136</u>	<u>6,608,690</u>
Capital Contributions	<u>90,390</u>	<u>140,349</u>
Increase in Net Position	8,891,526	6,749,039
Net Position at March 1	<u>94,849,837</u>	<u>88,100,798</u>
Net Position at February 28	<u>\$ 103,741,363</u>	<u>\$ 94,849,837</u>

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

	2025	2024
Cash Flows from Operating Activities		
Cash received from customers	\$ 18,056,448	\$ 17,438,213
Cash received from government agency	0	10,441
Cash paid to employees	(4,108,955)	(4,113,804)
Cash paid to suppliers for goods and services	<u>(7,362,071)</u>	<u>(5,902,258)</u>
Net Cash Provided from Operating Activities	<u>6,585,422</u>	<u>7,432,592</u>
Cash Flows from Investing Activities		
Interest income	1,972,862	3,279,269
Grant revenue	<u>2,853,923</u>	<u>(1,334,227)</u>
Net Cash Provided from Investing Activities	<u>4,826,785</u>	<u>1,945,042</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of property, plant and equipment	(3,813,624)	(4,406,463)
Capital contributions	90,390	140,349
Transfers from trustee revenue and debt service accounts	3,032,838	2,939,399
Payments on bonds and note payable	(4,026,590)	(3,928,445)
Interest payments	<u>(891,621)</u>	<u>(1,011,886)</u>
Net Cash used for Capital and Related Financing Activities	<u>(5,608,607)</u>	<u>(6,267,046)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>5,803,600</u>	<u>3,110,588</u>
Cash and Cash Equivalents - March 1	<u>28,763,972</u>	<u>25,653,384</u>
Cash and Cash Equivalents - February 28	<u><u>\$ 34,567,572</u></u>	<u><u>\$ 28,763,972</u></u>

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

	2025	2024
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating income	\$ 5,457,694	\$ 4,274,371
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	2,431,338	2,423,975
Change in customer extension deposits		
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	(284,716)	190,282
Increase (decrease) in inventory and other assets	(32,837)	(86,116)
Increase (decrease) in deferred outflows of resources	530,503	536,064
(Decrease) increase in other liability	(149,880)	10,441
(Decrease) increase in accounts payable and accrued expenses	(581,496)	693,622
(Decrease) increase in net pension liability	(275,625)	(338,803)
(Decrease) increase in other post employment liability	(12,494)	(52,537)
(Decrease) increase in deferred inflows of resources	(497,065)	(218,707)
Net Cash Provided by Operating Activities	<u>\$ 6,585,422</u>	<u>\$ 7,432,592</u>

The accompanying notes are an integral part of these financial statements.

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BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF FIDUCIARY NET POSITION

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

(Except Pension Trust Fund, which is as of June 30, 2024 and June 30, 2023)

	OPEB and Pension Trust Fund	
	2025	2024
Assets		
Cash and cash equivalents	\$ 77,230	\$ 0
Investments, at fair value		
Fixed Income	1,739,219	1,291,776
Equity	3,702,546	3,529,059
Short-Term	<u>0</u>	<u>486,563</u>
Total Assets	<u>5,518,995</u>	<u>5,307,398</u>
Net Position		
Restricted for pension	3,596,237	3,692,862
Restricted for other post-employment benefits	<u>1,922,758</u>	<u>1,614,536</u>
Total Net Position	<u>\$ 5,518,995</u>	<u>\$ 5,307,398</u>

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY WATER AUTHORITY

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

(Except Pension Trust Fund, which is as of June 30, 2024 and June 30, 2023)

	OPEB and Pension Trust Fund	
	2025	2024
Additions		
Contributions		
Employer contributions	\$ 407,954	\$ 467,459
Total Contributions	407,954	467,459
Investment Income		
Net investment income	602,924	583,680
Total Investment Income	602,924	583,680
Total Additions	1,010,878	1,051,139
Deductions		
Administration fees	13,398	10,030
Actual and service benefits payments	785,883	306,577
Total Deductions	799,281	316,607
Change in Net Position	211,597	734,532
Net Position - March 1	5,307,398	4,572,866
Net Position - February 28	\$ 5,518,995	\$ 5,307,398

The accompanying notes are an integral part of these financial statements.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

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).

The accounting methods and procedures adopted by the Authority conform to accounting principles generally accepted in the United States of America (“GAAP”) for governments as promulgated by the Governmental Accounting Standards Board (“GASB”) and specifically applicable to enterprise funds and follow the uniform system of accounts prescribed by regulatory bodies having jurisdiction over its activities. The more significant of the Authority’s accounting policies are described below.

REPORTING ENTITY

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

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 1 – BASIS OF PRESENTATION AND ORGANIZATION (CONTINUED)

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

Based upon the application of the criteria, it was determined there were no component units to be reported.

FUND FINANCIAL STATEMENTS

Fund financial statements of the reporting entity are organized into funds each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: proprietary and fiduciary.

The funds of the financial reporting entity are described below:

Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The operations of the Authority are accounted for on a Proprietary Fund Type (Enterprise Fund) basis. Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other uses. The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority's Proprietary Fund are accounted for on a flow of economic resources management focus, also known as the accrual basis of accounting. With this measurement focus, all assets and all liabilities associated with the operations are included on the statement of net position.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 1 – BASIS OF PRESENTATION AND ORGANIZATION (CONTINUED)

FUND FINANCIAL STATEMENTS (CONTINUED)

Proprietary Funds (Continued)

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.

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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Receivables - Revenues include amounts billed to customers on a monthly or quarterly cycle basis and unbilled amounts based on estimated usage from the date of the latest meter reading to the end of the Authority's fiscal year. The allowance for doubtful accounts for February 28, 2025 and February 29, 2024 was \$617,051 and \$592,446, respectively.

Revenue Recognition - Usage revenues are based on rates established by the Authority. Revenues from sales of water are recorded on the basis of consumption by customers based on meter readings taken on a cycle basis. Revenues are stated net of discounts and any related bad debts.

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

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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Lived Assets Impairment - The Authority reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. Factors involved in this review include the market value of the assets, business conditions, future plans for asset use, and the expected future cash flows generated from the assets. Should the expected cash flows be less than the carrying value, an impairment loss would be recognized to reduce the carrying value. No impairment losses were recognized in the 2025 financial statements.

Pensions/Other Post-Employment Benefits - For purposes of measuring the retirement and OPEB liability, benefit payments are recognized when due and payable in accordance with the benefit terms.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of financial position can report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until that later date. At February 28, 2025 and February 29, 2024, there were \$657,106 and \$1,187,609 in deferred outflows respectively, relating to pension and OPEB related outflows.

