

***FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT  
ANNUAL FINANCIAL STATEMENTS***

*For the Fiscal Year Ended  
June 30, 2023*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**ANNUAL FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2023*

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**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**ANNUAL FINANCIAL STATEMENTS**  
*For the Fiscal Year Ended June 30, 2023*

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**Independent Auditor's Report**

To the Members of the Regional School Committee  
Foster-Glocester Regional School District  
North Scituate, Rhode Island

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Foster-Glocester Regional School District, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foster-Glocester Regional School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Foster-Glocester Regional School District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foster-Glocester Regional School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and supplementary pension and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the

information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Foster-Glocester Regional School District's basic financial statements. The combining nonmajor fund financial statements, combining fiduciary fund financial statements, and Annual Supplemental Transparency Report (MTP2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, combining fiduciary fund financial statements, and Annual Supplemental Transparency Report (MTP2) 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 January 30, 2024 on our consideration of the Foster-Glocester 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Foster-Glocester 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 the Foster-Glocester Regional School District's internal control over financial reporting and compliance.

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
January 30, 2024

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

As management of the Foster-Glocester 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, 2023. 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.

**FINANCIAL HIGHLIGHTS**

- General Fund revenues accounted for \$27.2 million in revenues, or 78.8 percent of all fiscal year 2023 governmental fund revenues, compared to \$26.6 million, or 79.7 percent for fiscal year 2022. Program specific revenues in the form of specific charges for services, grants and contributions accounted for \$6.4 million or 18.5 percent of total fiscal year 2023 governmental fund revenues, compared to \$6.2 million or 18.5 percent for fiscal year 2022.
  
- The District had approximately \$33.1 million in expenditures related to governmental activities; of which \$6.4 million of these expenditures were offset by program specific charges for services or grants and contributions. A decrease of \$800 thousand in expenditures from fiscal year 2022.
  
- The Debt Service fund had \$3.2 million and \$3.2 million in fiscal year 2023 and 2022 revenues respectively, which primarily consisted of housing aid reimbursement, and \$3.3 and \$3.2 million in expenditures in 2023 and 2022 respectively. During August of 2016 the District refunded the Series 2007A and 2008A loans and entered into a new loan agreement with RI Health and Educational Building Corporation (RIHEBC). The refunding resulted in reduced debt service payments starting in Fiscal Year 2017. During 2022, the District secured a loan with the Rhode Island Infrastructure Bank (RIIB) for projects related to the District's drinking water system.
  
- The General Fund's fund balance was \$4.0 million at the close of the fiscal year, and consisted of the following:
  - \$ 67 thousand committed for early retirement
  - \$ 383 thousand committed for Other-Post Employment Benefits
  - \$ 200 thousand committed for capital projects
  - \$ 55 thousand committed for core instructional programs
  - \$ 27 thousand committed for elective instructional programs
  - \$ 532 thousand assigned for Medicaid-eligible purchases
  - \$ 250 thousand assigned for the FY24 budget
  - \$ 17 thousand assigned for athletics
  - \$ 2.5 million classified as unassigned

## **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 outflows of resources, liabilities, and deferred inflows of resources with the difference between the two 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).

The government-wide financial statements outline functions of the District that are principally supported by contributions from the Towns of Foster and Gloucester, 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, Debt Service Fund and Capital Project Fund, which are considered to be major funds. Data from the other non-major governmental funds are combined into a single, aggregated presentation.

**Proprietary Funds.** Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. They are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees.

**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.

**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 and the District’s pension and OPEB plans. The District adopts an annual expenditure budget for the General Fund and Debt Service Fund. A budgetary comparison statement has been provided for the General Fund as required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS - The key elements of the District's net position as of June 30, 2023 are as follows:

