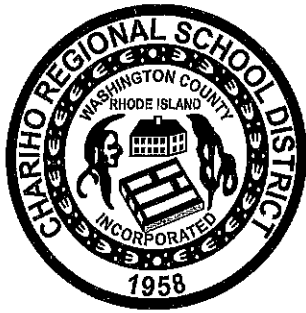


Business



ENCLOSURE **VIII A**

Chariho Regional School District
Office of the Director of Administration & Finance

455A Switch Road
Wood River Junction, Rhode Island 02894

All Kids. All of the Time.



LINDA D. LYALL
School Committee Chairperson

GINA M. PICARD
Superintendent of Schools

OFFICE OF THE SUPERINTENDENT
DEC - 8 2021

EDWARD DRAPER
Director of Administration & Finance

GAIL E. WILCOX
Asst. Director of Administration & Finance

To: Gina Picard
From: Ned Draper
Date: December 8, 2021
Subject: Audit for FY21

Per FY21 Financial Statements for the year ended June 30, 2021 (Audit) the report of Marcum Accountants is to be enclosed in the Business Section of the December 14, 2021 meeting.

The Audit Subcommittee met at 6pm on Tuesday December 7th with Jim Wilkinson, Partner of Marcum Accountants to review the draft report, receive an explanation of results, and update the Committee on any anticipated edits prior to delivery of the final draft. The Audit Subcommittee accepted the report unanimously.

I recommend accepting the results contingent upon your approval and that of the School Committee.

Thank you.

CHARIHO REGIONAL SCHOOL DISTRICT

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021**

DRAFT

CHARIHO REGIONAL SCHOOL DISTRICT

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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CHARIHO REGIONAL SCHOOL DISTRICT

FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

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INDEPENDENT AUDITORS' REPORT

To the Members of the School Committee
Chariho Regional School District

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chariho Regional School District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Chariho Regional School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule, the Schedule of District's Proportionate Share of the Net Pension Liability-Employees' Retirement System (ERS), the Schedule of District's Contributions-Employees' Retirement System (ERS), the Schedule of Changes in the District's Net Pension Liability and Related Ratios-Municipal Employees' Retirement System (MERS), and the Schedule of District's Contributions-Municipal Employees' Retirement System (MERS), and the Schedule of Changes in the District's Total OPEB Liability and Related Ratios on pages 4-10 and 70-75 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Chariho Regional School District's basic financial statements. The combining and individual nonmajor fund financial statements and the annual supplemental transparency report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the annual supplemental transparency report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the annual supplemental transparency report 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 December XX, 2021 on our consideration of the Chariho Regional School District'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 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 Chariho Regional School District'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 Chariho Regional School District's internal control over financial reporting and compliance.

Providence, RI
December XX, 2021

**CHARIHO REGIONAL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
FOR THE YEAR ENDED JUNE 30, 2021**

As management of the CHARIHO Regional School District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the notes to the basic financial statements and the financial statements to enhance their understanding of the District's financial performance.

CORONAVIRUS IMPACT

The District opened the 2020-2021 school year with full in-person learning. The District continues to operate under the guidelines of the novel coronavirus (COVID-19) pandemic responses issued by the Rhode Island Department of Health (RIDOH) and the Rhode Island Department of Education (RIDE) which in turn follow the Centers for Disease Control and Prevention (CDC) protocols.

The District continued its response to the pandemic by ensuring laptop devices were available to all students who did not already have a device in their possession. Personal protection equipment and supplies were provided for all school buildings and masks continued to be mandatory for all face-to-face contact for students and District staff per the Rhode Island Governor's order. The facilities staff continued to follow the CDC's guidelines for additional cleaning and disinfecting of all school buildings. The traditional school lunch program continued to be suspended and replaced with federal "Summer Food Service" and "Emergency Operational Cost Reimbursement" programs providing all students with meals at no cost.

The District provided RIDE with its Back to School Plan that was required to align with the State plan. The plan is periodically updated as required by RIDE and as a condition for receiving Federal Coronavirus Aid, Relief, and Economic Security Act ("CARES ACT") funding in response to the pandemic. The District received a \$315,655 grant in FY2020 provided by the CARES Act through the Elementary and Secondary School Emergency Relief (ESSER) Funds and used this federal award to pay its transportation contractor for FY2020 fixed costs under an agreement authorized by the School Committee and approved by the Rhode Island Department of Education (RIDE). The District received a \$378,343 grant in FY2020 provided by the CARES Act through the Coronavirus Relief Fund (CRF) for reimbursement of pandemic expenditures from March 2020 through December 30, 2020. The District expended this award in fiscal years 2020 and 2021 primarily for the opening of school and the mitigation of COVID-19.

In addition, the District received the following grants in FY2021 related to pandemic responses:

The CARES Act Coronavirus Relief Fund – Substitute Teacher Pool and Recruitment grant for \$37,387 used for class coverage compensation to substitutes covering staff absences due to COVID-19; the CARES Act Coronavirus Relief Fund – RI Commerce Corporation Take It Outside grant for \$54,972 used to encourage the use of outside classroom resources; the CARES Act Federal Emergency Management Agency grant through the RI Emergency Management Agency for \$230,811 representing donated COVID-19 personal protection equipment including air purifiers, disinfectant wipes, gloves, hand sanitizer and face shields; and the CARES Act ESSER II grant for \$1,174,391 to purchase RIDE mandated curriculum, technology equipment for students and facilities capital improvements related to air quality and school opening.

The District has been allocated a CARES ACT ESSER III grant for \$2,638,343 to meet federal performance and finance goals with a focus on academic achievement to overcome distance learning gaps. The ESSER III final grant application is due to RIDE from all districts on January 31, 2022 with funding expected thereafter.

The School Committee committed \$1,500,000 of the June 30, 2020 operating fund balance derived from cost savings to FY2021 expenditures for preparing the District for the re-opening of schools in September 2020 and continued funding of unforeseen financial needs and risks created by the COVID-19 public health emergency. The District utilized \$84,385 of these funds in FY2021 and re-assigned the remaining \$1,415,615 commitment for capital projects as approved by the School Committee in April 2021.

CORONAVIRUS IMPACT (Continued)

Operational changes continue to include:

- Provide lunches in classrooms or congregate settings when safe to do so
- Expansion of the federal summer school lunch program through December 30, 2020 and utilization of the Seamless Summer Option through FY2022
- Limit afterschool and weekend school activities. Limit sports offerings.
- Close schools to in-person learning if necessary due to RIDOH or staffing level requirements
- Reduce classroom and hallway building occupancy. Use windows for ventilation, move to HEPA filters when outside air temperature is too low for comfort of learning environment.
- Train and equip custodial staff for CDC recommended cleaning processes
- In school year 2020-2021, approximately 25% of students chose to receive distance learning (DL) education services due to COVID-19 concerns
- In school year 2021-2022, students are no longer offered a DL option except in isolated instances or when district selected per RIDE requirements

FINANCIAL HIGHLIGHTS

- General Fund revenues were \$61.4 million in fiscal year 2021, compared to \$59.4 million in fiscal year 2020.
- The District had approximately \$70.5 million in expenses related to governmental activities; of which \$12.2 million of these expenses were offset by program specific charges for services or grants and contributions. An increase from \$68.4 million in expenses from fiscal year 2020 of which \$11.7 million of expenses were offset by program specific charges for services or grants and contributions.
- The District had business-type activity in several major and non-major proprietary funds. The Lunch fund's operating and non-operating revenues totaled \$765,682 and operating expenses totaled \$713,072 (including depreciation of \$675) leaving net income of \$52,610 for 2021. Operating and non-operating revenues totaled \$703,741 and operating expenses totaled \$693,659 (including depreciation of \$627), leaving net income of \$10,082 for 2020.
- Among major funds, the General Fund had \$61.4 million in fiscal year 2021 revenues compared to \$59.4 million in 2020, which primarily consisted of contributions from the Towns of Charlestown, Richmond, and Hopkinton, and \$60.6 million in expenditures in 2021 compared to \$57.4 million in 2020. The General Fund's fund balance increased from \$9.1 million to \$9.9 million during fiscal 2021.

OVERVIEW OF FINANCIAL STATEMENTS

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

Government-wide financial statements - The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the District's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between these items reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

The government-wide financial statements outline functions of the District that are principally supported by contributions from the Towns of Charlestown, Richmond, and Hopkinton, vocational tuitions, and other intergovernmental revenues (*governmental activities*). The governmental activities of the District include instruction, instructional support, operations, and community services.

Fund financial statements - A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

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

The District maintains many individual Governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund (considered a major fund) and all remaining non-major governmental funds. Detail of the funds, which comprise the non-major governmental funds, can be found in the combining schedules, which are located in supplementary information.

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

Proprietary Funds. Proprietary Funds have historically operated as enterprise funds using the same basis of accounting as business-type activities; therefore, these statements will essentially match the information provided in the government-wide statements for the Business-type activities. The District operates a Lunch Fund that is classified as a major fund and six other funds that are considered non-major enterprise funds. The details for these non-major enterprise funds can be found in the supplementary information.

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

Other information In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's budget process. The District adopts an annual expenditure budget for the General Fund. A budgetary comparison statement has been provided for the General Fund and is reported in required supplementary information.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the CHARIHO Regional School District, liabilities and deferred inflow of resources exceeded assets and deferred outflow of resources by \$22,975,925 at June 30, 2021.

CHARIHO Regional School District Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$22,998,991	\$21,619,210	\$434,386	\$300,731	\$23,433,377	\$21,919,941
Capital assets	28,130,000	29,876,510	0	675	28,130,000	29,877,185
Total assets	51,128,991	51,495,720	434,386	301,406	51,563,377	51,797,126
Deferred outflows of resources	11,519,727	11,677,959	0	0	11,519,727	11,677,959
Total assets and deferred outflows of resources	62,648,718	63,173,679	434,386	301,406	63,083,104	63,475,085
Current liabilities	7,598,078	7,802,219	126,469	57,423	7,724,547	7,859,642
Long-term liabilities	72,253,782	72,624,813	0	0	72,253,782	72,624,813
Total liabilities	79,851,860	80,427,032	126,469	57,423	79,978,329	80,484,455
Deferred inflows of resources	6,080,700	6,793,031	0	0	6,080,700	6,793,031
Total liabilities and deferred inflows of resources	85,932,560	87,220,063	126,469	57,423	86,059,029	87,277,486
Net position:						
Net investment in capital assets	8,172,004	9,128,049	0	675	8,172,004	9,128,721
Restricted	5,537,508	5,251,527	0	0	5,537,508	5,251,527
Unrestricted	(36,993,354)	(38,176,464)	(307,917)	243,308	(36,685,437)	(37,933,159)
Total net position	(\$23,283,842)	(\$23,896,894)	\$307,917	\$243,983	(\$22,975,925)	(\$23,552,911)

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS (Continued)

The change in net position for the fiscal year ended June 30, 2021 was an increase of \$576,986 which included an increase from governmental activities of \$513,052 and an increase in business-type activities of \$63,934. Details of the changes in net position are presented below.

CHARIHO Regional School District Statement of Activities

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Charges for services	\$ 3,488,722	\$ 3,111,114	\$ 83,550	\$ 440,705	\$ 3,572,272	\$ 3,551,819
Operating grants and contributions	8,342,816	8,080,173	744,684	322,444	9,087,500	8,402,617
Capital grants and contributions	373,794	521,308			373,794	521,308
General Revenue:						
Town contributions	52,314,071	50,832,158			52,314,071	50,832,158
Intergovernmental	6,459,974	6,358,248			6,459,974	6,358,248
Loss on disposal of assets	0	0			0	0
Investment earnings	20,694	107,544			20,694	107,544
Miscellaneous	56,912	367,618			56,912	367,618
Total revenues	71,056,983	69,378,163	828,234	763,149	71,885,217	70,141,312
Expenses:						
Educational services	66,806,318	64,606,954			66,806,318	64,606,954
Unallocated depreciation	2,780,054	2,760,384			2,780,054	2,760,384
Interest and amortization Expense	957,559	994,809			957,559	994,809
Lunch fund			713,072	693,659	713,072	693,659
Non-major enterprise funds			51,228	40,477	51,228	40,477
Total expenses	70,543,931	68,362,147	764,300	734,136	71,308,231	69,096,283
Change in net position before transfers	513,052	1,016,016	63,934	29,013	576,986	1,045,029
Transfers	0	0	0	0	0	0
Change in net position	513,052	1,016,016	63,934	29,013	576,986	1,045,029
Net position – beginning	(23,791,324)	(24,812,910)	243,983	214,970	(23,552,911)	(24,597,940)
Net position – ending	\$(23,283,842)	\$(23,796,894)	\$307,917	\$243,983	\$(22,975,925)	\$(23,552,911)

REVENUE SOURCES

Local Contributions: The largest percentage of revenues comes from contributions from the Towns of Charlestown, Richmond, and Hopkinton. Per the enabling legislation of the regional school District (The CHARIHO Act), "Operating expenses for each fiscal year or portion thereof shall be apportioned among the member towns in proportion to the relationship of their respective pupil enrollment in the said District school system on October 1 of the previous calendar year to the total pupil enrollment in the said school system on said date". The enrollment numbers for calculation of the apportionment for the last five years are as follows:

	FY2016-17	FY2017-18	FY2018- 19	FY2019- 20	FY2020- 21
Charlestown	884	856	795	778	754
	27.17%	27.02%	25.38%	24.82%	24.61%
Richmond	1,216	1,179	1,184	1,179	1,157
	37.37%	37.22%	37.79%	37.61%	37.76%
Hopkinton	1,154	1,133	1,154	1,178	1,153
	35.46%	35.76%	36.83%	37.57%	37.63%
TOTAL	3,254	3,168	3,133	3,135	3,064

REVENUE SOURCES (Continued)

Housing Aid: In accordance with RI General Law 16-7-35 to 16-7-47, districts that undertake school housing projects for maintenance, renovation or new construction supported by general obligation bonds, and certain lease revenue bonds, capital leases, and capital reserve funds, are eligible for state housing aid reimbursement. Housing aid by law has a one year reference which results in the first payment of the construction entitlement being made in the fiscal year following the completion of the project. Housing aid received from the State in FY21 totaled \$259,868.

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

EXPENDITURES BY FUNCTION – The expenditures of governmental activities are categorized by function in the ten areas as listed below:

Employee Compensation - Amounts paid to District employees, including personnel substituting for those in permanent positions. This includes gross salary for services rendered while on the payroll of the District and other forms of compensation.

Employee Benefits - Amounts paid by the District on behalf of employees (amounts not included in gross salary but in addition to that amount). Such payments are fringe benefit payments and, although not paid directly to employees, nevertheless are part of the cost of personnel services.

Purchased Professional and Technical Services - Services that by their nature can be performed only by persons or firms with specialized skills and knowledge. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided. Included are the services of architects, engineers, auditors, dentists, medical doctors, lawyers, consultants, teachers, and accountants. A separate account should be established for each type of service provided to the District.

Purchased Property Services - Services purchased to operate, repair, maintain, and rent property owned or used by the District. These services are performed by persons other than District employees. Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Other Purchased Services - Amounts paid for services rendered by organizations or professionals not on the payroll of the District (separate from Professional and Technical Services or Property Services). Although a product may or may not result from the transaction, the primary reason for the purchase is the service provided.

Supplies - Amounts paid for items that are consumed, are worn out, or have deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

Capital Outlays - Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment.

Debt Service and Miscellaneous - Amounts paid for goods and services not otherwise classified above.

Other Items - Used to classify transactions that are not properly recorded as expenditures/expenses but require control and reporting by the District.

Contra Account - This series is used so that those dollars will not be uploaded to the data warehouse.

GENERAL FUND BUDGETARY HIGHLIGHTS

There were minor differences between expenditures in the District's original budget and the final amended budget. There were no additional appropriations necessary during the fiscal year.

Actual revenues and other financing sources were \$261,476 lower than budgeted amounts. This was primarily attributable to the District receiving less than anticipated intergovernmental revenue.

GENERAL FUND BUDGETARY HIGHLIGHTS (Continued)

Actual expenditures and other financing uses were less than budgeted amounts by \$2,901,834. Positive budget variances occurred in the Employee Compensation category (\$252,132 primarily due to less than expected retirees who receive compensated absence payments and savings in stipends and other compensation for programs that did not run due to the pandemic such as the Extended School Year program, athletics and other student activities), in the Employee Benefits category (\$845,458 primarily due to favorable healthcare claim experience and lower pension and payroll tax costs related to savings in overall employee compensation), in the Purchased Professional and Technical Services category (\$290,497 primarily due to lower than anticipated costs related to specialized student services including contract nursing and counseling services, professional conferences and workshops and other purchased technical services), in the Purchased Property Services category (\$201,670 in waste disposal services, ground services, alarm and fire safety services and maintenance and repair of equipment), the Other Purchased Services category (\$1,009,071 primarily due to the increase in families choosing to drive students to school and home school students due to the COVID-19 pandemic which decreased the costs associated with regular, special education and private school transportation and lower than anticipated tuition to non-public schools).

The Schedule of Revenues and Expenditures - Budget and Actual is presented on Exhibit D-1, following the Notes to the Financial Statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2021, the District's capital assets for its governmental activities was \$66,696,060 less accumulated depreciation of \$38,566,060 for a net capital assets total of \$28,130,000. These capital assets include land, buildings and building improvements, equipment and vehicles. Capital assets of the business-type activities are fully depreciated as of June 30, 2021 and include capital assets of \$119,420 less accumulated depreciation of \$119,420. Details of the capital assets can be found in Note 4 to the financial statements.

CAPITAL RESERVE FUND

The District maintains a Capital Reserve Fund for costs incurred for capital projects. The RI law was changed in 1998 to allow Housing Aid reimbursement of non-bonded capital projects paid for out of the District's capital reserve Fund. However, the District must document that projects reimbursed under this provision of the law are indeed supported by properly constituted capital reserve funds. The District, therefore, maintains a separate fund for this specific purpose. The funds to support these projects come from contributions from participating Towns. See Exhibit F-2 on page 98 for details on these funds' activities.