In addition to liabilities, the statement of financial position can report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At February 28, 2025 and February 29, 2024, there were \$1,840,887 and \$2,350,604, respectively in deferred inflows relating to subsidies, pension and OPEB inflows.

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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Restricted Versus Unrestricted Resources - When both restricted and unrestricted amounts are available for use, it is the Authority's practice to use restricted resources first.

Reclassifications - Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. The reclasses had no affect on prior year net assets or results of operations.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 3 – CASH AND CASH EQUIVALENTS

The carrying value of deposits, money market accounts and petty cash funds reported on the Statement of Net Position as “cash and cash equivalents” are as follows:

Description	2025	2024
Petty cash	\$ 798	\$ 634
Money market accounts	33,884,350	28,242,739
Deposits with financial institutions	<u>682,424</u>	<u>520,599</u>
Total Cash and Cash Equivalents	<u>\$ 34,567,572</u>	<u>\$ 28,763,972</u>

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

The carrying amount of the Authority’s deposits at February 28, 2025 was \$34,567,572 and the bank balance was \$34,653,010. The carrying amount of the Authority’s deposits at February 29, 2024 was \$28,763,972 and the bank balance was \$28,876,573.

Custodial Credit Risk - Custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Authority will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of February 28, 2025, all of the authority’s funds were either FDIC insured or under a collateralization agreement.

	2025	2024
	Bank Balance	Bank Balance
Insured (Federal depository insurance funds)	\$ 509,621	\$ 507,861
Collateralized	509,039	375,973
Uninsured	<u>33,634,350</u>	<u>27,992,739</u>
Total Bank Balance	<u>\$ 34,653,010</u>	<u>\$ 28,876,573</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

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 account or other fund invested exclusively of obligations described above.

At February 28, 2025, the Authority had the following investments classified as funds held by trustee:

Description	Maturity	Interest Rate	Fair Value	Rating
U.S. Bank NA Money market accounts	3/1/2025	0.2%	<u>\$ 7,868,041</u>	Aa1, AA-

Description	Maturity	Interest Rate	Fair Value	Rating
U.S. Bank NA Money market accounts	3/1/2024	0.2%	<u>\$ 10,875,079</u>	Aa1, AA-

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 4 – INVESTMENTS (CONTINUED)

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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 4 – INVESTMENTS (CONTINUED)

Pension trust fund and OPEB trust fund investments had carrying amounts at fiscal year-end were as follows:

	2025	2024
Pension (as of June 30, 2024 and 2023)	\$ 3,596,237	\$ 3,692,862
OPEB	<u>1,922,758</u>	<u>1,614,536</u>
	<u>\$ 5,518,995</u>	<u>\$ 5,307,398</u>

Investments are stated at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Authority follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

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 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 4 – INVESTMENTS (CONTINUED)

The Plan has the following recurring fair value measurements as of February 28, 2025:

	OPEB			
	Fair Value Measurements			
	Quoted Prices in			
	February 28, 2025	Active 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	\$ 766,811	\$ 766,811	\$ 0	\$ 0
Equity	1,132,307	1,132,307	0	0
Total Investments Measured at Fair Value Level	<u>\$ 1,899,118</u>	<u>\$ 1,899,118</u>	<u>\$ 0</u>	<u>\$ 0</u>

	Pension			
	Fair Value Measurements			
	Quoted Prices in			
	June 30, 2024	Active 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	\$ 972,408	\$ 972,408	\$ 0	\$ 0
Equity	2,570,239	2,570,239	0	0
Total Investments Measured at Fair Value Level	<u>\$ 3,542,647</u>	<u>\$ 3,542,647</u>	<u>\$ 0</u>	<u>\$ 0</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

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 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 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	2025	2024
Debt service fund	\$ 1,281,314	\$ 1,356,872
Operations and maintenance reserve fund	1,750,000	1,750,000
Debt service reserve fund 2022A	880,445	839,297
Debt service reserve fund 2021A	741,178	706,539
Debt service reserve fund 2019A	1,551,381	1,478,881
Debt service reserve fund 2018A	527,217	502,578
Debt service reserve fund 2018B	302,293	288,165
Debt service reserve fund 2014A	107,620	102,590
Debt service reserve fund 2011	81,793	77,970
Debt service reserve fund 2008	455,675	434,379
Project Fund 2019A	0	12
Project Fund 2022A	189,425	3,337,796
Total	\$ 7,868,341	\$ 10,875,079

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 5 – FUNDS HELD BY TRUSTEE (RESTRICTED NET POSITION) (CONTINUED)

The funds held by the trustee are invested in cash and long and short-term securities which meet the requirements of the Bond Resolution for permitted investments. These investments include money market accounts and mutual funds. 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:

	2025	2024
Money market funds	<u>\$ 7,868,341</u>	<u>\$ 10,875,079</u>
Total	<u><u>\$ 7,868,341</u></u>	<u><u>\$ 10,875,079</u></u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT

Capital asset activity during the year ended February 28, 2025 was as follows:

	Balance at March 1, 2024	Additions	Disposals	Transfers	Balance at February 28, 2025
Non-Depreciable					
Land	\$ 2,020,265	\$ 0	\$ 0	\$ 0	\$ 2,020,265
Depreciable					
Treatment, storage and admin facilities	9,984,795	133,705	0	0	10,118,500
Distribution system	104,333,714	6,836,285	0	0	111,169,999
Equipment	<u>12,284,597</u>	<u>193,503</u>	<u>0</u>	<u>0</u>	<u>12,478,100</u>
Capital Assets in Service	128,623,371	7,163,493	0	0	135,786,864
Construction in progress	<u>4,192,967</u>	<u>3,564,545</u>	<u>6,836,285</u>	<u>0</u>	<u>921,227</u>
Total Capital Assets	132,816,338	10,728,038	6,836,285	0	136,708,091
Accumulated depreciation	<u>(37,863,541)</u>	<u>(2,431,338)</u>	<u>0</u>	<u>0</u>	<u>(40,294,879)</u>
Net Capital Assets	<u>\$ 94,952,797</u>	<u>\$ 8,296,700</u>	<u>\$ 6,836,285</u>	<u>\$ 0</u>	<u>\$ 96,413,212</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	Balance at March 1, 2023	Additions	Disposals	Transfers	Balance at February 29, 2024
Non-Depreciable					
Land	\$ 2,020,265	\$ 0	\$ 0	\$ 0	\$ 2,020,265
Depreciable					
Treatment, storage and admin facilities	9,760,018	224,777	0	0	9,984,795
Distribution system	100,254,110	4,079,604	0	0	104,333,714
Equipment	<u>12,172,502</u>	<u>112,095</u>	<u>0</u>	<u>0</u>	<u>12,284,597</u>
Capital Assets in Service	124,206,895	4,416,476	0	0	128,623,371
Construction in progress	<u>4,202,980</u>	<u>1,479,966</u>	<u>1,489,979</u>	<u>0</u>	<u>4,192,967</u>
Total Capital Assets	128,409,875	5,896,442	1,489,979	0	132,816,338
Accumulated depreciation	<u>(35,439,566)</u>	<u>(2,423,975)</u>	<u>0</u>	<u>0</u>	<u>(37,863,541)</u>
Net Capital Assets	<u>\$ 92,970,309</u>	<u>\$ 3,472,467</u>	<u>\$ 1,489,979</u>	<u>\$ 0</u>	<u>\$ 94,952,797</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 7 – 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, 2024	Increases	Decreases	Principle Forgiveness	Outstanding Balance February 28, 2025	Balance Due in 2026	Interest Paid in 2025
Bonds Payable- Direct Borrowing							
General Revenue Bond, Series 2018A	\$ 2,181,737	\$ 0	\$ 475,490	\$ 0	\$ 1,706,247	\$ 491,950	\$ 64,854
General Revenue Bond, Series 2019A	13,659,000	0	1,133,000	0	12,526,000	1,153,000	238,676
General Revenue Refunding Bond, Series 2021A	2,700,000	0	1,345,000	0	1,355,000	1,355,000	24,454
General Revenue Bond, Series 2022A	<u>11,550,000</u>	<u>0</u>	<u>465,000</u>	<u>0</u>	<u>11,085,000</u>	<u>475,000</u>	<u>320,364</u>
Total Bonds Payable	<u>\$ 30,090,737</u>	<u>0</u>	<u>\$ 3,418,490</u>	<u>0</u>	<u>\$ 26,672,247</u>	<u>\$ 3,474,950</u>	<u>\$ 648,348</u>
Loans Payable - Direct Borrowing							
Drinking Water Revolving Bond, Series 2008A	2,090,000	0	314,000	0	1,776,000	327,000	67,427
Drinking Water SRF - Direct Loan, Series 2011	481,000	0	52,000	0	429,000	54,000	18,328
Safe Drinking Water Program, Series 2014	848,881	0	65,348	12,326	783,533	67,025	27,881
Drinking Water SRF, Series 2018	<u>3,086,300</u>	<u>0</u>	<u>164,100</u>	<u>0</u>	<u>2,922,200</u>	<u>168,500</u>	<u>100,250</u>
Total Loans Payable	<u>6,506,181</u>	<u>0</u>	<u>595,448</u>	<u>12,326</u>	<u>5,910,733</u>	<u>616,525</u>	<u>213,886</u>
Total Debt	<u>\$ 36,596,918</u>	<u>\$ 0</u>	<u>\$ 4,013,938</u>	<u>\$ 12,326</u>	<u>\$ 32,582,980</u>	<u>\$ 4,091,475</u>	<u>\$ 862,234</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

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

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

BONDS PAYABLE

In June 2018, the Authority issued a 2018 Series A General Revenue Bond (the “2018A Bonds”) with a face value of \$4,600,000. The net proceeds of approximately \$4,535,000 (after bond issue costs) will be used to complete capital improvements. Of the approximate total after bond issuance costs, \$460,000 of the total will be placed into a Debt Service Reserve Fund. Principal and interest on the 2018A bonds are paid on a monthly basis on the first. Principal and interest payments on the 2018A Bonds outstanding at February 28, 2025 are \$475,490 and \$64,854, respectively and an outstanding principal balance of \$1,706,247.

In September 2019, the Authority issued a 2019 Series A General Revenue Bond (the “2019A Bonds”) with a face value of \$18,000,000. The net proceeds of approximately \$17,935,000 of which \$1,382,113 is placed into a Debt Service Reserve Fund, is to be used for the repairs and improvements of the water main that suffered a major break in FY 2019. Interest on the 2019A Bond is paid semiannually on March 1 and September 1. Principal payments are made annually on September 1. Principal and interest payments as of February 28, 2025 are \$1,133,000 and \$238,676 respectively with a principal balance of \$12,526,000.

In January 2021, the Authority issued a 2021 Series A General Revenue Refunding Bonds (the “2021A Bonds”) with a face value of \$6,660,000. The net proceeds of \$6,510,000 refinanced 2014B bond. Interest on the 2021A Bond is paid semiannually on January 15 and July 15. Principal payments are made annually on January 15. Principal and interest payments as of February 28, 2025 are 1,345,000 and 24,454, respectively, with a principal balance of \$1,355,000.

In March 2022, the Authority issued a 2022 Series A General Revenue Bond (the “2022A Bond”) with a face value of \$12,000,000. Interest is paid semiannually on April 1 and October 1. Principal payments are made annually on April 1. Principal and interest payments as of February 28, 2025, are \$465,000 and \$320,364, respectively, with a principal balance of \$11,085,000.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

BONDS PAYABLE (CONTINUED)

The annual debt service requirements of the general long-term bonds payable as of February 28, 2025, are as follows:

Fiscal Years Ended February 28,	Bonds from Direct Borrowings		
	Principal	Interest	Total
2026	\$ 3,474,950	\$ 603,648	\$ 4,078,598
2027	2,172,770	538,847	2,711,617
2028	2,227,162	485,734	2,712,896
2029	1,916,365	434,791	2,351,156
2030	1,775,000	396,172	2,171,172
2031-2035	9,461,000	1,389,852	10,850,852
2036-2040	3,375,000	580,640	3,955,640
2041-2043	2,270,000	99,360	2,369,360
	<u>\$ 26,672,247</u>	<u>\$ 4,529,044</u>	<u>\$ 31,201,291</u>

The Authority's outstanding notes from direct borrowings relate to business-type activities of \$26,672,247 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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

LOANS PAYABLE

In June 2008, the Authority obtained a twenty-one year (21), \$5,500,000 loan from Rhode Island Infrastructure Bank. There were no drawdowns in the Fiscal Year. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. Principal and interest payments outstanding under the loan agreement as of February 28, 2025 are \$314,000 and \$67,427, respectively with a principal balance of \$1,776,000.

In October 2011, the Authority obtained a twenty-year (20), \$1,000,000 loan from Rhode Island Infrastructure Bank. There were no drawdowns in the Fiscal Year. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. Principal and interest payments outstanding under the loan agreement as of February 28, 2025 are \$429,000 and \$18,328 respectively with a principal balance of \$429,000.