	Governmental Activities 2023
Assets:	
Current and other assets	\$ 15,566,282
Capital assets, net	<u>53,330,416</u>
Total Assets	<u>68,896,698</u>
Deferred Outflows of Resources:	
Deferred other post-employment benefit amounts	466,721
Deferred pension amounts	4,848,618
Deferred amounts on refunding	<u>437,621</u>
Total Deferred Outflows of Resources	<u>5,752,960</u>
Liabilities:	
Current	3,729,913
Non-Current	<u>33,478,039</u>
Total Liabilities	<u>37,207,952</u>
Deferred Inflows of Resources:	
Deferred Other Post-Employment Benefit amount	240,247
Deferred pension amounts	2,114,113
Deferred lease amounts	<u>260,763</u>
Total Deferred Inflows of Resources	<u>2,615,123</u>
Net Position:	
Net investment in capital assets	37,453,623
Restricted for capital	109,460
Restricted for specific education programs	1,245,719
Restricted for employee benefits plans	3,761,759
Unrestricted	<u>(7,743,978)</u>
Total Net Position	<u>\$ 34,826,583</u>

GOVERNMENT-WIDE FINANCIAL ANALYSIS - The key elements of the District's net position as of June 30, 2022 are as follows:

	<b>Governmental Activities 2022</b>
<b>Assets:</b>	
Current and other assets	\$ 14,124,710
Capital assets, net	53,888,854
<b>Total Assets</b>	<b>68,013,564</b>
<b>Deferred Outflows of Resources:</b>	
Deferred other post-employment benefit amounts	184,835
Deferred pension amounts	5,253,318
Deferred amounts on refunding	525,145
<b>Total Deferred Outflows of Resources</b>	<b>5,963,298</b>
<b>Liabilities:</b>	
Current	3,317,030
Non-Current	32,316,774
<b>Total Liabilities</b>	<b>35,633,804</b>
<b>Deferred Inflows of Resources:</b>	
Deferred Other Post-Employment Benefit amount	299,645
Deferred Pension amounts	7,373,603
Deferred lease amounts	278,146
<b>Total Deferred Inflows of Resources</b>	<b>7,951,394</b>
<b>Net Position:</b>	
Net investment in capital assets	35,378,165
Restricted for specific education programs	1,196,006
Unrestricted	(6,182,507)
<b>Total Net Position</b>	<b>\$ 30,391,664</b>

An overview of the changes in the District’s net position for the year ended June 30, 2023 follows:

	Governmental Activities 2023
<b>Total Revenues</b>	\$ 34,562,056
<b>Total Expenses</b>	\$ 30,127,137
<b>Increase in Net Position</b>	\$ 4,434,919

An overview of the changes in the District’s net position for the year ended June 30, 2022 follows:

	Governmental Activities 2022
<b>Total Revenues</b>	\$ 33,325,821
<b>Total Expenses</b>	\$ 27,673,503
<b>Increase in Net Position</b>	\$ 5,652,318

**REVENUE SOURCES**

Local Contributions: The largest percentage of revenues comes from contributions from the Towns of Foster and Gloucester. Per the enabling legislation of the regional school district (January Session, 1958 – Chapter 109), “The cost of the operation of the regional school district shall be borne by the collective taxpayers of the towns of Foster and Gloucester in the same proportion that the average membership of students from each town bears to the average membership of the school. A tentative allocation of the operating budget shall be made at the regional school district financial meeting, based upon the October 1<sup>st</sup> enrollment of the then current school year. Any difference between the respective town’s tentative proration and the actual proration herein provided shall become debit and credit items to be considered in the preparation and tentative proration of the next annual school district operating budget.” The enrollment numbers for calculation of the apportionment for the last three years are as follows:

	FY 2020-21	FY 2021-22	FY 2022-23
<b>Foster</b>	379	387	394
	32.8%	33.5%	33.0%
<b>Gloucester</b>	774	768	800
	67.13%	66.5%	67.0%
<b>TOTAL</b>	1,153	1,155	1,194

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.

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 OBJECT CODE SERIES*** - The expenditures of governmental funds are categorized by object codes as listed below:

Salaries: Includes the 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: Includes the costs for district provided benefits, primarily employer retirement contributions, social security, medicare, health, dental and life insurance premiums.

Purchased Services: Includes the costs of services rendered by organizations or professionals not on the payroll of the District.

Supplies and Materials: Includes the costs of items that are consumed, are worn out, or have deteriorated through normal use or items that lose their identity through fabrication or incorporation into different or more complex units or substances.