LONG-TERM LIABILITIES

At June 30, 2021, the District had long-term liabilities, all related to governmental activities, totaling \$22,900,045 which includes bonds and notes payable, bonds premiums, and compensated absences. Estimated amounts due within one year total \$2,084,485. In addition to these long-term debt obligations, the District also had long-term liabilities related to the estimated pollution remediation costs (\$81,000), the net pension liability (\$50,511,255), and the net OPEB obligation (\$845,967). All of these long-term obligations are recorded in the Government-wide Statement of Net Position. Details of the long-term debt obligations can be found in Notes 6, 7, 10, 12, and 15.

NEXT YEAR'S BUDGET (FY 2022)

- \$1,667,756 of the General Fund's fund balance was appropriated for spending in the 2021-22 budget.
- In the aggregate, budgeted member Town contributions to the District were increased by \$1,191,416 for the 2021-22 fiscal year.

REQUESTS FOR INFORMATION

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

Director of Administration and Finance
CHARIHO Regional School District
455A Switch Road
Wood River Junction, RI 02894

BASIC FINANCIAL STATEMENTS

DRAFT

CHARIHO REGIONAL SCHOOL DISTRICT

A - 1

STATEMENT OF NET POSITION

JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets			
Current Assets			
Cash and cash equivalents	\$ 12,323,017	\$ 332,416	\$ 12,655,433
Accounts receivable (net)	970,099	--	970,099
Due from federal and state grants	872,690	97,041	969,731
Internal balances	(4,929)	4,929	--
Prepaid expenses	36,106	--	36,106
Total Current Assets	14,196,983	434,386	14,631,369
Noncurrent Assets			
Investments on deposit for sinking fund payments	5,537,508	--	5,537,508
Capital assets, net of accumulated depreciation, including capital assets not being depreciated of \$538,543	28,130,000	--	28,130,000
Claims deposit	3,264,500	--	3,264,500
Total Noncurrent Assets	36,932,008	--	36,932,008
Deferred Outflows of Resources			
Deferred outflows of resources - pension related	10,931,265	--	10,931,265
Deferred outflows of resources - OPEB related	62,351	--	62,351
Deferred charge on refunding	526,111	--	526,111
Total Deferred Outflows of Resources	11,519,727	--	11,519,727
Total Assets and Deferred Outflows of Resources	62,648,718	434,386	63,083,104
Liabilities			
Current Liabilities			
Accounts payable	1,043,524	85,279	1,128,803
Accrued expenses	4,469,313	1,329	4,470,642
Unearned revenue	756	39,861	40,617
Current portion of long-term liabilities	2,084,485	--	2,084,485
Total Current Liabilities	7,598,078	126,469	7,724,547
Noncurrent Liabilities			
Pollution remediation obligation	81,000	--	81,000
Net pension liability	50,511,255	--	50,511,255
OPEB liability	845,967	--	845,967
Long-term liabilities	20,815,560	--	20,815,560
Total Noncurrent Liabilities	72,253,782	--	72,253,782
Deferred inflows of resources - pension related	6,043,168	--	6,043,168
Deferred inflows of resources - OPEB related	37,532	--	37,532
Total Deferred Inflows of Resources	6,080,700	--	6,080,700
Total Liabilities and Deferred Inflows of Resources	85,932,560	126,469	86,059,029
Net Position			
Net investment in capital assets	8,532,004	--	8,532,004
Restricted for debt service	5,537,508	--	5,537,508
Unrestricted	(37,353,354)	307,917	(37,045,437)
Total Net Position	\$ (23,283,842)	\$ 307,917	\$ (22,975,925)

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

CHARIHO REGIONAL SCHOOL DISTRICT

A - 2

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
Educational services	\$ 66,806,318	\$ 3,488,722	\$ 5,761,527	\$ 373,794	\$ (57,182,275)	\$ --	\$ (57,182,275)
Unallocated depreciation	2,780,054	--	--	--	(2,780,054)	--	(2,780,054)
Interest and amortization expense	957,559	--	2,581,289	--	1,623,730	--	1,623,730
Total Governmental Activities	70,543,931	3,488,722	8,342,816	373,794	(58,338,599)	--	(58,338,599)
Business-type activities:							
Non-major enterprise funds	51,228	62,552	--	--	--	11,324	11,324
Lunch fund	713,072	20,998	749,684	--	--	52,610	52,610
Total Business-Type Activities	764,300	83,550	749,684	--	--	63,934	63,934
Totals	\$ 71,308,231	\$ 3,572,272	\$ 9,092,500	\$ 373,794	(58,338,599)	63,934	(58,274,665)
General Revenues:							
Town contributions, excludes amount for capital and debt service					52,314,071	--	52,314,071
Intergovernmental revenue					6,459,974	--	6,459,974
Investment earnings					20,694	--	20,694
Miscellaneous					56,912	--	56,912
Total General Revenues					58,851,651	--	58,851,651
Change in Net Position					513,052	63,934	576,986
Net Position - Beginning, as restated					(23,796,894)	243,983	(23,552,911)
Net Position - Ending					\$ (23,283,842)	\$ 307,917	\$ (22,975,925)

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

CHARIHO REGIONAL SCHOOL DISTRICT

B - 1

BALANCE SHEET GOVERNMENTAL FUNDS

JUNE 30, 2021

	General Fund	Debt Service Bond Sinking Fund	Non-major Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 9,621,297	\$ --	\$ 2,701,720	\$ 12,323,017
Restricted cash on deposit for sinking fund payments	--	5,537,508	--	5,537,508
Accounts receivable (net)	970,099	--	--	970,099
Due from federal and state	42,198	--	830,492	872,690
Due from other funds	1,294,009	--	170,790	1,464,799
Claims deposit	3,264,500	--	--	3,264,500
Prepaid expenses	36,106	--	--	36,106
Total Assets	<u>\$ 15,228,209</u>	<u>\$ 5,537,508</u>	<u>\$ 3,703,002</u>	<u>\$ 24,468,719</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 960,214	--	\$ 12,968	\$ 973,182
Accrued expenses	4,369,947	--	99,366	4,469,313
Unearned revenue	--	--	756	756
Due to other funds	--	13,609	1,456,119	1,469,728
Total Liabilities	<u>5,330,161</u>	<u>13,609</u>	<u>1,569,209</u>	<u>6,912,979</u>
Fund Balances				
Non-spendable	3,300,606	--	--	3,300,606
Restricted	--	5,523,899	667,189	6,191,088
Committed	3,388,371	--	1,466,604	4,849,975
Unassigned	3,214,071	--	--	3,214,071
Total Fund Balances	<u>9,898,048</u>	<u>5,523,899</u>	<u>2,133,793</u>	<u>17,555,740</u>
Total Liabilities and Fund Balances	<u>\$ 15,228,209</u>	<u>\$ 5,537,508</u>	<u>\$ 3,703,002</u>	<u>\$ 24,468,719</u>

Amounts reported for governmental activities in the statement of net position differ because:

Fund Balance of Total Governmental Funds	\$ 17,555,740
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds	28,130,000
Pension and OPEB related deferred outflows of resources are a consumption of net position not applicable to the current period therefore are not reported in the governmental funds	10,993,616
Deferred charge on refunding of bonds is deferred and amortized over the life of related debt in the governmental activities, but is reported as other financing use in the year of issuance in the governmental funds	526,111
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the governmental funds	(22,900,045)
The following liabilities are not due and payable in the current period and therefore are not reported in the governmental funds:	
Net pension and OPEB liabilities	(51,357,222)
Pollution remediation obligation	(81,000)
Accrued interest on long-term debt obligations	(70,342)
Deferred inflows of resources are acquisitions of net position that are not applicable to the current period and therefore are not reported in the governmental funds	(6,080,700)
Net Position of Governmental Activities (A-1)	\$ (23,283,842)

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

CHARIHO REGIONAL SCHOOL DISTRICT

B - 2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Debt Service Bond Sinking Fund	Non-major Governmental Funds	Total Governmental Funds
Revenues				
Contributions of participating towns	\$ 52,314,071	\$ --	\$ 1,198,811	\$ 53,512,882
Intergovernmental	2,311,754	--	4,579,194	6,890,948
Tuition	3,488,722	--	--	3,488,722
Interest income	16,286	4,408	--	20,694
Contributions and donations	5,220	--	465,392	470,612
Miscellaneous	56,912	--	--	56,912
Non-public transportation offset	201,105	--	--	201,105
Intergovernmental pension contribution	2,966,454	--	--	2,966,454
Total Revenues	<u>61,360,524</u>	<u>4,408</u>	<u>6,243,397</u>	<u>67,608,329</u>
Expenditures				
Current:				
Employee compensation	33,699,590	--	814,988	34,509,578
Employee benefits	15,929,444	--	372,678	16,302,062
Purchased professional and technical services	1,536,568	--	381,896	1,918,464
Purchased property services	572,404	--	71,389	643,793
Other purchased services	6,773,758	--	10,410	6,284,143
Supplies	1,604,529	--	687,614	2,292,143
Miscellaneous	73,892	4,501	8,819	87,212
Capital Outlays	262,749	--	1,762,771	2,025,520
Debt Service:				
Principal	440,198	--	1,015,000	1,455,198
Interest expense	34,303	--	1,011,939	1,046,242
Total Expenditures	<u>60,422,350</u>	<u>4,501</u>	<u>6,137,504</u>	<u>66,564,355</u>
Excess of Revenues Over Expenditures				
Before Other Financing Sources (Uses)	<u>938,174</u>	<u>(93)</u>	<u>105,893</u>	<u>1,043,974</u>
Other Financing Sources (Uses)				
Issuance of bonds, notes and lease purchase obligations	--	--	355,040	355,040
Transfers in	--	535,563	273,736	809,299
Transfers out	(179,999)	--	(629,300)	(809,299)
Net Other Financing Sources (Uses)	<u>(179,999)</u>	<u>535,563</u>	<u>(524)</u>	<u>355,040</u>
Net Change in Fund Balance	<u>758,175</u>	<u>535,470</u>	<u>105,369</u>	<u>1,399,014</u>
Fund Balance - Beginning of Year (as restated)	<u>9,139,873</u>	<u>4,988,429</u>	<u>2,028,424</u>	<u>16,156,726</u>
Fund Balance - End of Year	<u>\$ 9,898,048</u>	<u>\$ 5,523,899</u>	<u>\$ 2,133,793</u>	<u>\$ 17,555,740</u>

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

CHARIHO REGIONAL SCHOOL DISTRICT

B - 3

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (B-2) TO THE STATEMENT OF ACTIVITIES (A-2)

FOR THE YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds (B-2)	\$ 1,399,014
Governmental funds report capital outlays as expenditures. However, in the government-wide statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.	(1,746,510)
The issuance of long-term debt provides current financial resources to governmental funds, while the principal repayment of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on the government-wide statement of activities. This amount is the net effect of these differences.	1,069,343
Amortization of bond premium and deferred charge on refunding is reported in the government-wide statement of activities, but is not reported in the governmental funds.	82,857
The change in accrued interest on long-term debt obligations is reported in the government-wide statement of activities, but is not reported in the governmental funds.	5,826
The change in OPEB liability as well as claims and judgements recorded in the government-wide statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds.	(5,566)
Net effect of GASB 68 provisions on the government-wide financial statements.	<u>(291,912)</u>
Change in Net Position of Governmental Activities (A-2)	<u>\$ 513,052</u>

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

CHARIHO REGIONAL SCHOOL DISTRICT

C - 1

STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2021

	Business-type Activities		
	Lunch Fund	Non-Major Proprietary Funds	Total Proprietary Funds
Assets			
Current Assets			
Cash	\$ 101,564	\$ 230,852	\$ 332,416
Due from federal and state grants	97,041	--	97,041
Due from other funds	62,228	8,207	70,435
Total Current Assets	<u>260,833</u>	<u>239,059</u>	<u>499,892</u>
Total Assets	<u>260,833</u>	<u>239,059</u>	<u>499,892</u>
Current Liabilities			
Accounts payable	85,279	--	85,279
Accrued payroll	--	1,329	1,329
Unearned revenue	39,861	--	39,861
Due to other funds	--	65,506	65,506
Total Current Liabilities	<u>125,140</u>	<u>66,835</u>	<u>191,975</u>
Total Liabilities	<u>125,140</u>	<u>66,835</u>	<u>191,975</u>
Net Position			
Unrestricted	135,693	172,224	307,917
Total Net Position	<u>\$ 135,693</u>	<u>\$ 172,224</u>	<u>\$ 307,917</u>

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

CHARIHO REGIONAL SCHOOL DISTRICT

C - 2

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities		
	Lunch Fund	Non-Major Proprietary Funds	Total Proprietary Funds
Operating Revenues			
Charges for usage and service	\$ 20,998	\$ 62,552	\$ 83,550
Intergovernmental	744,684	--	744,684
Total Operating Revenues	<u>765,682</u>	<u>62,552</u>	<u>828,234</u>
Operating Expenses			
Instruction	--	46,222	46,222
Operations	712,397	2,708	715,105
Fringe benefits	--	2,298	2,298
Depreciation	675	--	675
Total Operating Expenses	<u>713,072</u>	<u>51,228</u>	<u>764,300</u>
Change in Net Position	52,610	11,324	63,934
Net Position - Beginning of Year	<u>83,083</u>	<u>160,900</u>	<u>243,983</u>
Net Position - End of Year	<u>\$ 135,693</u>	<u>\$ 172,224</u>	<u>\$ 307,917</u>

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

CHARIHO REGIONAL SCHOOL DISTRICT

C - 3

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities		
	Lunch Fund	Non-Major Proprietary Funds	Total Proprietary Funds
Cash Flows from Operating Activities			
Cash received from customers	\$ 668,589	\$ 53,848	\$ 722,437
Cash paid to employees	--	(20,246)	(20,246)
Cash paid to suppliers	(643,048)	(3,682)	(646,730)
Net Cash Provided by Operating Activities	<u>25,541</u>	<u>29,920</u>	<u>55,461</u>
Cash Flows from Noncapital Financing Activities			
Payments to other funds	(1,709)	--	(1,709)
Net Cash Used in Noncapital Financing Activities	<u>(1,709)</u>	<u>--</u>	<u>(1,709)</u>
Net Increase in Cash	23,832	29,920	53,752
Cash - Beginning of Year	<u>77,732</u>	<u>200,932</u>	<u>278,664</u>
Cash - End of Year	<u>\$ 101,564</u>	<u>\$ 230,852</u>	<u>\$ 332,416</u>
Reconciliation of Change in Net Position			
Net Cash Provided by Operating Activities			
Change in net position	\$ 52,610	\$ 11,324	\$ 63,934
Adjustments to reconcile:			
Depreciation	675	--	675
(Increase)/decrease in due from federal and state grants	(97,041)	--	(97,041)
(Decrease)/increase in accounts payable	69,349	(974)	68,375
(Decrease)/increase in interfund	--	18,847	18,847
(Decrease)/increase in accrued expenses	--	723	723
(Decrease)/increase in unearned revenue	(52)	--	(52)
Net Cash Provided by Operating Activities	<u>\$ 25,541</u>	<u>\$ 29,920</u>	<u>\$ 55,461</u>

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

REPORTING ENTITY

The Chariho Regional School District was formed through enabling legislation of the State of Rhode Island for the purpose of operating elementary and secondary schools within the Towns of Charlestown, Richmond and Hopkinton. The District is governed by an elected School Committee.

As required by accounting principles generally accepted in the United States of America, these basic financial statements present the financial position and results of operations of the Chariho Regional School District.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

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

The financial statements do not include any component units.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF PRESENTATION

Government-wide Financial Statements

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

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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

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

GOVERNMENTAL FUNDS

The funds of the financial reporting entity are described below:

General Fund

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are committed or restricted to expenditures for specific purposes other than debt service or capital projects.

Debt Service Funds

The Debt Service Funds are used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

Capital Project Funds

Capital Project Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Funds

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

Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Operating revenues of the Proprietary Funds consist of customer charges for uses and services and certain other miscellaneous revenues. All other revenues of the Proprietary Funds are considered non-operating sources of revenue. Proprietary Funds include Enterprise and Internal Service Funds. During the year ended June 30, 2021 the District maintained seven Enterprise Funds. The District does not have Internal Service Funds.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOVERNMENTAL FUNDS (CONTINUED)

Fiduciary Funds (Not Included in Government-wide Statements)

Fiduciary Funds

The District does not have Fiduciary Funds.

Major and Non-Major Funds

The funds are further classified as major or non-major as follows:

<u>Fund</u>	<u>Brief Description</u>
-------------	--------------------------

Major:

General Fund: See above for description

Debt Service Fund: Debt Service Bond Sinking Fund is considered a major fund and is used to accumulate funds for the future retirement of the Qualified School Construction Bonds.

Proprietary Fund: Lunch Fund accounts for the operation of the school breakfast and lunch program of the Chariho Regional School District. This fund did not meet the criteria for reporting as a major fund however, management has elected to present the fund as a major fund.

Non Major:

Special Revenue: Grant programs including federal grants, state grants, and private grants. The District currently maintains fifty six (56) special revenue funds.

Debt Service: Member Towns Debt Service fund.

Capital Projects: Capital Projects Housing Aid Fund, Capital Projects Member Towns Contributions Fund, RYSE Capital Project Fund, and Other Capital Projects Fund.

Proprietary: Night School Remedial, Adult Education Program, Adult Continuing Education, Athletics Program, CTC Programs, and Before School Program.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

MEASUREMENT FOCUS

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

In the fund financial statements, the current financial resources measurement focus (modified accrual) or the economic resources measurement focus (full accrual) is used as appropriate:

- (a) All governmental funds utilize a current financial resources measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- (b) The proprietary fund utilizes an economic resources measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position and cash flows. All assets and deferred outflows of resources, and liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net position.