In August 2014, the Authority obtained a twenty-year (21), \$1,643,232 loan from Rhode Island Infrastructure Bank of which there were no drawdowns in the Fiscal Year. This loan includes principal forgiveness of \$266,540 resulting in a net direct loan of \$1,376,692. Interest on the loan payable is paid semi-annually on September 1 and March 1. Principal payments are made annually on September 1. Net Principal and interest payments outstanding under the loan agreement as of February 28, 2025 are \$65,348 and \$27,881 respectively with a principal balance of \$783,533. This Debt also had \$12,326 in loan forgiveness in 2025.

In November 2018, the Authority obtained a twenty-year (20), \$3,850,000 loan from Rhode Island Infrastructure Bank of which a total of \$3,200,816 was drawn down as of February 28, 2021. This loan includes principal forgiveness of \$295,500 resulting in a net direct loan of \$3,554,500. Interest on the loan payable is paid semi-annually on March 1 and September 1. Principal payments are made annually on September 1. Principal and interest payments outstanding under the loan agreement as of February 28, 2025 are \$164,100 and \$100,250 respectively with a principal balance of \$2,922,200.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 7 – LONG-TERM OBLIGATIONS (CONTINUED)

LOANS PAYABLE (CONTINUED)

The annual debt service requirements of the loans payable as of February 28, 2025, are as follows:

Years Ended February 28,	Principal	Interest & Fees	Total
2026	\$ 616,525	\$ 214,382	\$ 830,907
2027	638,737	192,556	831,293
2028	660,413	169,486	829,899
2029	686,226	135,226	821,452
2030	716,739	119,260	835,999
2031-2035	1,611,995	338,854	1,950,849
2036-2039	<u>980,098</u>	<u>86,142</u>	<u>1,066,240</u>
	<u>\$ 5,910,733</u>	<u>\$ 1,255,906</u>	<u>\$ 7,166,639</u>

NOTE 8 – 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 at the 1st of the month plus 2.61% (6.933% at February 28, 2025). At February 28, 2025 and 2024, the outstanding balance on the line was \$0 and \$0, respectively.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN

PLAN DESCRIPTION

Plan Administration

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

Benefits Provided

The Plan for employees of the Authority 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 the Authority after 5 years of service is vested in their benefit earned to date of termination.

Plan Membership

At June 30, 2024, 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	<u>5</u>
Subtotal	<u><u>16</u></u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

PLAN DESCRIPTION (CONTINUED)

Contributions

The Authority 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, 2024, the measurement date, the actuarially determined contribution was \$160,000 and the actual contribution was \$112,111.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 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.

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.

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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Investment Policy

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Authority. It is the policy of the Authority 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.

Rate of Return

For the year ended June 30, 2024 the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 11.42%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

NET PENSION LIABILITY OF THE AUTHORITY

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

Total pension liability	\$ 3,805,080
Plan fiduciary net position	<u>(3,596,237)</u>
BCWA's net pension liability (asset)	<u>\$ 208,843</u>
Plan fiduciary net position as a percentage of the total pension liability	94.5%

Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2024, 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/Discount Rate	7.50 percent, net of pension plan investment expense, including inflation

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

NET PENSION LIABILITY OF THE AUTHORITY (CONTINUED)

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-2021. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024 (see the discussion of the pension plan's investment policy) are summarized in the following table:

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%

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

NET PENSION LIABILITY OF THE AUTHORITY (CONTINUED)

Net Pension Liability

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of 7/01/2023	\$ 4,177,330	\$ 3,692,862	\$ 484,468
Changes for the year:			
Service cost	38,111	0	38,111
Interest on total pension liability	290,722	0	290,722
Differences between expected and actual experience	594	0	594
Changes in assumptions	(23,382)	0	(23,382)
Contributions - employer	0	160,000	(160,000)
Net investment income	0	421,670	(421,670)
Benefit payments	(678,295)	(678,295)	0
Net Changes	<u>(372,250)</u>	<u>(96,625)</u>	<u>(275,625)</u>
Balance as of 6/30/2024	<u>\$ 3,805,080</u>	<u>\$ 3,596,237</u>	<u>\$ 208,843</u>

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 Authority 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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

NET PENSION LIABILITY OF THE AUTHORITY (CONTINUED)

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

The following presents the net pension liability of the Authority, calculated using the discount rate of 7.50 percent, as well as what the Authority'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)	\$ 446,394	\$ 208,843	\$ (5,074)

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

For the year ended February 28, 2025, the Authority recognized pension expense of \$90,085. At February 28, 2025, the Authority 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
Contribution subsequent to measurement date	\$ 100,000	\$ 0
Difference between expected and actual experience	297	0
Changes in assumptions	0	11,691
Difference between projected and actual earnings on plan investments	<u>2,488</u>	<u>0</u>
Total deferred outflows/(inflows)	<u>\$ 102,785</u>	<u>\$ 11,691</u>
Net deferred outflows/deferred infows		<u>\$ 91,094</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 9 – PENSION PLAN (CONTINUED)

NET PENSION LIABILITY OF THE AUTHORITY (CONTINUED)

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

An amount of \$100,000 reported as deferred outflows of resources related to pensions resulting from the Authority's contributions in fiscal year 2025 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended February 28	
2026	\$ (36,124)
2027	119,390
2028	(59,343)
2029	<u>(32,829)</u>
	<u>\$ (8,906)</u>

NOTE 10 – COMMITMENTS AND CONTINGENCIES

PAYMENT IN LIEU OF TAXES

For the fiscal year 2023 through fiscal year 2039, through agreement with the towns of Bristol County, the Authority will make no PILOT payments to the Towns and the Authority will not charge the Towns 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 financial position or results of operations.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)

COMMITMENT

As of February 28, 2025, and 2024 the Authority had entered into various construction contracts and had commitments of approximately \$2,260,950 and \$4,075,532, respectively, related to these contracts.

NOTE 11 – NET POSITION

Net position represents the difference between assets and liabilities. The net position amounts at February 28, 2025 and February 29, 2024 were as follows:

	2025	2024
Net Investment in Capital Assets		
Net capital assets in service	\$ 96,413,212	\$ 94,952,797
Less: bonds and notes payable	(32,582,980)	(36,596,918)
Less: other capital related liabilities	<u>(645,996)</u>	<u>(567,867)</u>
Total Net Investment in Capital Assets	63,184,236	57,788,012
Restricted		
Restricted funds held by trustee	<u>7,868,041</u>	<u>10,875,079</u>
Total Restricted	7,868,041	10,875,079
Unrestricted	<u>32,689,086</u>	<u>26,186,746</u>
Total Net Position	<u>\$ 103,741,363</u>	<u>\$ 94,849,837</u>

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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 11 – 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 12 – MAJOR SUPPLIER

The Authority's water purchases from one supplier for the years ended February 29, 2025 and 2024 were approximately 15% and 24%, respectively, of the Authority's operations expense.