Furniture and Equipment: Includes tangible, nonexpendable property that has a useful life of more than one year.

Fees and Dues: Includes the costs associated with professional organization memberships, charges for licenses, permits and other assessments.

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

### ***GENERAL FUND BUDGETARY HIGHLIGHTS***

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

It should be noted that for 2023, the activity associated with the transportation pass through was accounted for in a special revenue fund, which was combined with the General Fund for financial reporting purposes.

Actual revenues and other sources were higher than budgeted by approximately \$269 thousand. This was attributable to the net impact of an increase in state aid and tuition revenues. For budget purposes, cost-sharing for various Region employees shared by the elementary districts, the reimbursement is shown as a revenue stream.

Actual expenditures were less than budgeted amounts by approximately \$1 million. Significant positive budget variances occurred in the following categories: Personal service – compensation & employee benefits were due to staffing changes. There was also a notable decrease in purchased services and supplies due to the pandemic and restrictions for in person events. The Schedule of Revenues and Expenditures - Budget and Actual is presented on page 73 following the Notes to the Financial Statements.

## ***CAPITAL ASSETS AND DEBT ADMINISTRATION***

### **CAPITAL ASSETS**

As of June 30, 2023, the District’s investment in capital assets for its governmental activities was \$53.3 million net of accumulated depreciation. This investment in capital assets includes land, buildings and building improvements, equipment and vehicles.

### **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 a district capital reserve fund. However, the district must document that projects reimbursed under this provision of the law are indeed supported by properly constituted capital reserve funds. The district, therefore, maintains a separate fund for this specific purpose. The funds to support these projects come from contributions from participating Towns.

### **LONG TERM LIABILITIES**

At June 30, 2023, the District had long-term liabilities (including current portion of long-term debt), all related to governmental activities, totaling \$36.2 million consisting of compensated absences, loans, financed purchase obligations, lease liabilities, subscription liability, other-post employment benefit liability, and net pension liabilities with the amounts due within one year estimated to be \$2.8 million. Additional information related to the District’s long-term liabilities can be found in Note 9 to the Financial Statements.

### **FACTORS AFFECTING NEXT YEAR’S BUDGET (FY 2024):**

- Increase in funding in State Aid due to additional support for Districts experiencing enrollment loss as well as a correction to the funding formula;
- Increase in local appropriations of 0.94%;
- Projected increases in compensation of 0.4%
- Projected total benefit increases including healthcare and pension of 5.49%;
- Decrease in educational program purchases of approximately \$117 thousand or a 4.08% decrease related to reduced need for virtual classrooms;
- Increase of approximately \$64 thousand or an 8.95% projected increase in central office facility operations for legal services and technology;
- Increase of approximately \$173 thousand or a 48.73% increase in district wide facility operations for out of district tuition costs.

### ***REQUESTS FOR INFORMATION***

This financial report is designed to provide a general overview of the District’s financial activity for all those interested in the District’s operations. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Dr. Renee Palazzo, Superintendent of the Foster-Glocester Regional School District, 91 Anan Wade Road, Glocester, RI 02857.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