BASIS OF ACCOUNTING

In the Government-wide Statement of Net Position and Statement of Activities both governmental and business-like activities are presented using the full accrual basis of accounting. Under the full accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of the related cash flows. Revenues, expenses, gains, losses, assets, and deferred outflows of resources, and liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Proprietary funds also utilize the full accrual basis of accounting.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

BASIS OF ACCOUNTING (CONTINUED)

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within a reasonable time thereafter to pay current liabilities. The District has determined available to mean within 60 days. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for debt principal and interest and compensated absences which are recognized when due.

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

ASSETS, LIABILITIES, DEFERRED OUTFLOWS, INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

Cash Equivalents

For purposes of the cash flow statement, all investments with original maturities of three months or less when purchased are considered to be cash equivalents.

Accounts Receivable

In the Government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include intergovernmental receivables, tuition and Medicaid reimbursements.

In the fund financial statements, receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Non-exchange transactions collectible but not available are reported as unearned in the fund financial statements in accordance with modified accrual, but recognized as earned in the Government-wide financial statements in accordance with the accrual basis. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivables are based upon historical trends and the periodic aging of accounts receivable.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in governmental funds.

Certain unexpended and unencumbered appropriations for incomplete projects are carried over to succeeding years. Such continuing appropriations are accounted for similar to encumbrances. Other unencumbered appropriations lapse at year-end.

Investments

The District may invest in various types of investments, which are stated at fair value. Fair value is defined as 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. Realized and unrealized gains and losses are reported as investment income.

Compensated Absences

Under the terms of various contracts and policies, District employees are granted paid time off based on length of service. The District's policy is to recognize the cost of sick leave and personal days in governmental funds when paid and on the accrual basis in proprietary funds. The amount of earned but unpaid sick leave and personal days relating to governmental fund employees is recorded in long-term liabilities in the Government-wide financial statements.

Capital Assets

The accounting treatment over capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the Government-wide or fund financial statements.

Government-wide Statements

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Government-wide Statements (Continued)

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

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

Buildings	10 - 50 years
Building improvements.....	10 - 15 years
Land improvements	15 years
Vehicles.....	5 - 7 years
Equipment.....	5 - 15 years

The District reviews the carrying value of its long-lived assets to ensure that any impairment issues are identified and appropriately reflected in the financial statements. 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 during the June 30, 2021 year-end.

Fund Financial Statements

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

Bond Premiums and Issuance Costs

In the governmental funds, bond premiums and issuance costs are treated as period costs in the year the bonds are issued. Bond issuance costs are included in debt service expenditures and bond premiums are reflected as other financing sources in the governmental funds financial statements.

In the Government-wide statement of net position, bond premiums are deferred and amortized over the term of the bonds using the straight-line method. Bond premiums are presented as an addition to the face amount of the bonds payable.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate section represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that later date. At June 30, 2021 the District reported \$10,993,616 of deferred outflows related to pension and OPEB in the Government-wide statement of net position. The deferred outflows of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. This amount is deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plans (active employees and inactive employees). At June 30, 2021 the District also reported \$526,111 of deferred outflow related to a deferred charge on refunding in the Government-wide statement of net position. The deferred charge on refunding is the unamortized balance of the difference between the carrying value of the refunded debt and the new debt. This amount is deferred and amortized over the shorter of the life of the refunded or the refunding debt.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate section represents the acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until a later date. At June 30, 2021 the District reported \$6,080,700 of deferred inflows related to pension and OPEB in the Government-wide statement of net position. The deferred inflow of resources related to pension and OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. This amount is deferred and will be recognized as an inflow of resources in the years in which the amounts become available.

Interfund Transactions

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

Reciprocal interfund activities:

- Interfund loans are reported as interfund receivables in the lending fund and interfund payables in borrower funds.
- Interfund services are reported as revenues in the seller fund and as expenditures on expenses in the purchasing fund.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Interfund Transactions (Continued)

Non-reciprocal interfund activities:

- Interfund transfers are reported in governmental funds as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.
- Interfund reimbursements are repayments from the fund responsible for particular expenditures or expenses to other funds that initially paid for them. Reimbursements are not displayed separately within the financial statements.

Net Position/Fund Balance

Government-wide Statements

Net position is classified and displayed in the following three components:

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

Fund Statements

Fund balance is classified in the governmental funds in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Fund balance is classified as non-spendable, restricted, committed, assigned or unassigned as described below:

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance (Continued)

Fund Statements (Continued)

- Non-Spendable – the amount of fund balance that cannot be spent because it is either not in spendable form or there is a legal or contractual requirement for the funds to remain intact. “Not in spendable form” includes items that are not expected to be converted to cash within one year.
- Restricted – includes amounts that are restricted for specific purposes. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- Committed – includes amounts that can be used only for the specific purposes pursuant to constraints imposed by formal action of the District’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Chariho Regional School Committee is considered the highest decision-making authority and therefore imposes constraints by a formal action by vote. This constraint must be imposed prior to the year end, but the specific amount may be determined at a later date.
- Assigned – the amount of fund balance that includes the portion of the spendable fund balance that reflects funds intended to be used by the government for specific purposes assigned by information operational planning. The assigned fund balance represents a plan for spending the amount, but it is not restricted or committed. The authority to assign fund balance is designated to the Chariho Regional School Committee.
- Unassigned – the amount of fund balance that is in the General Fund and includes all spendable amounts that are not otherwise contained in the classifications listed above, and therefore, not subject to any constraints or intended use. Unassigned amounts are available for any purpose. These are current resources available for which there are no external or self-imposed limitations or set spending plan. Although there is generally no set spending plan for the unassigned portion, there is a need to maintain a certain funding level. Unassigned fund balance is commonly used for emergency expenditures not previously considered. In addition, the resources classified as unassigned can be used to cover expenditures for revenues not yet received. At the end of each year, the Director of Administration and Finance shall maintain an unassigned fund balance of a minimum of two percent (2%) and a maximum of four percent (4%) of general fund actual expenditures from the previous year. The School Committee shall strive to maintain an unassigned fund balance of three percent (3%) of general fund actual expenditures from the previous year.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Net Position/Fund Balance (Continued)

The District maintains a spending policy in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This policy states the District shall, when possible, expend funds beginning with those funds that have the highest level of restriction first, and will spend those funds with the lowest level of restriction last. It shall be the Director of Administration and Finance's responsibility to ensure the District's expenditures are appropriately classified based on the restrictions (both external and internal) of the revenue and fund balance(s) in accordance with the above policy.

Proprietary fund net position is classified the same as in the Government-wide statements.

Governmental Expenditures

In the fund financial statements, the operating expenditures are broken out into nine functional categories. Below is a description of these categories and related activity charged to them:

- **Employee Compensation** – Amounts paid to District employees, including personnel substituting for those in permanent positions.
- **Employee Benefits** – Amounts paid by the District on behalf of employees (amounts not included in gross salary but in addition to that amount). Such payments are fringe benefits and, although not paid directly to employees, nevertheless are part of the cost of personnel services.
- **Purchased Professional and Technical Services** – Services that by their nature can be performed only by persons or firms with specialized skills and knowledge.
- **Purchased Property Services** – Services purchased to operate, repair, maintain, and rent property owned or used by the District. These services are performed by persons other than District employees.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ASSETS, LIABILITIES, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE (CONTINUED)

Governmental Expenditures (Continued)

- Other Purchased Services – Amounts paid for services rendered by organizations or professionals not on the payroll of the District (separate from professional and technical services or property services).
- Supplies – Amounts paid for items that are consumed, are worn out, or have deteriorated through use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.
- Capital Outlays – Property – Expenditures for acquiring capital assets, including land, existing buildings, existing infrastructure assets, and equipment. Amounts recorded here may not necessarily meet the definition for recording of a capital asset in the Government-wide financial statements.
- Miscellaneous – Amounts for goods and services not otherwise classified into one of the above categories.
- Debt Service – Amounts paid for the principal or interest on debt obligations.

Pensions

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Standards

During the year ended June 30, 2021 the District adopted GASB Statement No. 84, *Fiduciary Activities*. See Note 16 for detail.

The following are recently issued governmental accounting standards which may be applicable in future years:

- GASB Statement No. 87 – *Leases*, effective for District's fiscal year ending June 30, 2022.
- GASB Statement No. 88 – *Certain Disclosures Related to Debt, Including Borrowings and Direct Placements*, effective for District's fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Costs Incurred before the End of a Construction period*, effective for the Corporation's fiscal year ending June 30, 2022.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for District's fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements ("SBITA")*, effective for District's fiscal year ending June 30, 2023.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457, Deferred Compensation Plans*, effective for District's fiscal year ending June 30, 2022.

The impact of these pronouncements on the District's financial statements has not been determined.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

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

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET

The governmental balance sheet includes a reconciliation between *fund balances – total governmental funds* and *net position – governmental activities* as reported in the Government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the governmental funds.” The details of the difference are as follows:

Bonds payable	\$ (18,489,000)
Notes payable	(657,918)
Bond premiums, net of accumulated amortization	(1,108,996)
Compensated absences	<u>(2,644,131)</u>
Net adjustment	<u>\$ (22,900,045)</u>

Another element of the reconciliation states that “net pension and OPEB liabilities are not due and payable in the current period and therefore are not reported in the governmental funds.” The details of the difference are as follows:

Net pension liability	\$ (50,511,255)
OPEB liability	<u>(845,967)</u>
Net adjustment	<u>\$ (51,357,222)</u>

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the Government-wide statement of activities. One element of that reconciliation explains that Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. The details of the difference are as follows:

Capital outlays (prior to disposals)	\$ 1,033,544
Depreciation expense	<u>(780,054)</u>
Net adjustment	<u>\$ (1,746,510)</u>

Another element of the reconciliation states that the issuance of long-term debt provides current financial resources to governmental funds, while the principal repayment of long-term debt consumes the current financial resources of governmental funds. Neither transactions, however, has any effect on the government-wide statement of activities. The details of the difference are as follows:

Decrease in bonds payable (excluding defeased debt)	\$ 1,015,000
Decrease in notes payable obligations	85,158
Increase in compensated absences	<u>(30,815)</u>
Net adjustment	<u>\$ 1,069,343</u>

NOTE 2 - BUDGETARY DATA

The School District requires an annual budget for the General Fund. The practices used in preparation of the 2021 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The actual results of operations, for purposes of the Statement of Revenues and Expenditures, Budget and Actual on a Budgetary Basis - General Fund, have been adjusted to a basis consistent with the School District's budget for 2021.

Amendments to the operating budget that do not result in additional appropriations may be made by means of a transfer. The Director of Administration and Finance has authority to make such transfers within departments as well as any transfers up to \$1,500. Transfers over \$1,500 must be approved by the School Committee.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

The District maintains deposits at local financial institutions. At year-end, the carrying amount of such deposits was \$12,655,433. The bank balance of these funds was \$13,613,336, of which \$7,827,193 was covered by federal depository insurance and the remaining balance of \$5,786,143 was fully collateralized.

INVESTMENTS

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 District follows the guidance for fair value measurements and disclosures in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, an accounting standard adopted by the District in the current year.

In determining fair value, the District uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. The fair value hierarchy is categorized into three levels based on the inputs as follows:

- 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).

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

Fixed income securities: Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

The District has established legal restrictions as to the types of investments that may be held by the District. The District may invest in U.S. Treasury Bills, Short-term obligations of U.S. Government agencies, Federally Insured or collateralized certificates of deposit, Repurchase agreements collateralized by U.S. Treasury securities, State investment pools and Money Market mutual funds whose portfolios consist of U.S. Government securities.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (CONTINUED)

INVESTMENTS (CONTINUED)

The following table summarizes the investments of the District, at fair value, as of June 30, 2021:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Investments by fair value level				
First American Government Obligation Fund Class V	\$ 5,537,508	--	\$ --	\$ 5,537,508

Custodial Credit Risk – Deposits and Investments. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The collateralization of certificates of deposit or repurchase agreements must be in an amount of at least 102% of fair market value to the amount of the deposit is the District's investment policy for custodial credit risk.

Interest Rate Risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. It is the policy of the District to limit the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates.

Credit Risk. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure.

Concentration of Credit Risk. The District places the following limits on the maximum percent of portfolio it may invest in any one specific instrument: the portfolio shall at all times comprise of at least three separate investment instruments; with no one instrument holding more than 50% of total fund principal. Furthermore, at least 30% of the invested funds shall be in instruments that can be redeemed by the District on demand within one day.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2021 was as follows:

	Beginning Balance <u>7/1/2020</u>	<u>Increases</u>	<u>Decreases</u>	Ending Balance <u>6/30/2021</u>
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 538,543	\$ --	\$ --	\$ 538,543
Total Capital Assets Not Being Depreciated	<u>538,543</u>	<u>--</u>	<u>--</u>	<u>538,543</u>
Capital Assets Being Depreciated				
Buildings and improvements	59,065,635	817,422	--	59,883,057
Equipment	2,290,354	110,242	--	2,400,596
Land improvements	3,417,231	73,500	--	3,490,731
Vehicles	350,453	32,380	--	383,133
Total Capital Assets Being Depreciated	<u>65,123,973</u>	<u>1,033,544</u>	<u>--</u>	<u>66,157,517</u>
Less: Accumulated Depreciation For				
Buildings and improvements	31,888,511	2,599,849	--	34,488,660
Equipment	1,585,409	64,441	--	1,647,850
Land improvements	1,233,596	107,034	--	2,240,630
Vehicles	180,190	8,730	--	188,920
Total Accumulated Depreciation	<u>35,786,006</u>	<u>2,780,054</u>	<u>--</u>	<u>38,566,060</u>
Governmental Activities Capital Assets, Net	<u>\$ 29,876,510</u>	<u>\$ (1,746,510)</u>	<u>\$ --</u>	<u>\$ 28,130,000</u>
Business-Type Activities:				
Capital Assets Being Depreciated				
Equipment	\$ 119,420	\$ --	\$ --	\$ 119,420
Total Capital Assets Being Depreciated	<u>119,420</u>	<u>--</u>	<u>--</u>	<u>119,420</u>
Less: Accumulated Depreciation For				
Equipment	118,745	675	--	119,420
Total Accumulated Depreciation	<u>118,745</u>	<u>675</u>	<u>--</u>	<u>119,420</u>
Business-Type Activities Capital Assets, Net	<u>\$ 675</u>	<u>\$ (675)</u>	<u>\$ --</u>	<u>\$ --</u>

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions as follows:

Governmental Activities:

Depreciation is for all educational activities presented separately on the Statement of Activities as unallocated depreciation totaling \$2,780,054.

Business-Type Activities:

School lunch	\$ 675
Total Business-Type Activities Depreciation Expense	\$ 675

NOTE 5 - INTERFUND BALANCES AND TRANSFERS

The District had interfund transfers totaling \$809,299 during the year ended June 30, 2021. The composition of these interfund transfers was as follows:

	Transfers In	Transfers Out
General Fund	\$ --	\$ 179,999
Debt Service Bond Sinking Fund	535,563	--
Capital Project Funds	72,454	93,737
Special Revenue Funds	201,282	--
Member Towns - Debt Service Fund	--	535,563
Total	\$ 809,299	\$ 809,299

Interfund balances represent short-term advances from one fund to another fund. The advances may represent balances resulting from operating advances or simply be the result of pooling of financial resources to maximize investment income. The composition of interfund balances at June 30, 2021 was as follows:

	Due From	Due To
General Fund	\$ 1,294,009	\$ --
Debt Service Bond Sinking Fund	--	13,609
Non-Major Governmental Funds	170,790	1,456,119
Proprietary Funds	70,435	65,506
Total	\$ 1,535,234	\$ 1,535,234

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS

(a) Employees' Retirement System (ERS) – Teachers

General Information about the Pension Plan

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

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

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

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

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(a) Employees' Retirement System (ERS) – Teachers (Continued)

General Information about the Pension Plan (Continued)

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2021, Chariho Regional School District teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Chariho Regional School District are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Chariho Regional School District; the rates were 10.75% and 16.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the state and the Chariho Regional School District, respectively. The Chariho Regional School District contributed \$4,177,221, \$4,004,537 and \$3,760,219 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2021 was \$2,858,100 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

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

At June 30, 2021, the Chariho Regional School District reported a liability of \$45,862,835 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Chariho Regional School District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Chariho Regional School District were as follows:

Chariho Regional School District proportionate share of the net pension liability	\$ 45,862,835
State's proportionate share of the net pension liability associated with the Chariho Regional School District	<u>34,077,210</u>
Total Net Pension Liability	<u>\$ 79,940,045</u>

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The Chariho Regional School District's proportion of the net pension liability was based on a projection of the Chariho Regional School District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2020 the Chariho Regional School District's proportion was 1.44%.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(a) Employees' Retirement System (ERS) – Teachers (Continued)

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

For the year ended June 30, 2021 the Chariho Regional School District recognized gross pension expense of \$7,528,606 and revenue of \$3,448,654 for support provided by the State. At June 30, 2021 the Chariho Regional School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources

Contributions subsequent to the measurement date	\$ 4,177,221
Difference between expected and actual experience	48,416
Changes in assumptions	2,047,390
Net difference between projected and actual earnings on pension plan investments	1,530,876
Change in proportion and differences between employer contributions and proportionate share of contributions	<u>1,165,376</u>
Total	<u>\$ 9,369,279</u>

Deferred Inflows of Resources

Difference between expected and actual experience	\$ (893,797)
Changes in assumptions	(1,068,757)
Net difference between projected and actual earnings on pension plan investments	(599,768)
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>(2,860,275)</u>
Total	<u>\$ (5,422,597)</u>

The \$4,177,221 reported as deferred outflows of resources related to pensions resulting from the Chariho Regional School District contributions in fiscal year 2021 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:

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(a) Employees' Retirement System (ERS) – Teachers (Continued)

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

	Year Ended June 30,
2022	\$ (349,234)
2023	(41,726)
2024	278,077
2025	203,959
2026	(198,453)
Thereafter	<u>(123,162)</u>
Total	<u>\$ (230,539)</u>

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%

Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees projected with Scale Ultimate MP16

The actuarial assumptions used in the June 30, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(a) Employees' Retirement System (ERS) – Teachers (Continued)

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity:		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-Total	40.00%	
Private Growth:		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Sub-Total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-Total	12.00%	
STABILITY		
Crisis Protection Class:		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-Total	8.00%	
Volatility Protection:		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-Total	15.00%	
Total	100.00%	

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(a) *Employees' Retirement System (ERS) – Teachers (Continued)*

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

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

Discount Rate - the discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate - the following presents the net pension liability (asset) calculated using the discount rate of 7.0 percent as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 55,028,148	\$ 45,862,835	\$ 34,801,808

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS)

General Information about the Pension Plan

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

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

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

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

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS) (Continued)

General Information about the Pension Plan (Continued)

General Employees

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

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

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

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

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS) (Continued)

General Information about the Pension Plan (Continued)

General Employees (Continued)

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

Other Benefit Provisions

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

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

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

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS) (Continued)

General Information about the Pension Plan (Continued)

Other Benefit Provisions (Continued)

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

Employees Covered by Benefit Terms

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

Retirees and Beneficiaries	72
Inactive, Nonretired Members	93
Active Members	158
Total	323

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 46-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. The Chariho Regional School District contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Chariho Regional School District contributed \$626,544 in the year ended June 30, 2021 which was 11.47% of annual covered payroll.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS) (Continued)

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2020 measurement date (June 30, 2019 valuation rolled forward to June 30, 2020)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25%
Inflation	2.5%
Mortality	Mortality - variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16
Cost of Living Adjustments	A 2.1% COLA is assumed for all MERS units with the COLA provision.