NOTE 13 – 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, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, during the year ended February 28, 2025, the Authority recognizes the cost of post-employment healthcare and life insurance in the year when the employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Authority's future cash flows.

The Authority's OPEB Plan is a single employer defined benefit postretirement health and life insurance program. The Authority provides post-employment benefits to eligible retirees in accordance with the various labor contracts and personnel policies. As of March 1, 2023, 25 active employees were participating in the Plan. An actuarial consultant, The Angell Pension Group, Inc., was hired to determine the Authority's actuarial valuation of the post-retirement benefits that are offered to current and future retirees as of February 28, 2010, which was the first actuarial valuation that the Authority had in determining its OPEB obligation. The actuary, as of February 28, 2025, has updated the actuarial valuation. The plan does not issue a stand-alone report.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

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.

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 20%. 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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

CLASSES OF EMPLOYEES COVERED

As of March 1, 2023 (date of the last actuarial valuation) membership data was as follows:

Active Employees	Inactive or Beneficiaries Receiving Benefits	Total
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.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – 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:

Actuarial Methods:

Measurement Date: March 1, 2023 for OPEB expense and February 28, 2025 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 sum 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 participant'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: 4.77%

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)

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

ACTUARIAL METHODS AND ASSUMPTIONS (CONTINUED)

Health Care Cost Trend Rates:

Medical Costs: Starting at 6.5% grading down using the Getzen model to an ultimate 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+

INVESTMENT POLICY AND RATE OF RETURN

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

For the year ended February 28, 2025 the annual money-weighted rate of return on investment, net of investment expense, was 11.2%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

INVESTMENT POLICY AND RATE OF RETURN (CONTINUED)

The following was the Authority's adopted asset allocation policy as of February 28, 2025:

Asset Class	Asset Allocation
Cash and Receivables	0.00%
Cash and Equivalents	14.00%
Mutual Funds - Fixed Income	28.00%
Mutual Funds - Equity	<u>58.00%</u>
Total	<u><u>100.00%</u></u>

Projected Rate of Return*: 4.70%

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

Money-Weighted Rate of Return for Fiscal Year Ending 02/29/2025**: 11.20%

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

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

CHANGES IN NET OPEB LIABILITY

	Total OPEB Liability	Increase (Decrease) Plan Fiduciary Net Position	Net OPEB Liability
Balance at March 1, 2024	\$ 4,769,144	\$ 1,614,536	\$ 3,154,608
Service cost	168,852	0	168,852
Interest on Total OPEB liability	230,856	0	230,856
Differences between actual and expected experience	3,608	0	3,608
Benefit payments, including refunds	(107,588)	(107,588)	0
Trust administrative expenses	0	(13,398)	13,398
Contributions - employer	0	247,954	(247,954)
Net investment income	0	181,254	(181,254)
Net changes	295,728	308,222	(12,494)
Balances at February 28, 2025	\$ 5,064,872	\$ 1,922,758	\$ 3,142,114

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 (3.70 percent) or 1-percentage-point higher (5.70 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	\$ 3,142,114	\$ 2,627,908

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – 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 (3.00 percent) or 1-percentage-point higher (5.00 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	\$ 3,142,114	\$ 3,997,207

NET OPEB LIABILITY

The components of the net OPEB liability of the Authority at February 28, 2025 were as follows:

Total OPEB liability	\$ 5,064,872
Plans fiduciary net position	<u>(1,922,758)</u>
Authority's net OPEB liability	<u>\$ 3,142,114</u>
Plan net position as a percentage of the total OPEB liability	38.0%

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB EXPENSE AND DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES RELATED TO OPEB

For the year ended February 28, 2025 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	\$ 20,447	\$ 522,884
Changes in assumptions	466,048	1,154,613
Difference between projected and actual earnings on OPEB plan investments	<u>67,826</u>	<u>0</u>
Total deferred outflows/(inflows)	<u>\$ 554,321</u>	<u>\$ 1,677,497</u>
Net deferred outflows/deferred inflows		<u>\$ (1,123,176)</u>

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

Years Ended February 29	
2026	\$ (178,587)
2027	(154,783)
2028	(159,508)
2029	(254,132)
2030	(240,024)
Thereafter	<u>(136,142)</u>
	<u>\$ (1,123,176)</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 14 – 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 \$263,896 and \$219,406 for the years ended February 28, 2025 and February 29, 2024, respectively. Employees are allowed to make contributions to the Plan up to, but not exceeding, the lesser of 33 1/3% of their individual compensation or \$18,000 (\$24,000 if age 50 or older). Employee contributions to the Plan for the years ended February 28, 2025 and February 29, 2024 were \$244,065 and \$247,948, respectively. The employees pick and manage their selection of a broad range of funds as offered by Security Benefits.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 15 – 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.

	OPEB Trust Fund		Pension Trust Fund (as of June 30)		Total	
	2025	2024	2024	2023	2025	2024
Assets						
Cash and cash equivalents	\$ 23,640	\$ 0	\$ 53,590	\$ 0	\$ 77,230.00	\$ 0
Investments, at fair value						
Fixed Income	766,811	455,492	972,408	836,284	1,739,219	1,291,776
Equity	1,132,307	930,603	2,570,239	2,598,456	3,702,546	3,529,059
Short-Term	0	228,441	0	258,122	0	486,563
Total Assets	<u>1,922,758</u>	<u>1,614,536</u>	<u>3,596,237</u>	<u>3,692,862</u>	<u>5,518,995</u>	<u>5,307,398</u>
Net Position						
Restricted for pension	0	0	3,596,237	3,692,862	3,596,237	3,692,862
Restricted for other post-employment benefits	<u>1,922,758</u>	<u>1,614,536</u>	<u>0</u>	<u>0</u>	<u>1,922,758</u>	<u>1,614,536</u>
Total Net Position	<u>\$ 1,922,758</u>	<u>\$ 1,614,536</u>	<u>\$ 3,596,237</u>	<u>\$ 3,692,862</u>	<u>\$ 5,518,995</u>	<u>\$ 5,307,398</u>

BRISTOL COUNTY WATER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEARS ENDED FEBRUARY 28, 2025 AND FEBRUARY 29, 2024