Statement of Net Position

June 30, 2023

	<b>Governmental Activities</b>
<b>ASSETS</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 6,976,085
Accounts and other receivables	433,028
Due from federal and state government	838,538
Lease receivable	17,621
Prepaid expenses	48,957
Inventory	9,696
<b>Total current assets</b>	<b>8,323,925</b>
<b>Noncurrent assets:</b>	
Lease receivable	243,142
Capital assets: (Note 5)	
Land and other nondepreciable assets	878,659
Depreciable buildings, property and equipment (net)	52,451,757
Net pension asset	3,761,759
Other assets	3,237,456
<b>Total noncurrent assets</b>	<b>60,572,773</b>
<b>Total assets</b>	<b>68,896,698</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred other postemployment benefit amounts	466,721
Deferred pension amounts	4,848,618
Deferred amounts on refunding	437,621
<b>Total deferred outflows of resources</b>	<b>5,752,960</b>
<b>LIABILITIES</b>	
<b>Current liabilities:</b>	
Accounts payable and accrued expenses	773,085
Accrued interest payable	80,234
Compensated absences payable	13,837
Financed purchase payable	242
Lease liabilities	37,350
Subscription liability	18,569
Long-term debt - due within one year (Note 9)	2,692,123
Unearned revenue	114,473
<b>Total current liabilities</b>	<b>3,729,913</b>
<b>Noncurrent liabilities:</b>	
Compensated absences payable	799,432
Lease liabilities	127,920
Subscription liability	19,949
Long-term debt - due in more than one year (Note 9)	13,418,261
Net pension liabilities	17,572,386
Other postemployment benefit liability	1,540,091
<b>Total non-current liabilities</b>	<b>33,478,039</b>
<b>Total liabilities</b>	<b>37,207,952</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred other postemployment benefit amounts	240,247
Deferred pension amounts	2,114,113
Deferred lease amounts	260,763
<b>Total deferred inflows of resources</b>	<b>2,615,123</b>
<b>NET POSITION</b>	
Net investment in capital assets	37,453,623
Restricted for specific education programs	1,245,719
Restricted for capital	109,460
Restricted for employee benefit plans	3,761,759
Unrestricted	(7,743,978)
<b>Total net position</b>	<b>\$ 34,826,583</b>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Statement of Activities*

*For the Fiscal Year Ended June 30, 2023*

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<i>Net (Expenses) Revenue and</i>
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Changes in Net Position</i>
					<u>Total Governmental Activities</u>
<b>Governmental activities:</b>					
Education	\$ 29,650,954	\$ 4,662,024	\$ 3,668,077	\$ 1,243,974	\$ (20,076,879)
Interest expense	476,183	-	3,173,376	-	2,697,193
<b>Total</b>	<u>30,127,137</u>	<u>4,662,024</u>	<u>6,841,453</u>	<u>1,243,974</u>	<u>(17,379,686)</u>
		<b>General revenues:</b>			
		Local appropriations			15,509,050
		State aid, unrestricted			5,960,819
		Miscellaneous			344,736
		<b>Total general revenues</b>			<u>21,814,605</u>
		<b>Change in net position</b>			4,434,919
		<b>Net position - beginning of year, restated</b>			<u>30,391,664</u>
		<b>Net position - end of year</b>			<u>\$ 34,826,583</u>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Balance Sheet  
Governmental Funds  
June 30, 2023*

	<i>General Fund</i>	<i>Capital Project Fund</i>	<i>Debt Service Fund</i>	<i>Total Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
<b>Assets</b>					
Cash	\$ 5,687,257	\$ -	\$ 75,616	\$ 1,213,212	\$ 6,976,085
Due from state and federal government	25,470	458,630	-	354,438	838,538
Accounts and other receivables	402,786	-	-	6,606	409,392
Due from other funds	555,430	1,864,746	-	545,409	2,965,585
Lease receivable	-	-	-	260,763	260,763
Prepaid items	-	-	-	48,957	48,957
Inventory	-	-	-	9,696	9,696
<b>Total assets</b>	<u>\$ 6,670,943</u>	<u>\$ 2,323,376</u>	<u>\$ 75,616</u>	<u>\$ 2,439,081</u>	<u>\$ 11,509,016</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>					
<b>Liabilities</b>					
Accounts payable and accrued expenditures	\$ 244,941	\$ 154,126	\$ -	\$ 211,715	\$ 610,782
Due to other funds	2,410,519	-	75,616	479,814	2,965,949
Unearned revenue	-	-	-	114,473	114,473
<b>Total liabilities</b>	<u>2,655,460</u>	<u>154,126</u>	<u>75,616</u>	<u>806,002</u>	<u>3,691,204</u>
<b>Deferred Inflows of Resources</b>					
Deferred inflows lease related	-	-	-	260,763	260,763
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,763</u>	<u>260,763</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	9,696	9,696
Restricted	-	109,460	-	1,245,719	1,355,179
Committed	732,555	2,059,790	-	116,901	2,909,246
Assigned	799,090	-	-	-	799,090
Unassigned	2,483,838	-	-	-	2,483,838
<b>Total fund balances</b>	<u>4,015,483</u>	<u>2,169,250</u>	<u>-</u>	<u>1,372,316</u>	<u>7,557,049</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 6,670,943</u>	<u>\$ 2,323,376</u>	<u>\$ 75,616</u>	<u>\$ 2,439,081</u>	<u>\$ 11,509,016</u>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Reconciliation of the Governmental Funds Balance Sheet  
to the Government-Wide Statement of Net Position  
June 30, 2023*