The actuarial assumptions used in the June 30, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS) (Continued)

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity:		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.00%	8.69%
Sub-Total	40.00%	
Private Growth:		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Sub-Total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-Total	12.00%	
STABILITY		
Crisis Protection Class:		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-Total	10.00%	
Inflation Protection:		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
Natural Resources	2.00%	0.74%
Sub-Total	8.00%	
Volatility Protection:		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-Total	15.00%	
Total	100.00%	

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) *Municipal Employees' Retirement System (MERS) (Continued)*

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

Discount Rate - The discount rate used to measure the total pension liability of the plans was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Changes in the Net Pension Liability (Asset)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2019	\$ 25,124,180	\$ 20,925,474	\$ 4,198,706
Changes for the year			
Service cost	481,337	--	481,337
Interest on the total pension liability	1,734,121	--	1,734,121
Difference between expected and actual experience	45,848	--	45,848
Changes in assumptions	(249,889)		(249,889)
Employer contributions	--	616,836	(616,836)
Employee contributions	--	155,074	(155,074)
Pension plan net investment income	--	777,757	(777,757)
Benefit payments	(1,183,374)	(1,183,374)	--
Pension plan administrative expense	--	(21,429)	21,429
Other changes	--	33,465	(33,465)
Net changes	828,043	378,329	449,714
Balances as of June 30, 2020	\$ 25,952,223	\$ 21,303,803	\$ 4,648,420

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) *Municipal Employees' Retirement System (MERS) (Continued)*

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$6,960,474	\$4,648,420	\$1,857,900

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

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

For the year ended June 30, 2021 the employer recognized pension expense of \$876,954. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 626,544	\$ --
Difference between expected and actual experience	37,173	195,318
Changes in assumptions	311,819	202,609
Net difference between projected and actual earnings on pension plan investments	<u>586,450</u>	<u>222,644</u>
Total	<u>\$ 1,561,986</u>	<u>\$ 620,571</u>

\$626,544 reported as deferred outflows of resources related to pensions resulting from the Chariho Regional School District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 6 - DEFINED BENEFIT PENSION PLANS (CONTINUED)

(b) Municipal Employees' Retirement System (MERS) (Continued)

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

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ 25,588
2023	127,585
2024	79,835
2025	92,879
2026	(11,016)
Total	<u>\$ 314,871</u>

NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN

Defined Contribution Plan Description

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - DEFINED CONTRIBUTION PENSION PLAN (CONTINUED)

Defined Contribution Plan Description (Continued)

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

The Chariho Regional School District recognized pension expense of \$155,440 for certified staff and \$38,631 for municipal staff for the fiscal year ended June 30, 2021.

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

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Contracts

The School District has publically bid and contracted with a private contractor to have in-district bussing services provided for students through the last day of school June 2024. The School Committee awarded the private contractor a three-year contract with two one-year extension options by mutual consent through the last day of school in June 2026. Due to extremely high costs incurred by the District in FY19 while utilizing state wide transportation (as required by legislation), the District requested a variance from the RI Department of Education to transport most of our out-of-district special education students using a private contractor. This variance is still in effect for FY21. The District also requested FY21 variances related to grade five bus monitors and kindergarten stops; both of which were approved. A request for variance for out-of-district private school transportation was denied by the RI Department of Education during the Chariho transportation bid process in Spring 2021 and on September 20, 2021. The projected annual payment for Ocean State Transit for FY22 is estimated at approximately \$5 million, an increase from actual FY21 expenditures due to the return of students to in-person instruction for the 2021/2022 school year after widespread distance learning prompted by the COVID-19 pandemic in the previous school year.

The State of Rhode Island publicly bid and awarded a one-year contract to Chartwells for school nutrition services with four one-year extension options by mutual consent. On June 22, 2021 the School Committee approved the District's participation in year one (FY22) of the contract with the option to renew years two (FY23) through five (FY26).

Grants

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

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 8 - COMMITMENTS AND CONTINGENCIES (CONTINUED)

Litigation

There are various lawsuits pending against the District. Although the outcome of most of these lawsuits is not presently determinable, any probable claims, as determined by the District officials and counsel, have been appropriately provided for.

NOTE 9 - RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States and the World. The District is monitoring the outbreak of COVID-19 and the related business and travel restrictions and changes to behavior intended to reduce its spread. As of the date the financial statements were available to be issued, there has been no material financial impact to the financial statements or the District's operations due to the pandemic.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Plan Description

In addition to the pension benefits described in Note 6 and 7, the District administers a single-employer, defined benefit Other Post-Employment Benefit (OPEB) plan in accordance with the District teachers' contract, effective September 1, 2002. Under the provisions of the contract, any teacher who retires within the first three years of their eligibility to collect retirement benefits from the State's Teacher Retirement system will be entitled to the following District contributions toward the teacher's cost of health insurance: \$2,000 maximum per year for family plan coverage, and \$850 maximum per year for individual coverage. The District's obligation to these retirees shall continue until the retiree reaches age 65. The retiree may not receive benefits under the plan if covered by a spouse's family plan, but may opt to participate once coverage under a spouse's plan ceases. The plan may only be amended by the School Committee, subject to the terms of the teacher contract. Effective July 1, 2012, the School Committee elected to amend the stipend benefit subsidy. The stipend subsidy for District teachers has been discontinued and current active teachers will no longer be eligible to elect the benefit with subsidy within the first three years of eligibility. Administrators are still eligible for the stipend benefit and monthly stipend amounts as defined above. Existing retirees currently receiving the stipend benefit will continue to receive this benefit until they reach age 65. The plan does not issue a stand-alone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits Provided

Eligibility: Certified teachers and support staff are eligible for retiree health benefits until Medicare eligibility once they meet the retirement eligibility requirements under Rhode Island State Employees Retirement System (RI ERS) or Rhode Island Municipal Employees Retirement System (RI MERS).

RI ERS – Employees with less than five years of contributing service credit on June 30, 2012 may retire at the Social Security normal retirement age (not higher than 67). For employees with at least five years of contributing service credit on June 30, 2012, minimum retirement age is 62 with “proportional downward adjustment” toward an earlier retirement date based on years of service prior to July 1, 2012, but not earlier than 59. Employees with at least 10 years of contributing service credit on June 30, 2012 and members eligible to retire at September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age if they continue to work and contribute until that date. If they are within five years of reaching the Rhode Island Retirement Security Act (RIRSA) retirement eligibility date and have at least 20 years of service, they may retire at any time. Effective on July 1, 2015, employees are also eligible to retire upon attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with at least 33 years of service. These are additional eligibility requirements, which means that if employees are eligible to retire under the current eligibility requirements, they may do so.

RI MERS – Employees eligible to retire as of July 1, 2012 are not impacted by the new eligibility requirements described below. Prior to July 1, 2012, members were eligible for retirement on or after age 58 if they had credit for 10 or more years of service, or at any age if they had credit for at least 30 years of service. For employees who are not eligible to retire as of July 1, 2012:

- a) Members with less than five years of contributing service credit on June 30, 2012 may retire at their Social Security normal retirement age.
- b) Members with at least five years of contributing service credit on June 30, 2012 may retire at an individually determined age, which is the result of interpolating the member’s prior Retirement Date and the retirement age applicable to members hired after June 30, 2012.
- c) Members with at least ten years of contributing service credit on June 30, 2012 may retire at their prior Retirement Date if they continue to work and contribute until that date.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Benefits Provided (Continued)

All members who are within five years of reaching their retirement eligibility date may retire at any time if they have at least 20 years of service. Effective on July 1, 2015, employees are also eligible to retire upon attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with at least 33 years of service. These are additional eligibility requirements, which means that if employees are eligible to retire under the current eligibility requirements, they may do so.

Employees Covered by Benefit Terms

As of June 30, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	11
Inactive employees entitled to but not yet receiving benefit payments	8
Active employees	480
Total	<u>499</u>

Total OPEB Liability

The District's total OPEB liability of \$84,967 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	July 1, 2020 with results actuarially projected on a "no gain/no loss" basis to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of July 1, 2020.
Discount Rate:	2.19% as of June 30, 2021 and 2.66% as of July 1, 2020 for accounting disclosure purposes.
Payroll Growth:	3.00% (2.50% general inflation and 0.50% real wage inflation).
Inflation Rate:	2.50% per year
Cost Method:	Entry Age Normal Level % Salary

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Actuarial Assumptions (Continued)

Health Care Trend Rates: 7.5% for 2022, decreasing by 0.5% per year to an ultimate rate of 4.0% for 2029 and later years.

Spouse Coverage: Spousal coverage for current retirees is based on actual data. 70% of employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives.

Mortality: MERS – SOA Pub-2020 General Headcount Weighted Mortality Table fully generational using Scale MP-2019. RI ERS – SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2019. Surviving Spouses – SOA Pub 2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

Changes in the Total OPEB Liability

Changes in the total OPEB liability for the year ended June 30, 2021 consisted of the following:

	Total OPEB Liability
Balance at June 30, 2020	\$ 848,545
Changes for the year:	
Service cost	34,536
Interest	22,804
Changes in assumptions	22,553
Differences between expected and actual experience	(30,568)
Benefit payments	(51,903)
Net changes	(2,578)
Balance at June 30, 2021	\$ 845,967

Changes in assumptions reflect a change in the discount rate from 2.66% for fiscal year ended June 30, 2020 to 2.19% as of June 30, 2021 (current interim valuation).

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.19%) or 1-percentage-point higher (3.19%) than the current discount rate:

	1% Decrease (1.19%)	Current Discount Rate (2.19%)	1% Increase (3.19%)
Total OPEB liability	\$ 894,061	\$ 845,967	\$ 798,169

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% Decreasing to 3.5%)	Current Health Care Trend Rates (3.5% Decreasing to 4.5%)	1% Increase (8.5% Decreasing to 5.5%)
Total OPEB liability	\$ 760,854	\$ 845,967	\$ 944,349

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$21,566 in the Government-wide Statement of Activities. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,257	\$ (37,532)
Changes in assumptions	55,094	--
Total	<u>\$ 62,351</u>	<u>\$ (37,532)</u>

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (CONTINUED)

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

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

Year Ended June 30:	
2022	\$ 16,130
2023	3,805
2024	6,437
2025	1,669
	<u>\$ 24,819</u>

NOTE 11 - RISK MANAGEMENT ACTIVITIES

For its employer health insurance coverage, the District has chosen to participate in the Health Benefits Project provided by the WB Community Health, an independent, non-profit organization (the Collaborative). The District is also self-insured for dental insurance coverage through the Collaborative. Deposits made to the Collaborative are treated as expenditures when it is probable that a claim has been incurred, and include estimated amounts for claims that have been incurred but not reported (IBNR). Claim liabilities are calculated considering the effects of inflation, recent claim and health care trends, and other economic and social factors.

An analysis of claims activity is presented below:

	Net Position Balance at Beginning of Year	Current Year Claims and Expenses, Including IBNR	Actual Plan Deposits	Net Position Balance at Year End
June 30, 2021	\$ 2,788,487	\$ 6,437,647	\$ 6,913,660	\$ 3,264,500
June 30, 2020	\$ 1,829,254	\$ 5,260,014	\$ 6,219,247	\$ 2,788,487

The Plan is covered by excess loss insurance coverage to cover annual per person claims in excess of \$175,000.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 11 - RISK MANAGEMENT ACTIVITIES (CONTINUED)

Other types of insurance coverage purchased through private insurers are as follows: public officials and employee liability, flood and earthquake insurance, boiler and machinery coverage, general liability, property and casualty, garage liability, oceans and marine liability and fiduciary coverage. There have been no significant reductions in insurance coverage during the year ended June 30, 2021 as compared to the previous year. Claims incurred on these other types of insurance did not exceed insurance coverage during the years ended June 30, 2021, 2020 and 2019.

NOTE 12 - POLLUTION REMEDIATION OBLIGATION

The District is currently involved in the operation and maintenance of the Groundwater Remediation System at the Middle School and continued implementation of a Rhode Island Department of Environmental Management (RIDEM) approved Full-Scale Soil Washing Program. The District initially retained non-professional and professional consulting services to achieve the initial design of the recovery system. The initial design of the recovery system included the use of total fluids recovery technology which involved pumping a combination of groundwater and free product and running it through an oil/water separator. From its original installation in 1999 through 2005, it is estimated that approximately 4,000 gallons of free product were recovered. Consulting services are being utilized to achieve compliance with the applicable RIDEM regulations with regard to the remediation of No. 2 fuel from a former leaking underground storage tank. Using RIDEM's target cleanup goal, the District anticipates ongoing operation of the system in substantially the same configuration that exists today for one to three more years. The District will monitor the system operation and product recovery rates over the next year to assess when the free product thickness will meet the target goal. When appropriate, the District will shut down the system and observe the free product thickness at several locations. The consultant and management believe the cleanup can be terminated within three years at a total remaining estimated cost ranging from \$47,000 to \$81,000. The District has recorded the estimated remaining liability of \$81,000 in the Government-wide statement of net position as of June 30, 2021.

NOTE 13 - OPERATING LEASES

In August 2015, the District entered into a five-year operating lease for copiers, ending August 2020. In January 2019, the District entered in an operating lease for a postage machine, ending January 2024. In August 2019, the District entered into four three-year operating lease contracts for dishwasher machines, ending August 2022. In February 2020, the District entered into a five-year operating lease contract for a dishwasher machine, ending in February 2025. In January 2020, the District entered into a five-year operating lease contract for copiers, ending January 2025. The rental expense for these lease agreements amounted to approximately \$59,000 for the year ended June 30, 2021.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 13 - OPERATING LEASES (CONTINUED)

Future minimum lease payments are as follows:

2022	\$ 58,979
2023	55,077
2024	52,810
2025	26,049
Total	<u>\$ 192,915</u>

NOTE 14 - FUND BALANCES

(a) Fund Balances

As stated in Note 1, Fund Balance may be classified as one of five categories: Non-Spendable, Restricted, Committed, Assigned, or Unassigned. See Note 1 for definitions of these five Fund Balance categories. The detail of the composition of the Non-Spendable, Restricted, and Committed Fund Balance at June 30, 2021 is as follows:

Non-Spendable:

Deposit held for health and dental benefits	\$ 3,264,500
Prepaid expenses	36,106
Total Non-Spendable	<u>\$ 3,300,606</u>

The deposits held for health and dental benefits are maintained by WB Community Health and are not readily available as cash to the District. The deposits may be used to fund future self-insured health and dental claims should the monthly premiums not be sufficient to cover the actual claims incurred. As a result, these deposits net of the estimated IBNR claims payable are considered to be non-spendable fund balance as of June 30, 2021.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 14 - FUND BALANCES (CONTINUED)

(a) Fund Balances (Continued)

Restricted:

Bond sinking fund requirements	\$ 5,523,899
Restricted for future debt service – Member Town Fund	130,534
Title I	270
Race to the Top Early Learning Challenge	127
RI Department of Human Services Rising Stars	141
Student Activities	224,888
Categorical	134,635
RI Foundation	10,778
RI Foundation SPARK Grant	676
RI Foundation Professional Development	40
RI State Arts Council	836
Community 2000 Foundation	17,394
AMGEN Grant	244
GenYouth Foundation	884
Westerly Credit Union	21
Clark Foundation	4,811
Champlin Foundation	411
Rotary Club	4,759
NAESP Crayola	1,548
School Building Authority	56,046
National FFA Foundation	233
Lovett Foundation	198
Donations - Field Trips	4,872
Donations - Private	28,390
Family Educational Programs	1,374
Development Donations	5,030
Various Educational Program	76
RYSE Capital Project	37,973
Total Restricted Fund Balance	\$ 6,191,088

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 14 - FUND BALANCES (CONTINUED)

(a) Fund Balances (Continued)

Committed:

Re-appropriate to fiscal 2021-2022 operating budget	\$ 1,646,574
COVID-19 related expenses	150,000
Potential contingencies	171,182
Funding for capital commitments	1,415,615
Capital projects awarded but not completed – Member Town Contribution Fund	529,426
Capital projects awarded but not completed – Capital Projects Housing Aid Fund	937,178
Total Committed Fund Balance	<u>\$ 4,849,975</u>

At June 30, 2021, the District's unassigned fund balance was \$3,214,071 (all related to its general fund), which exceeds the District's target, per its fund balance policy, of 2% to 4% of the general fund's actual expenditures from the previous year.