NOTE 15 – FINANCIAL STATEMENTS FOR INDIVIDUAL PENSION AND OTHER POSTEMPLOYMENT BENEFIT TRUST FUNDS (OPEB) (CONTINUED)

	OPEB Trust Fund		Pension Trust Fund (as of June 30)		Total	
	2025	2024	2024	2023	2025	2024
Additions						
Contributions						
Employer contributions	\$ 247,954	\$ 244,309	\$ 160,000	\$ 223,150	\$ 407,954	\$ 467,459
Total Contributions	<u>247,954</u>	<u>244,309</u>	<u>160,000</u>	<u>223,150</u>	<u>407,954</u>	<u>467,459</u>
Investment Income						
Net investment income	<u>181,254</u>	<u>203,380</u>	<u>421,670</u>	<u>380,300</u>	<u>602,924</u>	<u>583,680</u>
Total Investment Income	<u>181,254</u>	<u>203,380</u>	<u>421,670</u>	<u>380,300</u>	<u>602,924</u>	<u>583,680</u>
Total Additions	<u>429,208</u>	<u>447,689</u>	<u>581,670</u>	<u>603,450</u>	<u>1,010,878</u>	<u>1,051,139</u>
Deductions						
Administration fees	13,398	10,030	0	0	13,398	10,030
Actual and service benefits payments	<u>107,588</u>	<u>102,657</u>	<u>678,295</u>	<u>203,920</u>	<u>785,883</u>	<u>306,577</u>
Total Deductions	<u>120,986</u>	<u>112,687</u>	<u>678,295</u>	<u>203,920</u>	<u>799,281</u>	<u>316,607</u>
Change in Net Position	308,222	335,002	(96,625)	399,530	211,597	734,532
Net Position - March 1	<u>1,614,536</u>	<u>1,279,534</u>	<u>3,692,862</u>	<u>3,293,332</u>	<u>5,307,398</u>	<u>4,572,866</u>
Net Position - February 28	<u>\$ 1,922,758</u>	<u>\$ 1,614,536</u>	<u>\$ 3,596,237</u>	<u>\$ 3,692,862</u>	<u>\$ 5,518,995</u>	<u>\$ 5,307,398</u>

REQUIRED SUPPLEMENTARY INFORMATION

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BRISTOL COUNTY WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE AUTHORITY'S NET POSITION LIABILITY AND RELATED RATIOS

LAST TEN FISCAL YEARS MEASURED AS OF JUNE 30, 2024

Fiscal Years Ended June 30,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	\$ 38,111	\$ 42,839	\$ 42,839	\$ 42,825	\$ 50,344	\$ 84,412	\$ 79,150	\$ 104,910	\$ 164,052	\$ 165,962
Interest	290,722	304,311	297,541	330,077	370,531	398,672	400,373	429,481	473,937	457,069
Differences between expected and actual experience	594	64,539	158,559	268,235	46,960	(53,738)	104,028	(1,073)	(52,783)	186,447
Changes of assumptions	(23,382)	(147,042)	0	0	0	0	0	0	0	418,440
Benefit payments, including refunds of participant contributions	(678,295)	(203,920)	(613,413)	(1,536,533)	(462,851)	(1,078,149)	(144,836)	(1,646,500)	(591,117)	(1,017,891)
Net Change in Total Pension Liability	(372,250)	60,727	(114,474)	(895,396)	4,984	(648,803)	438,715	(1,113,182)	(5,911)	210,027
Total Pension Liability - Beginning	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
Total Pension Liability - Ending	<u>\$ 3,805,080</u>	<u>\$ 4,177,330</u>	<u>\$ 4,116,603</u>	<u>\$ 4,231,077</u>	<u>\$ 5,126,473</u>	<u>\$ 5,121,489</u>	<u>\$ 5,770,292</u>	<u>\$ 5,331,577</u>	<u>\$ 6,444,759</u>	<u>\$ 6,450,670</u>
Pension Fiduciary Net Position										
Contributions - employer	\$ 160,000	\$ 223,150	\$ 100,000	\$ 278,000	\$ 325,000	\$ 409,000	\$ 467,000	\$ 582,000	\$ 350,000	\$ 405,081
Net investment income	421,670	380,300	(540,851)	1,124,757	103,907	205,023	413,208	494,351	(190,089)	369,331
Benefit payments, including refunds of participant contributions	(678,295)	(203,920)	(613,413)	(1,536,533)	(462,851)	(1,078,149)	(144,836)	(1,646,500)	(591,117)	(1,017,891)
Administrative expense	0	0	0	0	(7,800)	(8,300)	(8,300)	(8,150)	(6,420)	(6,815)
Net Change in Plan Fiduciary Net Position	(96,625)	399,530	(1,054,264)	(133,776)	(41,744)	(472,426)	727,072	(578,299)	(437,626)	(250,294)
Pension Fiduciary Net Position - Beginning	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
Pension Fiduciary Net Position - End	<u>\$ 3,596,237</u>	<u>\$ 3,692,862</u>	<u>\$ 3,293,332</u>	<u>\$ 4,347,596</u>	<u>\$ 4,481,372</u>	<u>\$ 4,523,116</u>	<u>\$ 4,995,542</u>	<u>\$ 4,268,470</u>	<u>\$ 4,846,769</u>	<u>\$ 5,284,395</u>
BCWA's Net Pension Liability (Asset) - Ending	<u>\$ 208,843</u>	<u>\$ 484,468</u>	<u>\$ 823,271</u>	<u>\$ (116,519)</u>	<u>\$ 645,101</u>	<u>\$ 598,373</u>	<u>\$ 774,750</u>	<u>\$ 1,063,107</u>	<u>\$ 1,597,990</u>	<u>\$ 1,166,275</u>

See independent auditors' report.

BRISTOL COUNTY WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE AUTHORITY'S NET POSITION LIABILITY AND RELATED RATIOS (CONTINUED)

LAST TEN FISCAL YEARS MEASURED AS OF JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$ 3,805,080	\$ 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
Plan Fiduciary Net Position	<u>(3,596,237)</u>	<u>(3,692,862)</u>	<u>(3,293,332)</u>	<u>(4,347,596)</u>	<u>4,481,372</u>	<u>4,523,116</u>	<u>4,995,542</u>	<u>4,268,470</u>	<u>4,846,769</u>	<u>5,284,395</u>
BCWA's Net Pension Liability (Asset)	<u>\$ 208,843</u>	<u>\$ 484,468</u>	<u>\$ 823,271</u>	<u>\$ (116,519)</u>	<u>\$ 645,101</u>	<u>\$ 598,373</u>	<u>\$ 774,750</u>	<u>\$ 1,063,107</u>	<u>\$ 1,597,990</u>	<u>\$ 1,166,275</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	94.51%	88.40%	80.00%	102.75%	87.42%	88.32%	86.57%	80.06%	75.20%	81.92%
Covered-Employee Payroll	\$ 476,094	\$ 462,185	\$ 503,778	\$ 603,323	\$ 858,466	\$ 1,078,697	\$ 1,231,521	\$ 1,180,179	\$ 1,450,870	\$ 1,567,423
Net Pension Liability as a Percentage of Covered-Employee Payroll	43.87%	104.82%	163.42%	-19.31%	75.15%	55.47%	62.91%	90.08%	110.14%	74.41%

See independent auditors' report.