(b) Fund Deficits

The following individual funds incurred deficits for the year ended June 30, 2021:

Governmental Funds:

Special Revenue Funds:

Champlin Foundation	\$ 10
Student Activities	24,602
Categorical Funding	20,159
Total Special Revenue Funds	<u>44,771</u>

Capital Project Funds:

Capital Projects Housing Aid Fund	153,723
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Total Deficits - Governmental Funds	<u>\$ 198,494</u>
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Proprietary Funds:

Non-Major Proprietary Funds:

Athletics Program	\$ 582
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Total Deficits - Proprietary Funds	<u>\$ 582</u>
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CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - LONG-TERM LIABILITIES

Payments on all long-term debt and other long-term liabilities that pertain to the District's governmental activities are made by the general fund or debt service funds. Long-term liabilities consist of the long-term liabilities that are not recorded as fund liabilities. Amounts are as follows:

	Date of Issue	Amount Issued	Interest Rate	Maturity Date	Balance Outstanding June 30, 2020	Additions	Retirements	Balance Outstanding June 30, 2021	Due Within One Year
Bonds Payable:									
\$4.8M QSCB Construction Revenue Bond	6/15/2010	\$ 4,812,000	0.46%	5/15/2027	\$ 4,812,000	\$ --	\$ --	\$ 4,812,000	\$ --
\$3.8M QSCB Construction Revenue Bond	12/2/2010	\$ 3,757,000	0.726%	5/15/2027	3,757,000	--	--	3,757,000	--
\$10.9M Construction Revenue Bond	6/10/2011	\$10,940,000	2%-5%	5/15/2031	500,000	--	500,000	--	--
\$4.975M RIHEBC Revenue Bond	11/16/2017	\$ 4,975,000	2.50%-5%	5/15/2027	600,000	--	515,000	3,575,000	535,000
\$6.345M RIHEBC Refunding Revenue Bond	11/16/2017	\$ 6,345,000	3%-5%	5/15/2031	600,000	--	--	6,345,000	510,000
Bonds Payable Total					<u>19,504,000</u>	<u>--</u>	<u>1,015,000</u>	<u>18,489,000</u>	<u>1,045,000</u>
Bond Premiums:									
	11/16/2017	\$ 614,219	N/A	5/15/2027	429,953	--	61,422	368,531	--
	11/16/2017	\$ 1,036,649	N/A	5/15/2031	814,511	--	74,046	740,465	--
					<u>1,244,464</u>	<u>--</u>	<u>135,468</u>	<u>1,108,996</u>	<u>--</u>
Compensated Absences:					<u>2,613,316</u>	<u>14,577,332</u>	<u>14,546,517</u>	<u>2,644,131</u>	<u>661,033</u>
Note Payable Obligation:									
	8/23/2017	130,544	4.55%	10/1/2020	33,342	--	33,342	--	--
	8/1/2017	122,672	7.72%	8/1/2020	31,175	--	31,175	--	--
	8/5/2018	\$ 599,012	3.99%	8/5/2021	299,662	--	146,445	153,217	153,217
	10/1/2018	\$ 100,068	7.18%	10/1/2021	85,315	--	41,129	44,186	44,186
	8/1/2019	\$ 92,302	7.09%	8/1/2022	66,703	--	20,682	46,021	22,197
	8/5/2019	\$ 307,999	3.59%	8/5/2022	226,879	--	72,975	153,904	75,595
	7/5/2020	\$ 228,046	2.84%	7/5/2023	--	228,046	59,428	168,618	54,639
	8/1/2020	\$ 126,994	6.75%	8/1/2023	--	126,994	35,022	91,972	28,618
Note Payable Total					<u>743,076</u>	<u>355,040</u>	<u>440,198</u>	<u>657,918</u>	<u>378,452</u>
Total Long-Term Debt					<u>\$24,104,856</u>	<u>\$14,932,372</u>	<u>\$16,137,183</u>	<u>\$22,900,045</u>	<u>\$2,084,485</u>

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - LONG-TERM LIABILITIES (CONTINUED)

Total interest expense paid on long-term debt for the year ended June 30, 2021 was approximately \$1,000,000. The District has been approved for housing aid reimbursement on the principal and interest, on all construction revenue bonds issued, throughout the life of the bonds.

The proceeds from the bonds were used to finance the acquisition, construction, furnishing and equipping of schools and school facilities, including but not limited to various school renovation projects, and to pay the cost of issuance. The \$4,812,000 bond and \$3,757,000 bond require sinking fund deposits to be held on deposit by the trustee and will be paid to the bondholders in full in May 2027 for both bonds. As of June 30, 2021 the balance held in the bond sinking fund totaled \$5,537,508.

(a) Debt Maturity

The Sinking Fund principal deposits and annual interest payments required on the \$4,812,000 and \$3,757,000 Revenue Bonds are as follows:

Year Ended June 30,	Principal	Interest	Deposits to Sinking Fund as of June 30, 2021
2012	\$ 300,750	\$ 22,134	\$ 300,750
2013	300,750	22,134	300,750
2014	300,750	22,134	300,750
2015	300,750	22,134	300,750
2016	300,750	22,134	300,750
2017	300,750	22,134	300,750
2018	300,750	22,134	300,750
2019	300,750	22,134	300,750
2020	300,750	22,134	300,750
2021	300,750	22,134	300,750
2022	300,750	22,134	--
2023	300,750	22,134	--
2024	300,750	22,134	--
2025	300,750	22,134	--
2026	300,750	22,134	--
2027	300,750	22,134	--
Total	<u>\$ 4,812,000</u>	<u>\$ 354,144</u>	<u>\$ 3,007,500</u>

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - LONG-TERM LIABILITIES (CONTINUED)

(a) Debt Maturity (Continued)

Year Ended June 30,	Principal	Interest	Deposits to Sinking Fund as of June 30, 2021
2012	\$ 234,813	\$ 27,275	\$ 234,813
2013	234,813	27,275	234,813
2014	234,813	27,275	234,813
2015	234,813	27,275	234,813
2016	234,813	27,275	234,813
2017	234,813	27,275	234,813
2018	234,813	27,275	234,813
2019	234,813	27,275	234,813
2020	234,812	27,275	234,813
2021	234,812	27,275	234,813
2022	234,812	27,275	--
2023	234,812	27,275	--
2024	234,812	27,275	--
2025	234,812	27,275	--
2026	234,812	27,275	--
2027	234,812	27,275	--
Total	<u>\$ 3,757,000</u>	<u>\$ 436,400</u>	<u>\$ 2,348,130</u>

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 15 - LONG-TERM LIABILITIES (CONTINUED)

(a) Debt Maturity (Continued)

The future maturities of bond and notes outstanding for years subsequent to June 30, 2021 are as follows:

Year Ended June 30,	Principal	Interest
2022	\$ 1,423,452	\$ 532,834
2023	1,283,935	463,188
2024	1,235,531	406,406
2025	1,190,000	352,234
2026	1,240,000	306,459
2027-2031	** 12,774,000	562,109
Total	<u>\$ 19,146,918</u>	<u>\$ 2,623,230</u>

** - The year ending June 30, 2027 includes the full payment of the QSCB Revenue Bonds totaling \$8,569,000. The annual principal payments on these QSCB Revenue Bonds have been placed in a Sinking Fund commencing with the first payments. Total amounts expected to be placed in the Sinking Fund through the year ending June 30, 2026 are \$8,033,438. Therefore the principal debt service payment on these QSCB Revenue Bonds required from operations for 2027 will be \$535,563 with the remaining amount paid from the Sinking Fund deposits.

(b) Advanced Refundings and Defeased Debt

On November 16, 2017, the District issued \$6,345,000 of Revenue Bonds with an average interest rate of 4.59% to advance refund \$6,345,000 of outstanding Revenue Bonds dated June 23, 2011 with an average interest rate of 5.0%. Proceeds of refunding bonds were deposited into an irrevocable escrow trust. The trust is held by an independent trustee and is invested in obligations of the United States Government and will mature and bear interest in such amounts and at such times as will be sufficient to pay the principal and interest of the defeased bonds upon maturity. Accordingly, the escrow trust fund, as well as the defeased bonds, are not reflected in the District's financial statements.

As of June 30, 2021, the in-substance defeased bonds have been fully redeemed.

CHARIHO REGIONAL SCHOOL DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021

NOTE 16 – RESTATEMENT

The District implemented GASB Statement No. 84, *Fiduciary Activities*, resulting in the reclassification of certain funds presented as agency in the prior year that are now classified as governmental funds. The following reflects the effect of implementation of GASB Statement No. 84:

Governmental Activities:

Net Position as originally stated at July 1, 2020	\$ (24,046,384)
Adoption of GASB Statement No. 84	<u>249,490</u>
Net Position at July 1, 2020, as restated	<u>\$ (23,796,894)</u>

Governmental Funds:

Fund Balance as originally stated at July 1, 2020	\$ 15,907,236
Adoption of GASB Statement No. 84	<u>249,490</u>
Fund Balance at July 1, 2020, as restated	<u>\$ 16,156,726</u>

DRAFT

REQUIRED SUPPLEMENTARY INFORMATION

DRAFT

CHARIHO REGIONAL SCHOOL DISTRICT

D-1

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF REVENUES AND EXPENDITURES BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (UNAUDITED)

FOR THE YEAR ENDED JUNE 30, 2021

Required Supplementary Information

	Originally Adopted Budget	Final Approved Budget	Actual (Budgetary Basis)	Variance Favorable (Unfavorable)
Revenues				
Contributions from participating Towns	\$ 52,314,121	\$ 52,314,121	\$ 52,314,071	\$ (50)
Intergovernmental revenue	2,607,773	2,607,773	2,311,754	(296,019)
Tuition	3,443,035	3,407,698	3,488,722	81,024
Investment income	54,000	54,000	16,286	(37,714)
Miscellaneous	70,850	72,943	62,132	(10,811)
Total Revenues	<u>58,489,779</u>	<u>58,456,535</u>	<u>58,192,965</u>	<u>(263,570)</u>
Expenditures				
Employee compensation	34,350,517	33,946,722	33,694,590	252,132
Employee benefits	13,826,584	13,808,388	12,962,930	845,458
Purchased professional and technical services	1,807,375	1,827,065	1,536,568	290,497
Purchased property services	1,243,403	1,248,575	1,046,905	201,670
Other purchased services	7,151,040	7,081,699	6,072,628	1,009,071
Supplies	1,605,325	1,795,640	1,604,529	191,111
Property	162,277	277,615	262,749	14,866
Debt service and other	96,144	88,299	73,892	14,407
Total Expenditures	<u>60,106,718</u>	<u>60,074,003</u>	<u>57,254,791</u>	<u>2,819,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,616,939)</u>	<u>(1,617,468)</u>	<u>938,174</u>	<u>2,555,642</u>
Other Financing Sources (Uses)				
Transfer to capital project fund	(100,000)	(182,093)	(179,999)	2,094
Use of accumulated fund balance - prior year designation	1,716,939	1,799,561	1,716,939	(82,622)
Total Other Financing Sources	<u>1,616,939</u>	<u>1,617,468</u>	<u>1,536,940</u>	<u>(80,528)</u>
Excess of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,475,114</u>	<u>\$ 2,475,114</u>

The adjustments necessary to reconcile actual revenues and expenditures reported on a budgetary basis to actual revenues and expenditures reported in accordance with generally accepted accounting principles are as follows:

	Revenues and Other Financing Sources	Expenditures and Other Financing Uses	Net
Statement of Revenues and Expenditures – Budgetary Basis	\$ 59,909,904	\$ 57,434,790	\$ 2,475,114
On-behalf pension contribution by State of Rhode Island	2,966,454	2,966,454	--
Non-public transportation offset	201,105	201,105	--
Use of accumulated fund balance	(1,716,939)	--	(1,716,939)
Statement of Revenues and Expenditures – GAAP Basis (B-2)	<u>\$ 61,360,524</u>	<u>\$ 60,602,349</u>	<u>\$ 758,175</u>

CHARIHO REGIONAL SCHOOL DISTRICT

D-2

REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS

SCHEDULE OF CHARIHO REGIONAL SCHOOL DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Employees' Retirement System (ERS)

	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	1.44%	1.42%	1.43%	1.45%	1.57%	1.67%	1.53%
Employer's proportionate share of the net pension liability	\$ 45,862,835	\$ 45,389,783	\$ 45,614,052	\$ 45,767,309	\$ 46,970,949	\$ 46,097,184	\$ 37,261,942
State's proportionate share of the net pension liability associated with the school district	34,077,210	34,001,644	34,024,806	34,589,089	32,168,203	31,492,149	25,552,230
Total	\$ 79,940,045	\$ 79,391,431	\$ 79,638,858	\$ 80,356,398	\$ 79,139,152	\$ 77,589,333	\$ 62,814,172
Employer's covered employee payroll	\$ 28,808,421	\$ 28,502,377	\$ 27,957,019	\$ 27,472,477	\$ 27,566,533	\$ 26,749,403	\$ 25,718,673
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	159%	159%	163%	167%	170%	172%	145%
Plan fiduciary net position as a percentage of the total pension liability	54.00%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

Note:

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

CHARIHO REGIONAL SCHOOL DISTRICT

D-3

REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS

SCHEDULE OF CHARIHO REGIONAL SCHOOL DISTRICT'S CONTRIBUTIONS

Employees' Retirement System (ERS)

	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 4,177,221	\$ 4,024,537	\$ 3,760,219	\$ 3,637,356	\$ 3,633,269	\$ 3,672,693	\$ 3,448,874
Contributions in relation to the actuarially determined contribution	<u>4,177,221</u>	<u>4,024,537</u>	<u>3,760,219</u>	<u>3,637,356</u>	<u>3,633,269</u>	<u>3,672,693</u>	<u>3,448,874</u>
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
Covered-employee payroll	\$ 28,808,421	\$ 28,502,387	27,957,019	\$ 27,472,477	\$ 27,566,533	\$ 26,749,403	\$ 25,718,673
Contributions as a percentage of covered- employee payroll	14.50%	14.12%	13.45%	13.24%	13.18%	13.73%	13.41%

Note:

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

CHARIHO REGIONAL SCHOOL DISTRICT

D-4

REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS

SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION LIABILITY AND RELATED RATIOS

Municipal Employees' Retirement System (MERS)

	Year Ending June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
A. Total pension liability							
1. Service cost	\$ 481,337	\$ 507,604	\$ 501,779	\$ 467,245	\$ 468,099	\$ 467,912	\$ 505,798
2. Interest on the total pension liability	1,734,121	1,664,882	1,600,680	1,561,175	1,515,095	1,413,219	1,340,630
3. Changes of benefit terms	--	--	--	--	--	283,863	--
4. Difference between expected and actual experience	45,848	(17,286)	(253,612)	(33,369)	(371,047)	145,416	--
5. Changes of assumptions	(249,889)	--	--	1,108,291	--	--	15,429
6. Benefit payments, including refunds of employee contributions	(1,183,374)	(1,060,507)	(990,074)	(977,355)	(1,017,261)	(887,070)	(863,058)
7. Net change in total pension liability	828,043	1,062,693	864,773	2,125,987	594,886	1,423,340	998,799
8. Total pension liability - beginning	25,124,180	24,061,487	23,196,714	21,070,727	20,475,841	19,052,501	18,053,702
9. Total pension liability - ending (a)	<u>\$ 25,952,223</u>	<u>\$ 25,124,180</u>	<u>\$ 24,061,487</u>	<u>\$ 23,196,714</u>	<u>\$ 21,070,727</u>	<u>\$ 20,475,841</u>	<u>\$ 19,052,501</u>
B. Plan fiduciary net position							
1. Contributions - employer	617,836	594,701	\$ 573,539	\$ 607,582	\$ 578,340	\$ 595,128	\$ 555,047
2. Contributions - employee	1,074	164,406	166,419	175,612	179,233	107,812	108,246
3. Net investment income	7,473	1,307,009	1,497,381	1,987,979	(5,884)	401,793	2,256,666
4. Benefit payments, including refunds of employee contributions	(1,183,374)	(1,062,507)	(990,074)	(977,355)	(1,017,261)	(887,070)	(863,058)
5. Pension plan administrative expense	(21,429)	(20,431)	(19,934)	(18,782)	(15,830)	(16,117)	(14,131)
6. Other	28,465	(68,670)	63,827	(8,429)	89,696	3	(5,509)
7. Net change in plan fiduciary net position	378,329	914,508	1,291,158	1,766,607	(191,706)	201,549	2,037,261
8. Plan fiduciary net position - beginning	20,925,474	20,010,966	18,719,808	16,953,201	17,144,907	16,943,358	14,906,097
9. Plan fiduciary net position - ending (b)	<u>\$ 21,303,803</u>	<u>\$ 20,925,474</u>	<u>\$ 20,010,966</u>	<u>\$ 18,719,808</u>	<u>\$ 16,953,201</u>	<u>\$ 17,144,907</u>	<u>\$ 16,943,358</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 4,648,420</u>	<u>\$ 4,198,706</u>	<u>\$ 4,050,521</u>	<u>\$ 4,476,906</u>	<u>\$ 4,117,526</u>	<u>\$ 3,330,934</u>	<u>\$ 2,109,143</u>
D. Plan fiduciary net position as a percentage of the total pension liability	82.09%	83.29%	83.17%	80.70%	80.46%	83.73%	88.93%
E. Covered employee payroll	\$ 5,623,102	\$ 5,652,607	\$ 5,520,120	\$ 5,503,470	\$ 5,374,273	\$ 5,390,690	\$ 5,415,397
F. Net pension liability as a percentage of covered payroll	82.67%	74.28%	73.38%	81.35%	76.62%	61.79%	38.95%

CHARIHO REGIONAL SCHOOL DISTRICT

D-5

REQUIRED SUPPLEMENTARY INFORMATION LAST SEVEN FISCAL YEARS

SCHEDULE OF CHARIHO REGIONAL SCHOOL DISTRICT'S CONTRIBUTIONS

Municipal Employees' Retirement System (MERS)

	Fiscal 2021	Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017	Fiscal 2016	Fiscal 2015
Actuarially determined contribution	\$ 616,836	\$ 594,701	\$ 573,539	\$ 607,582	\$ 578,340	\$ 595,128	\$ 555,047
Contributions in relation to the actuarially determined contribution	616,836	594,701	573,539	607,582	578,340	595,128	555,047
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Covered-employee payroll	\$ 5,623,102	\$ 5,652,887	\$ 5,520,120	\$ 5,503,470	\$ 5,374,273	\$ 5,390,690	\$ 5,415,397
Contributions as a percentage of covered-employee payroll	10.97%	10.52%	10.39%	11.04%	10.76%	11.04%	10.25%

Note:

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

CHARIHO REGIONAL SCHOOL DISTRICT

D-6

REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS LAST FOUR FISCAL YEARS (UNAUDITED)

	2021	2020	2019	2018
Total OPEB liability:				
Service cost	\$ 18,536	\$ 29,788	\$ 28,292	\$ 34,567
Interest	22,684	28,785	33,600	32,616
Changes of benefit terms	--	--	(4,595)	(74,904)
Changes in assumptions	22,553	41,869	17,152	25,341
Differences between expected and actual experience	(30,568)	(1,415)	(30,571)	36,285
Benefit payments	(51,903)	(80,849)	(105,882)	(75,380)
Net change in total OPEB liability	(2,578)	18,178	(62,004)	(21,475)
Total OPEB liability - beginning	848,545	830,367	892,371	913,846
Total OPEB liability - ending	\$ 845,967	\$ 848,545	\$ 830,367	\$ 892,371
Covered-employee payroll	\$ 33,218,510	\$ 32,071,836	\$ 31,870,460	\$ 30,867,274
Total OPEB liability as a percentage of covered-employee payroll	2.5%	2.6%	2.6%	2.9%

Notes:

The information in this schedule is intended to show 10 years - additional years will be displayed as they become available.

CHARIHO REGIONAL SCHOOL DISTRICT

D-7

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

(A) Budgetary Process

In accordance with the CHARIHO Act, the District has formally established budgetary accounting control for its General Fund. The General Fund is subject to an annual operating budget that is prepared by the administration of the District Superintendent and submitted to the Regional School Committee for approval. The Regional School Committee shall approve a proposed budget which it believes will efficiently operate the Regional School District for the ensuing year not later than the fifteenth day of February in each year. Not later than the third Tuesday in March of each year, and subsequent to the public hearing at the annual regional district meeting on the proposed budget, the District School Committee shall adopt a final budget. Within thirty days after the Regional School Committee adopts its final proposed budget for the ensuing year, a budget approval referendum must be held in each of the member towns on a single day to be determined by the Regional School Committee. The vote at referendum shall be for the purpose of approving or rejecting the overall total district budget as proposed by the Regional School Committee, and for approving or rejecting any special warrant items proposed by the Regional School Committee.

The School District requires an annual budget for the General Fund. The practices used in preparation of the 2021 budget differ in certain respects from the presentation of the actual results of operations prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The actual results of operations for purposes of the Statement of Revenues and Expenditures, Budget and Actual on a Budgetary Basis - General Fund, have been adjusted to a basis consistent with the School District's budget for 2021.

Amendments to the operating budget that do not result in additional appropriations may be made by means of a transfer. The Director of Administration and Finance has authority to make such transfers within departments as well as any transfers up to \$1,500. Transfers over \$1,500 must be approved by the School Committee.

(B) Employees' Retirement System (ERS) and Municipal Employees' Retirement System (MERS) Plans

General Information

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

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

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

D-7 (Continued)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

(B) Employees' Retirement System (ERS) and Municipal Employees' Retirement System (MERS) Plans (Continued)

June 30, 2020 measurement date –

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

- Updated the underlying mortality tables from the RP-2014 set of tables to the public sector-based PUB (10) tables.
- Increased slightly the probabilities of turnover.
- Decreased slightly the probabilities of retirement.
- Modified slightly the probabilities of disability, including adding material incidence of disability for members in the age ranges that historically have been eligible to retire but under prospective provisions are not.

June 30, 2019 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

June 30, 2017 measurement date –

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

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

CHARIHO REGIONAL SCHOOL DISTRICT

D-7 (Continued)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

(B) Employees' Retirement System (ERS) and Municipal Employees' Retirement System (MERS) Plans (Continued)

June 30, 2016 measurement date –

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

June 30, 2015 measurement date –

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

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.

CHARIHO REGIONAL SCHOOL DISTRICT

D-7 (Continued)

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED JUNE 30, 2021

B) Employees' Retirement System (ERS) and Municipal Employees' Retirement System (MERS) Plans (Continued)

- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective January 1, 2016, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

(C) Other Post-Employment Benefits (OPEB)

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

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date: July 1, 2020 with results actuarially projected on a "no gain/no loss" basis to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of July 1, 2020.

Discount Rate: 2.19% as of June 30, 2021 and 2.66% as of July 1, 2020 for accounting disclosure purposes.

Payroll Growth: 3.00% (2.50% general inflation and 0.50% real wage inflation).

Inflation Rate: 2.50% per year

Cost Method: Entry Age Normal Level % Salary

Health Care Trend Rates: 7.5% for 2022, decreasing by 0.5% per year to an ultimate rate of 4.0% for 2029 and later years.

Spouse Coverage: Spousal coverage for current retirees is based on actual data. 70% of employees are assumed to be married at retirement. Husbands are assumed to be three years older than wives.

CHARIHO REGIONAL SCHOOL DISTRICT

D-7 (Continued)

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

(C) Other Post-Employment Benefits (OPEB) (Continued)

Mortality:

MERS – SOA Pub-2020 General Headcount Weighted Mortality Table fully generational using Scale MP-2019. RI ERS – SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2019. Surviving Spouses – SOA Pub 2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.

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OTHER SUPPLEMENTARY INFORMATION

DRAFT

NON-MAJOR GOVERNMENTAL FUNDS

- *Non-Major Special Revenue Funds*
- *Non-Major Debt Service Funds*
- *Non-Major Capital Project Funds*

**CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

E-1

	Special Revenue Funds						
	IDEA Part B	IDEA Preschool	Title I	Title I School Improvement	Title I School Improvement 1003(a) Support	Title I ATSI Mini Grant CHS/CMS	Title II
Assets							
Cash and cash equivalents	\$ 125,113	\$ 4,171	\$ 30,164	4,010	\$ --	\$ 635	\$ 42,480
Due from other governments	301,443	6,872	153,279	--	60,896	--	45,826
Due from other funds	--	--	--	--	--	--	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	\$ 426,556	\$ 11,043	\$ 183,443	\$ 4,010	\$ 60,896	\$ 635	\$ 88,306
Liabilities							
Accounts payable	--	--	--	--	440	--	--
Accrued payroll and benefits	49,162	--	4,332	--	2,071	--	9,194
Unearned Revenue	--	--	--	--	--	--	--
Due to other funds	377,394	8,169	168,841	4,010	58,385	635	79,112
Total Liabilities	426,556	11,043	183,173	4,010	60,896	635	88,306
Fund Balances							
Restricted	--	--	270	--	--	--	--
Committed	--	--	--	--	--	--	--
Total Fund Balances	--	--	270	--	--	--	--
Total Liabilities and Fund Balances	\$ 426,556	\$ 11,043	\$ 183,443	\$ 4,010	\$ 60,896	\$ 635	\$ 88,306

**CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

E-1 (Continued)

Special Revenue Funds							
	Title III Language Acquisition	Long Term Plan Even Year	Long Term Plan Odd Year	Perkins Adult Voc. Training	Race to the Top Early Learning Challenge	RI Department of Human Services Rising Stars	RI State Council for the Arts
Assets							
Cash and cash equivalents	\$ --	\$ 21,353	\$ 28,886	18,357	\$ 127	\$ 141	\$ 1,592
Due from other governments	--	--	25,122	--	--	0	--
Due from other funds	--	--	--	--	--	0	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	<u>\$ --</u>	<u>\$ 21,353</u>	<u>\$ 54,008</u>	<u>\$ 18,357</u>	<u>\$ 127</u>	<u>\$ 141</u>	<u>\$ 1,592</u>
Liabilities							
Accounts payable	--	--	--	--	--	--	--
Accrued payroll and benefits	--	--	3,897	--	--	--	--
Unearned Revenue	--	--	--	--	--	--	756
Due to other funds	--	21,353	4,611	18,357	--	--	--
Total Liabilities	<u>--</u>	<u>21,353</u>	<u>54,008</u>	<u>18,357</u>	<u>--</u>	<u>--</u>	<u>756</u>
Fund Balances							
Restricted	--	--	--	--	127	141	836
Committed	--	--	--	--	--	--	--
Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>127</u>	<u>141</u>	<u>836</u>
Total Liabilities and Fund Balances	<u>\$ --</u>	<u>\$ 21,353</u>	<u>\$ 54,008</u>	<u>\$ 18,357</u>	<u>\$ 127</u>	<u>\$ 141</u>	<u>\$ 1,592</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

E-1 (Continued)

	Special Revenue Funds						
	CTC Categorical Odd Year	CTC Categorical Even Year	Gates Foundation	Categorical Funding	RI Foundation	RI Foundation Professional Dev.	RI Foundation SPARK Grant
Assets							
Cash and cash equivalents	\$ 21,327	\$ 94,464	\$ --	66,700	\$ --	\$ 40	\$ 676
Due from other governments	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	11,637	--	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	<u>\$ 21,327</u>	<u>\$ 94,464</u>	<u>\$ 300</u>	<u>\$ 66,700</u>	<u>\$ 11,637</u>	<u>\$ 40</u>	<u>\$ 676</u>
Liabilities							
Accounts payable	--	3,117	--	--	--	--	--
Accrued payroll and benefits	--	--	--	--	859	--	--
Unearned Revenue	--	--	--	--	--	--	--
Due to other funds	--	2,817	292	54,041	--	--	--
Total Liabilities	<u>--</u>	<u>5,934</u>	<u>292</u>	<u>54,041</u>	<u>859</u>	<u>--</u>	<u>--</u>
Fund Balances							
Restricted	21,327	89,330	8	12,659	10,778	40	676
Committed	--	--	--	--	--	--	--
Total Fund Balances	<u>21,327</u>	<u>89,330</u>	<u>8</u>	<u>12,659</u>	<u>10,778</u>	<u>40</u>	<u>676</u>
Total Liabilities and Fund Balances	<u>\$ 21,327</u>	<u>\$ 94,464</u>	<u>\$ 300</u>	<u>\$ 66,700</u>	<u>\$ 11,637</u>	<u>\$ 40</u>	<u>\$ 676</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

E-1 (Continued)

	Special Revenue Funds						
	Community 2000 Foundation	AMGEN Grant	GenYouth Foundation	Westerly Credit Union	Culinary Foundation	Clark Foundation	Champlin Foundation
Assets							
Cash and cash equivalents	\$ 39,501	\$ 244	\$ 884	21	\$ 3	\$ 4,811	\$ 411
Due from other governments	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	<u>\$ 39,501</u>	<u>\$ 244</u>	<u>\$ 884</u>	<u>\$ 21</u>	<u>\$ 3</u>	<u>\$ 4,811</u>	<u>\$ 411</u>
Liabilities							
Accounts payable	2,107	--	--	--	--	--	--
Accrued payroll and benefits	--	--	--	--	--	--	--
Unearned Revenue	--	--	--	--	--	--	--
Due to other funds	20,000	--	--	--	--	--	--
Total Liabilities	<u>22,107</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances							
Restricted	17,394	244	884	21	3	4,811	411
Committed	--	--	--	--	--	--	--
Total Fund Balances	<u>17,394</u>	<u>244</u>	<u>884</u>	<u>21</u>	<u>3</u>	<u>4,811</u>	<u>411</u>
Total Liabilities and Fund Balances	<u>\$ 39,501</u>	<u>\$ 244</u>	<u>\$ 884</u>	<u>\$ 21</u>	<u>\$ 3</u>	<u>\$ 4,811</u>	<u>\$ 411</u>

**CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

E-1 (Continued)

	Special Revenue Funds						
	Student Activities	Walmart Grant	Title IV	Rotary Club	EL Categorical Funding	National FFA Foundation	CTC Categorical Welding
Assets							
Cash and cash equivalents	\$ 225,867	\$ 39	\$ 15,281	4,759	\$ --	\$ 233	\$ 4,277
Due from other governments	--	--	21,587	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	\$ 225,867	\$ 39	\$ 36,868	\$ 4,759	\$ --	\$ 233	\$ 4,277
Liabilities							
Accounts payable	794	--	409	--	--	--	--
Accrued payroll and benefits	--	--	400	--	--	--	--
Unearned Revenue	--	--	--	--	--	--	--
Due to other funds	185	--	959	--	--	--	--
Total Liabilities	979	--	36,868	--	--	--	--
Fund Balances							
Restricted	224,888	39	--	4,759	--	233	4,277
Committed	--	--	--	--	--	--	--
Total Fund Balances	224,888	39	--	4,759	--	233	4,277
Total Liabilities and Fund Balances	\$ 225,867	\$ 39	\$ 36,868	\$ 4,759	\$ --	\$ 233	\$ 4,277

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

E-1 (Continued)

	Special Revenue Funds						
	Family Emergency Funds	Lynch Scholarship	NAESP Crayola	CS4RI	CTC Categorical	RI Learning Champions	Donations Field Trips
Assets							
Cash and cash equivalents	\$ 1,374	\$ --	\$ 1,548	1,067	\$ 7,042	\$ 660	\$ 4,872
Due from other governments	--	--	--	--	--	--	--
Due from other funds	--	--	--	--	--	--	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	<u>\$ 1,374</u>	<u>\$ --</u>	<u>\$ 1,548</u>	<u>\$ 1,067</u>	<u>\$ 7,042</u>	<u>\$ 660</u>	<u>\$ 4,872</u>
Liabilities							
Accounts payable	--	--	--	--	--	--	--
Accrued payroll and benefits	--	--	--	--	--	--	--
Unearned Revenue	--	--	--	--	--	--	--
Due to other funds	--	--	--	1,067	--	660	--
Total Liabilities	<u>--</u>	<u>--</u>	<u>--</u>	<u>1,067</u>	<u>--</u>	<u>660</u>	<u>--</u>
Fund Balances							
Restricted	1,374	--	1,548	--	7,042	--	4,872
Committed	--	--	--	--	--	--	--
Total Fund Balances	<u>1,374</u>	<u>--</u>	<u>1,548</u>	<u>--</u>	<u>7,042</u>	<u>--</u>	<u>4,872</u>
Total Liabilities and Fund Balances	<u>\$ 1,374</u>	<u>\$ --</u>	<u>\$ 1,548</u>	<u>\$ 1,067</u>	<u>\$ 7,042</u>	<u>\$ 660</u>	<u>\$ 4,872</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

E-1 (Continued)

	Special Revenue Funds						
	Donations Private	Open Science Education	Lovett Foundation	American Council Intl Travel	National Society American Revolution	School Building Authority Capital COVID	School Building Authority Capital
Assets							
Cash and cash equivalents	\$ 28,345	\$ 313	\$ 198	23	\$ 3	--	\$ 59,480
Due from other governments	--	--	--	--	--	16,273	--
Due from other funds	45	--	--	--	--	--	--
Accounts receivable (net)	--	--	--	--	--	--	--
Total Assets	\$ 28,390	\$ 313	\$ 198	\$ 23	\$ 3	\$ 16,273	\$ 59,480
Liabilities							
Accounts payable	--	--	--	--	--	--	3,434
Accrued payroll and benefits	--	--	--	--	--	--	--
Unearned Revenue	--	--	--	--	--	--	--
Due to other funds	--	--	--	--	--	16,273	--
Total Liabilities	--	3	--	--	--	16,273	3,434
Fund Balances							
Restricted	28,390	--	198	23	3	--	56,046
Committed	--	--	--	--	--	--	--
Total Fund Balances	28,390	--	198	23	3	--	56,046
Total Liabilities and Fund Balances	\$ 28,390	\$ 313	\$ 198	\$ 23	\$ 3	\$ 16,273	\$ 59,480

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

E-1 (Continued)

	Special Revenue Funds							
	ESSER II	Coronavirus Relief Fund (CRF)	CRF Substitute Recruitment	CARES Act Take it Outside	CARES Act RIEMA Donations	Development Donations	Donations and Gifts	Total Special Revenue Funds
Assets								
Cash and cash equivalents	\$ --	\$ 200	\$ 37,387	\$ 13	\$ --	\$ 5,030	\$ --	\$ 904,122
Due from other governments	199,194	--	--	--	--	--	--	830,492
Due from other funds	--	--	--	--	--	--	--	11,982
Accounts receivable (net)	--	--	--	--	--	--	--	--
Total Assets	\$ 199,194	\$ 200	\$ 37,387	\$ 13	\$ --	\$ 5,030	\$ --	\$ 1,746,596
Liabilities								
Accounts payable	--	--	--	--	--	--	--	10,301
Accrued payroll and benefits	--	--	--	--	--	--	--	99,366
Unearned Revenue	--	--	--	--	--	--	--	756
Due to other funds	199,194	200	37,387	13	--	--	--	1,137,491
Total Liabilities	199,194	200	37,387	13	--	--	--	1,247,914
Fund Balances								
Restricted	--	--	--	--	--	5,030	--	498,682
Committed	--	--	--	--	--	--	--	--
Total Fund Balances	--	--	--	--	--	5,030	--	498,682
Total Liabilities and Fund Balances	\$ 199,194	\$ 200	\$ 37,387	\$ 13	\$ --	\$ 5,030	\$ --	\$ 1,746,596