BRISTOL COUNTY WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF AUTHORITY'S CONTRIBUTIONS

LAST TEN FISCAL YEARS MEASURED AT JUNE 30, 2024

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 112,111	\$ 176,088	\$ 26,353	\$ 213,045	\$ 249,122	\$ 326,836	\$ 368,310	\$ 342,076	\$ 272,873	\$ 271,574
Contributions in relation to the actuarially determined contribution	<u>160,000</u>	<u>223,150</u>	<u>100,000</u>	<u>278,000</u>	<u>325,000</u>	<u>409,000</u>	<u>467,000</u>	<u>582,000</u>	<u>350,000</u>	<u>405,081</u>
Contribution deficiency (excess)	<u><u>\$ (47,889)</u></u>	<u><u>\$ (47,062)</u></u>	<u><u>\$ (73,647)</u></u>	<u><u>\$ (64,955)</u></u>	<u><u>\$ (75,878)</u></u>	<u><u>\$ (82,164)</u></u>	<u><u>\$ (98,690)</u></u>	<u><u>\$ (239,924)</u></u>	<u><u>\$ (77,127)</u></u>	<u><u>\$ (133,507)</u></u>
Covered-employee payroll	\$ 476,094	\$ 462,185	\$ 503,778	\$ 606,323	\$ 858,466	\$ 1,078,697	\$ 1,231,521	\$ 1,180,179	\$ 1,450,870	\$ 1,567,423
Contributions as a percentage of covered-employee payroll	33.61%	48.28%	19.85%	45.85%	37.86%	37.92%	37.92%	49.31%	24.12%	25.84%

** - 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, 2024**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	11.42%	11.51%	-13.22%	29.20%	2.90%	5.76%	9.21%	12.30%	-3.13%	7.34%

See independent auditors' report.

BRISTOL COUNTY WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF PENSION RELATED NOTES

LAST TEN FISCAL YEARS MEASURED AT JUNE 30, 2024

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	PubG-2010 mortality table with generational improvements from 2010 based on the MP-2021 mortality improvement scale.
Disabled	PubG-2010 mortality table with generational improvements from 2010 based on the MP-2021 mortality improvement scale.
Lump sum	2024 Applicable mortality table per IRC 417e
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, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 168,852	\$ 174,528	\$ 247,342	\$ 370,624	\$ 407,835	\$ 306,682	\$ 255,435	\$ 260,346
Interest on net OPEB liability and service cost	230,856	217,690	171,670	145,085	136,415	158,169	149,024	139,890
Differences between actual and expected experience	3,608	(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	321,588
Benefit payments, including refunds	(107,588)	(102,657)	(101,620)	(89,624)	(81,163)	(87,887)	(83,087)	(128,500)
Net Change in Total OPEB Liability	295,728	282,465	(524,989)	(785,362)	68,933	1,393,510	278,479	306,930
Total OPEB liability - Beginning	4,769,144	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	<u>\$ 5,064,872</u>	<u>\$ 4,769,144</u>	<u>\$ 4,486,679</u>	<u>\$ 5,011,668</u>	<u>\$ 5,797,030</u>	<u>\$ 5,728,098</u>	<u>\$ 4,334,588</u>	<u>\$ 4,056,109</u>
OPEB Fiduciary Net Position								
Benefit payments, including refunds	\$ (107,588)	\$ (102,657)	\$ (101,620)	\$ (89,624)	\$ (81,163)	\$ (87,887)	\$ (83,087)	\$ (128,500)
Trust administrative expenses	(13,398)	(10,030)	(9,026)	(8,811)	0	0	0	0
Contributions - employer	247,954	244,309	217,416	230,184	221,163	181,664	149,362	230,922
Net investment income	181,254	203,380	(82,833)	48,932	156,735	18,822	9,168	64,572
Net Change in Plan Fiduciary Net Position	308,222	335,002	23,937	180,681	296,735	112,599	75,443	166,994
Plan Fiduciary Net Position - Beginning	1,614,536	1,279,534	1,255,597	1,074,916	778,181	665,582	590,139	423,145
Plan Fiduciary Net Position - Ending	<u>\$ 1,922,758</u>	<u>\$ 1,614,536</u>	<u>\$ 1,279,534</u>	<u>\$ 1,255,597</u>	<u>\$ 1,074,916</u>	<u>\$ 778,181</u>	<u>\$ 665,582</u>	<u>\$ 590,139</u>
Plan's Net OPEB Liability - Ending	<u>\$ 3,142,114</u>	<u>\$ 3,154,608</u>	<u>\$ 3,207,145</u>	<u>\$ 3,756,071</u>	<u>\$ 4,722,114</u>	<u>\$ 4,949,917</u>	<u>\$ 3,669,006</u>	<u>\$ 3,465,970</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	37.96%	33.85%	28.52%	25.05%	18.54%	13.59%	15.36%	14.55%
Covered-Employee Payroll	\$ 3,008,220	\$ 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	104.45%	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, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return, net of investment expense	11.20%	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, 2025

Actuarial Methods:

Measurement Date: March 1, 2023 for OPEB expense and February 28, 2025 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 sum 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 participant'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: 4.77%

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 ultimate 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+

See independent auditors' report.

BRISTOL COUNTY WATER AUTHORITY

REQUIRED SUPPLEMENTARY INFORMATION OTHER POST-EMPLOYMENT BENEFITS SCHEDULE OF CONTRIBUTIONS*

FOR THE YEAR ENDED FEBRUARY 29, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarial determined contribution	\$ 376,802	\$ 386,045	\$ 455,474	\$ 597,742	\$ 511,960	\$ 511,960	\$ 449,833	\$ 448,047
Contributions in relation to the actuarially determined contribution	<u>247,954</u>	<u>244,309</u>	<u>217,416</u>	<u>230,184</u>	<u>230,922</u>	<u>230,922</u>	<u>149,362</u>	<u>230,922</u>
Contribution deficiency (excess)	<u>\$ 128,848</u>	<u>\$ 141,736</u>	<u>\$ 238,058</u>	<u>\$ 367,558</u>	<u>\$ 281,038</u>	<u>\$ 281,038</u>	<u>\$ 300,471</u>	<u>\$ 217,125</u>
Covered-employee payroll	\$ 3,008,220	\$ 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	8.24%	8.28%	7.61%	8.49%	5.76%	9.17%	5.76%	9.17%

*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.