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

E-1 (Concluded)

	Debt Service Funds			Capital Project Funds				Total Nonmajor Governmental Funds
	Member Towns Debt Service Fund	Total Debt Service Funds	Capital Projects Housing Aid Fund	Capital Projects Member Towns Contributions Fund	KYSE Capital Project Fund	Other Capital Projects	Total Capital Project Funds	
Assets								
Cash and cash equivalents	\$ --	\$ --	\$ 1,258,218	\$ 529,426	\$ 12,954	\$ --	\$ 1,797,598	\$ 2,701,720
Due from other governments	--	--	--	--	--	--	--	830,492
Due from other funds	130,789	130,789	--	900	25,019	--	28,019	170,790
Accounts receivable (net)	--	--	--	--	--	--	--	--
Total Assets	\$ 130,789	\$ 130,789	\$ 1,258,218	\$ 529,426	\$ 37,973	\$ --	\$ 1,825,617	\$ 3,703,002
Liabilities								
Accounts payable	255	255	2,412	--	--	--	2,412	12,968
Accrued payroll and benefits	--	--	--	--	--	--	--	99,366
Unearned Revenue	--	--	--	--	--	--	--	756
Due to other funds	--	--	318,628	--	--	--	318,628	1,456,119
Total Liabilities	255	255	2,412	--	--	--	321,040	1,569,209
Fund Balances								
Restricted	130,534	130,534	--	--	37,973	--	37,973	667,189
Committed	--	--	937,178	529,426	--	--	1,466,604	1,466,604
Total Fund Balances	130,534	130,534	937,178	529,426	37,973	--	1,504,577	2,133,793
Total Liabilities and Fund Balances	\$ 130,789	\$ 130,789	\$ 1,258,218	\$ 529,426	\$ 37,973	\$ --	\$ 1,825,617	\$ 3,703,002

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2

	Special Revenue Funds						
	IDEA Part B	IDEA Preschool	Title I	Title I School Improvement	Title I School Improvement 1003(a) Support	Title I ATSI Mini Grant CHS/CMS	Title II
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	604,791	16,098	365,561	--	96,477	--	108,976
Contributions and donations	--	--	--	--	--	--	--
Total Revenues	<u>604,791</u>	<u>16,098</u>	<u>365,561</u>	<u>--</u>	<u>96,477</u>	<u>--</u>	<u>108,976</u>
Expenditures							
Employee compensation	371,370	14,954	238,300	--	17,891	--	72,422
Employee benefits	181,931	1,144	123,941	--	1,289	--	35,437
Purchased professional and technical services	50,112	--	--	--	3,850	--	--
Purchased property services	--	--	--	--	--	--	--
Other purchased services	--	--	500	--	--	--	--
Supplies	--	--	494	--	6,714	--	250
Miscellaneous	1,378	--	422	--	--	--	847
Capital outlays	--	--	--	--	66,733	--	--
Debt service:							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	<u>604,791</u>	<u>16,098</u>	<u>365,561</u>	<u>--</u>	<u>96,477</u>	<u>--</u>	<u>108,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	--	--	--	--	--	--	--
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Changes in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year (as restated)	<u>--</u>	<u>--</u>	<u>270</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 270</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds						
	Title III Language Acquisition	Long Term Plan Even Year	Long Term Plan Odd Year	Perkins Adult Voc. Training	Race to the Top Early Learning Challenge	RI Department of Human Services Rising Stars	RI State Council for the Arts
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	--	\$ --	\$ --	\$ --
Intergovernmental	1,032	--	50,316	--	--	--	--
Contributions and donations	--	--	--	--	--	--	--
Total Revenues	<u>1,032</u>	<u>--</u>	<u>50,316</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Expenditures							
Employee compensation	--	--	20,818	--	--	--	--
Employee benefits	--	--	2,061	--	--	--	--
Purchased professional and technical services	--	--	18,300	--	--	--	--
Purchased property services	--	--	--	--	--	--	--
Other purchased services	--	--	410	--	--	--	--
Supplies	1,032	--	2,715	--	--	--	--
Miscellaneous	--	--	212	--	--	--	--
Capital outlays	--	--	--	--	--	--	--
<i>Debt service:</i>							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	<u>1,032</u>	<u>--</u>	<u>50,316</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	--	--	--	--	--	--	--
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Changes in Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year (as restated)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>127</u>	<u>141</u>	<u>836</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 127</u>	<u>\$ 141</u>	<u>\$ 836</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds						
	CTC Categorical Odd Year	CTC Categorical Even Year	Gates Foundation	Categorical Funding	RI Foundation	RI Foundation Professional Dev.	RI Foundation SPARK Grant
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	175,865	--	--	--	--	--
Contributions and donations	--	--	--	--	20,000	--	--
Total Revenues	--	175,865	--	--	20,000	--	--
Expenditures							
Employee compensation	--	--	--	2,741	1,880	--	--
Employee benefits	--	--	--	1,192	137	--	--
Purchased professional and technical services	--	12,188	--	--	8,000	--	--
Purchased property services	--	--	--	--	--	--	--
Other purchased services	--	8,571	--	--	--	--	--
Supplies	14,838	2,000	--	--	7,988	--	--
Miscellaneous	--	2,012	--	--	--	--	--
Capital outlays	--	2,459	--	--	--	--	--
<i>Debt service:</i>							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	14,838	90,160	--	3,933	18,005	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	(14,838)	85,730	--	(3,933)	1,995	--	--
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--
Net Changes in Fund Balances	(14,838)	85,730	--	(3,933)	1,995	--	--
Fund Balances - Beginning of Year (as restated)	36,165	3,600	8	16,592	8,783	40	676
Fund Balances - End of Year	\$ 21,327	\$ 89,330	\$ 8	\$ 12,659	\$ 10,778	\$ 40	\$ 676

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds						
	Community 2000 Foundation	AMGEN Grant	GenYouth Foundation	Westerly Credit Union	Culinary Foundation	Clark Foundation	Champlin Foundation
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--	--	--	--
Contributions and donations	22,235	--	--	1,488	--	63,090	--
Total Revenues	<u>22,235</u>	<u>--</u>	<u>--</u>	<u>1,488</u>	<u>--</u>	<u>63,090</u>	<u>--</u>
Expenditures							
Employee compensation	--	--	--	--	--	--	--
Employee benefits	--	--	--	--	--	--	--
Purchased professional and technical services	8,050	--	--	--	--	60,611	--
Purchased property services	--	--	--	--	--	--	--
Other purchased services	--	--	--	--	--	--	--
Supplies	6,061	--	--	1,488	--	--	--
Miscellaneous	--	--	--	--	--	--	10
Capital outlays	--	--	--	--	--	--	--
Debt service:							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	<u>14,111</u>	<u>--</u>	<u>--</u>	<u>1,488</u>	<u>--</u>	<u>60,611</u>	<u>10</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	8,124	--	--	--	--	2,479	(10)
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Changes in Fund Balances	8,124	--	--	--	--	2,479	(10)
Fund Balances - Beginning of Year (as restated)	<u>9,270</u>	<u>244</u>	<u>884</u>	<u>21</u>	<u>3</u>	<u>2,332</u>	<u>421</u>
Fund Balances - End of Year	<u>\$ 17,394</u>	<u>\$ 244</u>	<u>\$ 884</u>	<u>\$ 21</u>	<u>\$ 3</u>	<u>\$ 4,811</u>	<u>\$ 411</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds						
	Student Activities	Walmart Grant	Title IV	Rotary Club	BL Categorical Funding	National FFA Foundation	CTC Categorical Welding
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	--	\$ --	\$ --	\$ --
Intergovernmental	--	--	50,512	--	727	--	--
Contributions and donations	57,062	--	--	--	--	--	--
Total Revenues	<u>57,062</u>	<u>--</u>	<u>50,512</u>	<u>--</u>	<u>727</u>	<u>--</u>	<u>--</u>
Expenditures							
Employee compensation	--	--	39,874	--	--	--	--
Employee benefits	--	--	6,004	--	--	--	--
Purchased professional and technical services	540	--	10,450	--	--	--	--
Purchased property services	--	--	--	--	--	--	--
Other purchased services	465	--	--	--	--	--	--
Supplies	78,233	--	1,077	--	727	--	--
Miscellaneous	2,426	--	1,077	--	--	--	--
Capital outlays	--	--	--	--	--	--	--
<i>Debt service:</i>							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	<u>81,664</u>	<u>--</u>	<u>50,512</u>	<u>--</u>	<u>727</u>	<u>--</u>	<u>--</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	(24,602)	--	--	--	--	--	--
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Net Changes in Fund Balances	<u>(24,602)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Fund Balances - Beginning of Year (as restated)	<u>249,490</u>	<u>39</u>	<u>--</u>	<u>4,759</u>	<u>--</u>	<u>233</u>	<u>4,277</u>
Fund Balances - End of Year	<u>\$ 224,888</u>	<u>\$ 39</u>	<u>\$ --</u>	<u>\$ 4,759</u>	<u>\$ --</u>	<u>\$ 233</u>	<u>\$ 4,277</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds						
	Family Emergency Funds	Lynch Scholarship	NAESP Crayola	CS4RI	CTC Categorical	RI Learning Champions	Donations Field Trips
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	--	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--	--	--	--
Contributions and donations	--	1,000	--	--	--	--	570
Total Revenues	--	1,000	--	--	--	--	570
Expenditures							
Employee compensation	--	--	--	--	--	--	--
Employee benefits	--	--	--	--	--	--	--
Purchased professional and technical services	--	1,000	--	--	--	--	--
Purchased property services	--	--	--	--	--	--	--
Other purchased services	--	--	--	--	--	--	--
Supplies	--	--	--	--	--	--	--
Miscellaneous	--	--	--	--	--	--	--
Capital outlays	--	--	--	--	1,388	--	--
<i>Debt service:</i>							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	--	1,000	--	--	1,388	--	--
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	--	--	--	--	(1,388)	--	570
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--
Net Changes in Fund Balances	--	--	--	--	(1,388)	--	570
Fund Balances - Beginning of Year (as restated)	1,374	--	1,548	--	8,430	--	4,302
Fund Balances - End of Year	\$ 1,374	\$ --	\$ 1,548	\$ --	\$ 7,042	\$ --	\$ 4,872

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds						
	Donations Private	Open Science Education	Lovett Foundation	American Council Intl Travel	National Society American Revolution	School Building Authority Capital COVID	School Building Authority Capital
Revenues							
Contributions of participating towns	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	--	--	16,273	832
Contributions and donations	53,932	--	--	2,774	--	--	--
Total Revenues	<u>53,932</u>	<u>--</u>	<u>--</u>	<u>2,774</u>	<u>--</u>	<u>16,273</u>	<u>832</u>
Expenditures							
Employee compensation	--	--	--	--	--	--	--
Employee benefits	--	--	--	--	--	--	--
Purchased professional and technical services	--	--	--	--	--	--	146,068
Purchased property services	--	--	--	--	--	16,273	--
Other purchased services	--	--	--	--	--	--	--
Supplies	39,497	--	--	2,774	--	--	--
Miscellaneous	--	--	--	--	--	--	--
Capital outlays	--	--	--	--	--	--	--
<i>Debt service:</i>							
Principal	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--
Total Expenditures	<u>39,497</u>	<u>--</u>	<u>--</u>	<u>2,774</u>	<u>--</u>	<u>16,273</u>	<u>146,068</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures							
Before Other Financing Sources (Uses)	14,435	--	--	--	--	--	(145,236)
Other Financing Sources (Uses)							
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	201,282
Transfers out	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>201,282</u>
Net Changes in Fund Balances	14,435	--	--	--	--	--	56,046
Fund Balances - Beginning of Year (as restated)	<u>13,955</u>	<u>--</u>	<u>198</u>	<u>23</u>	<u>3</u>	<u>--</u>	<u>--</u>
Fund Balances - End of Year	<u>\$ 28,390</u>	<u>\$ --</u>	<u>\$ 198</u>	<u>\$ 23</u>	<u>\$ 3</u>	<u>\$ --</u>	<u>\$ 56,046</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Special Revenue Funds							
	ESSER II	Coronavirus Relief Fund (CRF)	CRF Substitute Recruitment	CARES Act Take It Outside	CARES Act RIEMA Donations	Development Donations	Donations and Gifts	Total Special Revenue Funds
Revenues								
Contributions of participating towns	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
Intergovernmental	199,194	344,343	37,387	54,972	--	--	--	2,123,356
Contributions and donations	--	--	--	--	230,811	11,030	1,400	465,392
Total Revenues	<u>199,194</u>	<u>344,343</u>	<u>37,387</u>	<u>54,972</u>	<u>230,811</u>	<u>11,030</u>	<u>1,400</u>	<u>2,588,748</u>
Expenditures								
Employee compensation	--	--	312,418	--	--	--	--	814,988
Employee benefits	--	11,969	2,649	--	--	--	--	372,678
Purchased professional and technical services	--	71,827	--	--	--	6,000	1,400	381,896
Purchased property services	--	13,444	--	41,672	--	--	--	71,389
Other purchased services	--	464	--	--	--	--	--	10,410
Supplies	--	226,811	--	13,300	230,811	--	--	687,614
Miscellaneous	--	--	--	--	--	--	--	8,819
Capital outlays	199,194	19,824	--	--	--	--	--	312,598
<i>Debt service:</i>								
Principal	--	--	--	--	--	--	--	--
Interest	--	--	--	--	--	--	--	--
Total Expenditures	<u>199,194</u>	<u>344,343</u>	<u>37,387</u>	<u>54,972</u>	<u>230,811</u>	<u>6,000</u>	<u>1,400</u>	<u>2,660,392</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures								
Before Other Financing Sources (Uses)	--	--	--	--	--	5,030	--	(71,644)
Other Financing Sources (Uses)								
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	--	--	--
Transfers in	--	--	--	--	--	--	--	201,282
Transfers out	--	--	--	--	--	--	--	--
Total Other Financing Sources (Uses)	--	--	--	--	--	--	--	<u>201,282</u>
Net Changes in Fund Balances	--	--	--	--	--	5,030	--	129,638
Fund Balances - Beginning of Year (as restated)	--	--	--	--	--	--	--	<u>369,044</u>
Fund Balances - End of Year	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 5,030</u>	<u>\$ --</u>	<u>\$ 498,682</u>

CHARIHO REGIONAL SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

E-2 (Continued)

	Debt Service Funds			Capital Project Funds				Total Nonmajor Governmental Funds
	Member Towns Debt Service Fund	Total Debt Service Funds	Capital Projects Housing Aid Fund	Capital Projects Member Towns Contributions Fund	RYSE Capital Project Fund	Other Capital Projects	Total Capital Project Funds	
Revenues								
Contributions of participating towns	\$ 825,017	\$ 825,017	\$ --	\$ 373,794	\$ --	\$ --	\$ 373,794	\$ 1,198,811
Intergovernmental	1,756,272	1,756,272	695,072	4,494	--	--	699,566	4,579,194
Contributions and donations	--	--	--	--	--	--	--	465,392
Total Revenues	<u>2,581,289</u>	<u>2,581,289</u>	<u>695,072</u>	<u>378,288</u>	<u>--</u>	<u>--</u>	<u>1,073,360</u>	<u>6,243,397</u>
Expenditures								
Employee compensation	--	--	--	--	--	--	--	814,988
Employee benefits	--	--	--	--	--	--	--	372,678
Purchased professional and technical services	--	--	--	--	--	--	--	381,896
Purchased property services	--	--	--	--	--	--	--	71,389
Other purchased services	--	--	--	--	--	--	--	10,410
Supplies	--	--	--	--	--	--	--	687,614
Miscellaneous	--	--	--	--	--	--	--	8,819
Capital outlays	--	--	35,058	340,075	--	355,040	1,450,173	1,762,771
<i>Debt service:</i>								
Principal	1,015,000	1,015,000	--	--	--	--	--	1,015,000
Interest	1,011,939	1,011,939	--	--	--	--	--	1,011,939
Total Expenditures	<u>2,026,939</u>	<u>2,026,939</u>	<u>755,058</u>	<u>340,075</u>	<u>--</u>	<u>355,040</u>	<u>1,450,173</u>	<u>6,137,504</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures								
Before Other Financing Sources (Uses)	<u>(435,650)</u>	<u>(435,650)</u>	<u>(59,986)</u>	<u>38,213</u>	<u>--</u>	<u>(355,040)</u>	<u>(376,813)</u>	<u>105,893</u>
Other Financing Sources (Uses)								
Issuance of bonds, notes and lease purchase obligations	--	--	--	--	--	355,040	355,040	355,040
Transfers in	--	--	--	72,454	--	--	72,454	273,736
Transfers out	(535,563)	(535,563)	(93,737)	--	--	--	(93,737)	(629,300)
Total Other Financing Sources (Uses)	<u>(535,563)</u>	<u>(535,563)</u>	<u>(93,737)</u>	<u>72,454</u>	<u>--</u>	<u>355,040</u>	<u>333,757</u>	<u>(324)</u>
Net Changes in Fund Balances	<u>18,787</u>	<u>18,787</u>	<u>(153,723)</u>	<u>110,667</u>	<u>--</u>	<u>--</u>	<u>(43,056)</u>	<u>105,369</u>
Fund Balances - Beginning of Year (as restated)	<u>111,747</u>	<u>111,747</u>	<u>1,090,901</u>	<u>418,759</u>	<u>37,973</u>	<u>--</u>	<u>1,547,633</u>	<u>2,028,424</u>
Fund Balances - End of Year	<u>\$ 130,534</u>	<u>\$ 130,534</u>	<u>\$ 937,178</u>	<u>\$ 529,426</u>	<u>\$ 37,973</u>	<u>\$ --</u>	<u>\$ 1,504,577</u>	<u>\$ 2,133,793</u>

NON-MAJOR PROPRIETARY FUNDS

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CHARIHO REGIONAL SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION
NON-MAJOR PROPRIETARY FUNDS
JUNE 30, 2021

F-1

	Business-Type Activities						Total Non-Major Proprietary Funds
	Night School Remedial	Adult Education Program	Adult Continuing Education	Athletics Program	CTC Programs	Before School Program	
Assets							
Cash	\$ 42,748	\$ 131,003	\$ 4,831	\$ 2,112	\$ 45,574	\$ 4,584	\$ 230,852
Accounts receivable	--	--	--	--	--	--	--
Due from other funds	1,211	--	6,996	--	--	--	8,207
Total Assets	<u>43,959</u>	<u>131,003</u>	<u>11,827</u>	<u>2,112</u>	<u>45,574</u>	<u>4,584</u>	<u>239,059</u>
Liabilities							
Accounts payable	--	--	--	--	--	--	--
Accrued payroll	925	404	--	--	--	--	1,329
Due to other funds	5,926	32,230	2,315	--	20,451	4,584	65,506
Total Liabilities	<u>6,851</u>	<u>32,634</u>	<u>2,315</u>	<u>--</u>	<u>20,451</u>	<u>4,584</u>	<u>66,835</u>
Net Position							
Unrestricted	37,108	98,369	9,512	2,112	25,123	--	172,224
Total Net Position	<u>\$ 37,108</u>	<u>\$ 98,369</u>	<u>\$ 9,512</u>	<u>\$ 2,112</u>	<u>\$ 25,123</u>	<u>\$ --</u>	<u>\$ 172,224</u>

CHARIHO REGIONAL SCHOOL DISTRICT

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021**

F-2

	Business-Type Activities						
	Night School Remedial	Adult Education Program	Adult Continuing Education	Athletics Program	CTC Programs	Before School Program	Total Non-Major Proprietary Funds
Operating Revenue							
Charges for usage and service	\$ 7,205	\$ 33,300	\$ 900	\$ 2,126	\$ 7,130	\$ 11,891	\$ 62,552
Total Operating Revenue	<u>7,205</u>	<u>33,300</u>	<u>900</u>	<u>2,126</u>	<u>7,130</u>	<u>11,891</u>	<u>62,552</u>
Operating Expenses							
Instruction	5,600	24,860	--	--	3,871	11,891	46,222
Operations	--	--	--	2,708	--	--	2,708
Fringe benefits	424	1,874	--	--	--	--	2,298
Total Operating Expenses	<u>6,024</u>	<u>26,734</u>	<u>--</u>	<u>2,708</u>	<u>3,871</u>	<u>11,891</u>	<u>51,228</u>
Changes in Net Position	1,181	6,566	900	(582)	3,259	--	11,324
Net Position - Beginning of Year	<u>35,927</u>	<u>91,803</u>	<u>9,000</u>	<u>2,694</u>	<u>21,864</u>	<u>--</u>	<u>160,900</u>
Net Position - End of Year	<u>\$ 37,108</u>	<u>\$ 98,369</u>	<u>\$ 9,900</u>	<u>\$ 2,112</u>	<u>\$ 25,123</u>	<u>\$ --</u>	<u>\$ 172,224</u>

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CHARIHO REGIONAL SCHOOL DISTRICT

F-3

COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities						
	Night School Remedial	Adult Education Program	Adult Continuing Education	Athletics Program	CTC Programs	Before School Program	Total Non-Major Proprietary Funds
Cash Flows from Operating Activities							
Cash received from customers	\$ 5,994	\$ 33,300	\$ 900	\$ 2,126	\$ 6,944	\$ 4,584	\$ 53,848
Cash paid to employees	(1,856)	(18,390)	--	--	--	--	(20,246)
Cash paid to suppliers	--	--	--	(3,682)	--	--	(3,682)
Net Cash Provided by Operating Activities	<u>4,138</u>	<u>14,910</u>	<u>900</u>	<u>(1,556)</u>	<u>6,944</u>	<u>4,584</u>	<u>29,920</u>
Net Increase in Cash	4,138	14,910	900	(1,556)	6,944	4,584	25,336
Cash - Beginning of Year	<u>38,610</u>	<u>116,093</u>	<u>3,221</u>	<u>3,668</u>	<u>38,630</u>	<u>--</u>	<u>200,932</u>
Cash - End of Year	<u>\$ 42,748</u>	<u>\$ 131,003</u>	<u>\$ 4,121</u>	<u>\$ 2,112</u>	<u>\$ 45,574</u>	<u>\$ 4,584</u>	<u>\$ 230,852</u>
Reconciliation of Change in Net Position to Net Cash Provided by Operating Activities							
Change in net position	\$ 1,181	\$ 6,566	900	(582)	3,259	--	11,324
Adjustments to reconcile:							
Increase/(Decrease) in accounts payable	--	--	--	(974)	--	--	(974)
Increase/(Decrease) in interfund	2,032	8,546	--	--	3,685	4,584	18,847
Increase/(Decrease) in accrued expenses	925	(202)	--	--	--	--	723
Net Cash Provided by Operating Activities	<u>\$ 4,138</u>	<u>\$ 14,910</u>	<u>\$ 900</u>	<u>\$ (1,556)</u>	<u>\$ 6,944</u>	<u>\$ 4,584</u>	<u>\$ 29,920</u>

STATE REQUIRED REPORTS

DRAFT

Next Generation Science Assessment (NGSA) Results Chariho School Committee Meeting Tuesday, December 14th, 2021

What is the NGSA?

- NGSA is the Next Generation Science Assessment for grades 5, 8, and 11 that assesses students' understanding of the Next Generation Science Standards (NGSS)
- Measures students' science knowledge as well as their ability to think critically, analyze information and solve complex problems First administration took place in Spring 2019
- Rhode Island and Vermont partnered to develop this assessment, built with items developed by ten states

Below is the NGSA districtwide data disaggregated by year and grade level:

Districtwide NGSA Data					
Year	Beginning	Approaching	Meeting	Exceeding	Meeting/Exceeding
	%	%	%	%	%
2019	5.5	39.9	31.3	23.3	54.6
2021	8.4	42.9	26.4	22.3	48.7
2021 RI	20.4	47.5	19.4	12.7	32.1

Districtwide NGSA Data (Grades 5, 8, & 11)						
Grade	Year	Beginning	Approaching	Meeting	Exceeding	Meeting/Exceeding
		%	%	%	%	%
5	2019	6.5	34.7	33.5	25.4	58.9
	2021	12	39	27	22	49
8	2019	2.7	43.2	36.4	17.7	54.1
	2021	10.1	47.1	27.3	15.4	42.7
11	2019	7.1	42.3	24.3	26.4	50.7
	2021	3.5	42	25.1	29.4	54.5

Key Takeaways:

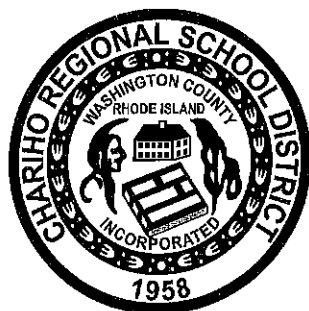
- Grade 11 results increased 3.8% from 2019 to 2021
- The high school ranked 6th in the state among all high schools

Science Curriculum Update:

- The science curriculum just completed revisions in June of 2021
- Chariho continues to partner with GEMSNET to provide professional development to our elementary teachers in science instruction
- Per state law, a high-quality curriculum resource must be adopted and implemented by 2025

District: Charlho School District ESSER III 2022 Revision: 0 Status: Draft Started							
ESSER III - Budget							
Friday, December 10, 2021 2:29 PM							
Object Code	UCOA Number	Description	Reserve	Cost Basis	FTE	Justification	Amount
51110	99999 .215.10.1500.51110.1200	Mathematics Implementation and Core Instruction Specialists	Extended Learning - EBI for Accelerated Learning	Salary per contract	0.4	4 FTE Mathematics Specialists	\$21,310.00
51110	99999 .215.20.2121.51110.1704	Student Services Support	Student Transitions - EBI for Accelerated Learning	2.0 Psychologist salary per contract	2	Student Supports- 2- Student Service Specialists	\$188,264.00
51115	99999 .222.10.0500.51115.000	Right To Read Act	Other Priority - Other	\$120 per day x 200 days coverage needed		Right To Read Act training substitute costs	\$24,000.00
51140	99999 .215.10.1500.51140.1200	Mathematics Implementation and Core Instruction Specialists	Extended Learning - EBI for Accelerated Learning	Salary per contract	3	3.0 FTE Mathematics Implementation and Core Instruction Specialists	\$287,295.00
51308	99999 .215.10.0000.51308.0000	School Team Student Service support Stipends	Student Transitions - EBI for Accelerated Learning	26 staff x 2 hrs monthly x 10 months x \$40		School Team Student Service Support Stipends	\$20,800.00
51309	99999 .215.10.0000.51309.0000	After School/Before School Support- 23-24	Student Transitions - EBI for Accelerated Learning	\$60 pr hr x 6.25 hrs wkly x 20 staff x 36 wks		After School/Before School Support Stipends	\$270,000.00
51400	99999 .222.10.0000.51400.0000	Professional Learning Communities Stipends	Other Priority - Other	16 staff x \$40 x 17.5 hrs		Professional Learning Communities Stipends	\$11,200.00
52000	99999 .215.10.1500.52000.1200	Mathematics Implementation and Core Instruction Specialists	Extended Learning - EBI for Accelerated Learning	Federal Rates Applied	3	3.0 FTE Mathematics Implementation and Core Instruction Specialists Fringe	\$165,470.00
52000	99999 .222.10.0500.52000.000	Right To Read Act	Other Priority - Other	Federal Rates applied		Right To Read Act training substitute costs	\$1,836.00
52000	99999 .215.10.1500.52000.1200	Mathematics Implementation and Core Instruction Specialists	Extended Learning - EBI for Accelerated Learning	Federal rates Applied	0.4	4 FTE Mathematics Specialists Fringe	\$5,030.30
52000	99999 .215.10.0000.52000.0000	After School/Before School Support- 23-24	Student Transitions - EBI for Accelerated Learning	Federal Rates Applied		After School/Before School Support Stipends fringe	\$19,879.92
52000	99999 .215.20.2121.52000.1704	Student Services Support	Student Transitions - EBI for Accelerated Learning	2.0 Psychologist salary per contract fringe - per federal rates applied	2	Student Supports- 2- Student Service Specialists	\$79,618.00
52000	99999 .215.10.0000.52000.0000	School Team Student Service support Stipends	Student Transitions - EBI for Accelerated Learning	Federal Rates Applied		School Team Student Service Support Stipends fringe	\$1,591.20
52000	99999 .222.10.0000.52000.0000	Professional Learning Communities Stipends	Other Priority - Other	Federal Rates Applied		Professional Learning Communities Stipends	\$800.00
53301	99999 .222.10.0500.53301.000	Right To Read Act	Other Priority - Other	9 cohorts x \$18,750 each		AIMS Pathway Right To Read Act training	\$168,750.00
53301	99999 .215.10.1500.53301.0000	HQCM Math Professional Development	Extended Learning - EBI for Accelerated Learning	Per quote pricing: \$10,000 IReady (K-8)+ \$15,000 SAVVAS & REVEAL (9-12)		Costs to cover Professional Learning: K-8 Mathematics IReady & 9-12 HQCM Math PD for HS	\$25,000.00
53301	99999 .222.10.0500.53301.000	Right To Read Act	Other Priority - Other	8 Cohorts x \$3,000		LETRS Right To Read Act training	\$24,000.00
53301	99999 .215.10.0500.53301.0000	HQCM ELA Professional Development	Extended Learning - EBI for Accelerated Learning	Per quote pricing: \$12,500 IntoReading (K-8)+ \$12,500 StudySync (9-12)		Costs to cover Professional Learning: HQCM ELA PD for IntoReading (K-8)+ \$12,500 StudySync (9-12)	\$25,000.00
53301	99999 .215.10.0000.53301.0000	Student Support Programming	Student Transitions - EBI for Accelerated Learning	Per RULER pricing \$6,000 for 3 staff to be fully trained and 19 additional district staff to attend fro \$1500 (6,500 +(19 x \$1500)		Suicide prevention is required per RIGL 16-21.7, developing faculty/staff capability in this area will require professional development investment.	\$35,000.00
53406	99999 .215.10.0800.53406.0000	Purchase of services for therapy dog counselling and student related support	Student Transitions - EBI for Accelerated Learning	Contracted services to provide therapy dogs as needed. \$2K each for (10) instances.		As part of a recent crisis team approach utilizing pet therapy was initiated. During this intervention therapy dog(s) were deployed to aid in response efforts. Overwhelming feedback to the effectiveness of this intervention was received.	\$20,000.00

Object Code	UCOA Number	Description	Reserve	Cost Basis	FTE	Justification	Amount
53405	99999 .215.10.0800.53405.0000	Suicide prevention training	Student Transitions - EBI for Accelerated Learning	5 modules at \$5K/module for \$25K total estimated cost		Suicide prevention is required per RIGL 16-21.7, developing faculty/staff capability in this area will require professional development investment.	\$25,000.00
53502	02100 .332.10.2500.53502.0000	Leadership Data Tracking- Vision 2023 results and planning for Vision 2028	Administration	Cost of facilitator/consultant to revise Leadership vision and tracking of progress towards revised vision goals of district		Establishing mission and vision statement post pandemic is essential to setting relevant direction of the district (macro level)	\$5,000.00
56101	99999 .222.10.0500.56101.000	Right To Read Act	Other Priority - Other	\$619.15 x 80 staff		LETRS Right To Read Act training materials	\$49,532.00
56217	99999 .321.10.2500.56217.0000	Replacement Hepa filters for air quality improvement	Administration	estimated filter cost of \$8.00/ea to properly support over 250 Hepa filtration machines. Estimate 5,000 filters for this purpose.		A properly functioning heating, ventilation and air conditioning (HVAC) unit is necessary to open school and provide safe indoor air quality (IAQ) to students and staff in the Covid emergency.	\$40,000.00
56401	99999 .215.10.1500.56401.0000	HQCM Math K-12	Extended Learning - EBI for Accelerated Learning	3740 students x \$116.31		Purchase all Student and Teacher Instructional Materials Grades K-12	\$435,000.00
56401	99999 .215.10.1500.56401.0000	HQCM Math K-8	Extended Learning - EBI for Accelerated Learning	1936 students x \$31.51		Final Payment of all Student and Teacher Instructional Materials Grades K-8	\$61,000.00
57309	02400 .332.10.2500.57309.0000	Upgrade servers and related Infrastructure to operate increased tech needs	Digital Divide - Other	(3) servers at \$13K each from Dell, and Dell storage array of \$40K, and video storage server of \$22K.		Servers and storage array have reached end of useful life and due to expansion of 1:1 technology throughout district upgrade and replacements to modern requirements is necessary.	\$100,466.58
57309	02042 .231.10.2500.57309.0000	Dell Chromebook computers for 1:1 student technology use	Digital Divide - Other	915 Chromebooks at \$370.15 ea. includes all hardware/software/warranty.		Chromebook computers are an essential component of meeting student technology needs. This is consistent with Charito 1:1 tech strategy. Equipment type may be adjusted if necessary.	\$338,690.00
57309	02400 .332.10.2500.57309.0000	65" Interactive display for use in elementary classrooms	Administration	Promethean Interactive display @ 65" with stand and shipping = \$2390/ea placed in 79 classrooms		As projection technology and Smartboards reach end of useful life interactive displays are an excellent technology to enhance every elementary classroom to current technology needs	\$188,810.00
							\$2,638,349.00



ENCLOSURE **VIII D**

Chariho Regional School District
Office of the Director of Administration & Finance

455A Switch Road
Wood River Junction, Rhode Island 02894

All Kids. All of the Time.

OFFICE OF THE SUPERINTENDENT
DEC - 9 2021



LINDA D. LYALL
School Committee Chairperson

GINA M. PICARD
Superintendent of Schools

EDWARD DRAPER
Director of Administration & Finance

GAIL E. WILCOX
Asst. Director of Administration & Finance

To: Gina Picard
From: Ned Draper
Date: December 2, 2021
Subject: Chariho Hope Valley Pre-K Tuition Rates

The Hope Valley Elementary School offers pre-Kindergarten services to students. Families that are not eligible for district provided services pay tuition for their child's attendance in this program. (50) students are anticipated to participate in the tuition program next year.

Due to increased costs in the district, and the on-going challenges in a Covid impacted operating environment it is my suggestion to raise pre-K tuition rates. Tuition rates in the area are in some cases significantly higher than those Chariho offers. Below is a suggested tuition change and removal of the two day schedule option due to low participation. Additionally this year we piloted a discount for parents that chose to pay electronically through auto pay. Historically many late or non-payment issues arose each year with some families moving to collections. So far this pilot has increased timely payments and decreased collections activity. With the rate increase we would also like to offer a discount for auto-pay participation of \$15/month which will significantly reduce impact to families for timely payments.

For the FY23 school year

	Current Pricing	Projected Pricing
2 Days	\$80	\$100
3 Days	\$120	\$150
4 Days	\$160	\$200
5 Days	\$200	\$240

With your approval we will announce higher rates effective next year and incorporate the discount and tuition plan into our FY23 budget submission.

Thank you.