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SUPPLEMENTARY INFORMATION

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BRISTOL COUNTY WATER AUTHORITY

SUPPLEMENTARY INFORMATION RECEIPTS, DISBURSEMENTS AND TRANSFERS FOR FUNDS HELD BY BCWA AND TRUSTEES

YEAR ENDED FEBRUARY 29, 2025

	BCWA Funds				Trustee Funds		
	Project Funds	Debt Service Reserve Funds	Debt Service Fund	Operations and Maintenance Reserve Fund	Operations and Maintenance	Revenue Funds	Total
Funds Held with BCWA and Trustee Per Bank at March 1, 2024	\$ 3,336,004	\$ 4,432,202	\$ 1,356,873	\$ 1,750,000	\$ 2,000,009	\$ 26,242,730	\$ 39,117,818
Receipts:							
Collections from operations	0	0	0	0	0	18,250,000	18,250,000
Interest income	112,536	217,295	62,461	83,947	46,236	1,413,966	1,936,441
Transfers:							
To (from) operating cash accounts	(13)	(4)	0	0	(1,050,009)	(4,166,743)	(5,216,769)
(To) from other funds	0	0	4,767,539	(83,947)	(46,236)	(8,834,991)	(4,197,635)
Disbursements:							
Project expenditures	(3,261,293)	0	0	0	0	0	(3,261,293)
Payment on principal and accrued interest on Authority's notes	0	0	(4,905,558)	0	0	0	(4,905,558)
Funds Held with BCWA and Trustee Per Bank at February 28, 2025	<u>\$ 187,234</u>	<u>\$ 4,649,493</u>	<u>\$ 1,281,315</u>	<u>\$ 1,750,000</u>	<u>\$ 950,000</u>	<u>\$ 32,904,962</u>	41,723,004
Change in Accrued Interest							<u>29,387</u>
Total funds held by trustee at February 28, 2025							<u>\$ 41,752,391</u>

See independent auditors' report.

BRISTOL COUNTY WATER AUTHORITY
SUPPLEMENTARY INFORMATION
NON-CAPITALIZED FEES PAID TO CONSULTANTS
YEAR ENDED FEBRUARY 29, 2025

Current Operations

Legal	\$ 101,588
Engineering	1,623
Auditing	44,500
Accounting, financial, and computer consulting	<u>38,423</u>

Total	<u><u>\$ 186,134</u></u>
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See independent auditors' report.

BRISTOL COUNTY WATER AUTHORITY
SUPPLEMENTARY INFORMATION
DEBT SERVICE FUNDS REQUIREMENT CALCULATION
(SECTION 603 – GENERAL BOND RESOLUTION)

YEAR ENDED FEBRUARY 29, 2024

Revenue fund balance per bank at March 1, 2024	\$ 26,242,730
Revenue collected from operations	18,250,000
Transfer to operating cash accounts for operations and maintenance expenses	(8,834,991)
Operating cash used for capital projects	978,317
Interest Income	<u>1,972,862</u>
Net revenue available for debt service requirement	<u><u>\$ 38,608,918</u></u>
Debt service requirement	\$ 4,905,558
Computed ratio	7.87
Required ratio	1.25

In accordance with Section 603 of the General Bond Resolution, the ratio of the net revenue available for debt service requirements must be equal to or greater than 1.25. The computed ratio for the year ended February 28, 2025 is 7.87

See independent auditors' report.

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

To The Board of Directors
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 (*Government Auditing Standards*), the financial statements of the Bristol County Water Authority (Authority), as of and for the year ended February 28, 2025, and the related notes to the financial statements, as listed in the table of contents, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 3, 2025.

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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from 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 financial statements. 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.

CBIZ CPAs P.C.

Providence, RI
July 3, 2025

Independent Auditors' Report on Compliance for Each Major Federal Program; Report on Internal Control over Compliance and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Bristol County Water Authority's (Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended February 28, 2025. The Authority's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended February 28, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the business-type activities and the aggregate remaining fund information of the Authority, as of and for the year ended February 28, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated July 3, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

CBIZ CPAs P.C.

Providence, RI
July 3, 2025

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BRISTOL COUNTY WATER AUTHORITY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED FEBRUARY 28, 2025

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Assistance Listing Number	Pass-Through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<i>U.S. Department of Commerce:</i>				
<i>Passed through the National Fish and Wildlife Foundation</i>				
NOAA - National Coastal Resilience Fund	11.473		\$ 0	\$ 1,040,222
Total U.S. Department of Education			<u>0</u>	<u>1,040,222</u>
<i>U.S. Environmental Protection Agency</i>				
Geographic Programs - Southeast New England Coastal Watershed Restoration Program	66.129		0	326,317
<i>Passed through the Rhode Island Department on Environmental Management</i>				
EPA Section 19 NonpointSource Management Program	66.605		<u>0</u>	<u>400,000</u>
Total U.S. Environmental Protection Agency			<u>0</u>	<u>726,317</u>
Total Expenditures of Federal Awards			<u><u>\$ 0</u></u>	<u><u>\$ 1,766,539</u></u>

See notes to schedule of expenditures of federal awards.

BRISTOL COUNTY WATER AUTHORITY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED FEBRUARY 28, 2025

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended February 28, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

The Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

BRISTOL COUNTY WATER AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED FEBRUARY 28, 2025

SECTION I – SUMMARY OF AUDITORS’ RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards Programs

Internal control over major federal programs:

Material weakness(es) identified?

_____ yes X no

Significant deficiency(ies) identified?

_____ yes X none reported

Type of auditors’ report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ yes X no

Identification of major federal programs:

AL Number(s)

Name of Federal Program or Cluster

11. 473.....

NOAA - National Coastal Resilience Fund

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ yes X no

BRISTOL COUNTY WATER AUTHORITY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED FEBRUARY 28, 2025

SECTION II – FINANCIAL STATEMENT FINDINGS

Current Year Findings:

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Current Year Findings:

None reported.

SECTION IV – FINANCIAL STATEMENT FINDINGS

Prior Year Findings:

None reported.

SECTION V – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Prior Year Findings:

None reported.