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 7,557,049</b>
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. (Note 5)	53,330,416
Long-term liabilities (including loans payable, financed purchase payable, lease liabilities, subscription liability, compensated absences, OPEB liability and net pension liabilities) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. (Note 9)	(34,133,406)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(80,234)
The Internal Service Fund is recorded as proprietary funds in the fund financial statements but is recorded as governmental activities on the Government-Wide financial statements.	3,099,153
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in the Governmental Funds financial statements.	3,761,759
Deferred pension and OPEB amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:	
Deferred outflows of resources	5,315,339
Deferred inflows of resources	(2,354,360)
Deferred amounts on refunding debt are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.	437,621
Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.	(2,106,754)
 <b>Net Position of Governmental Activities</b>	 <b><u><u>\$ 34,826,583</u></u></b>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
For the Fiscal Year Ended June 30, 2023

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
State and federal aid and grants	\$ 5,960,819	\$ 935,531	\$ 1,878,627	\$ 2,218,186	\$ 10,993,163
Local appropriations	15,509,050	308,443	1,294,749	-	17,112,242
Tuition	4,112,070	-	-	-	4,112,070
Contributions	-	-	-	29,026	29,026
Medicaid revenue	145,270	-	-	-	145,270
State on-behalf pension contribution	1,287,203	-	-	-	1,287,203
Other revenues	166,295	-	-	627,053	793,348
<b>Total revenues</b>	<u>27,180,707</u>	<u>1,243,974</u>	<u>3,173,376</u>	<u>2,874,265</u>	<u>34,472,322</u>
<b>Expenditures</b>					
<i>Current:</i>					
<i>Education:</i>					
Salaries	14,685,157	-	-	769,466	15,454,623
Employee benefits	7,002,867	-	-	263,853	7,266,720
Purchased services	2,548,638	-	-	965,478	3,514,116
Supplies and materials	1,064,715	-	-	101,968	1,166,683
Other	135,911	-	-	248,547	384,458
<i>Debt Service:</i>					
Principal	-	-	2,571,370	-	2,571,370
Interest and other costs	-	-	754,834	-	754,834
Capital outlay	678,226	826,070	-	495,005	1,999,301
<b>Total expenditures</b>	<u>26,115,514</u>	<u>826,070</u>	<u>3,326,204</u>	<u>2,844,317</u>	<u>33,112,105</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>1,065,193</u>	<u>417,904</u>	<u>(152,828)</u>	<u>29,948</u>	<u>1,360,217</u>
<b>Other financing sources (uses)</b>					
Leases (lessee)	199,753	-	-	-	199,753
Subscription based IT arrangements (SBITAs)	55,795	-	-	-	55,795
Transfers in	-	78,792	3,512	-	82,304
Transfers out	(82,304)	-	-	-	(82,304)
<b>Total other financing sources (uses)</b>	<u>173,244</u>	<u>78,792</u>	<u>3,512</u>	<u>-</u>	<u>255,548</u>
<b>Net change in fund balance</b>	1,238,437	496,696	(149,316)	29,948	1,615,765
<b>Fund balances - beginning of year</b>	<u>2,777,046</u>	<u>1,672,554</u>	<u>149,316</u>	<u>1,342,368</u>	<u>5,941,284</u>
<b>Fund balances - end of year</b>	<u>\$ 4,015,483</u>	<u>\$ 2,169,250</u>	<u>\$ -</u>	<u>\$ 1,372,316</u>	<u>\$ 7,557,049</u>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance  
of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2023*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	\$ 1,615,765
Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation and amortization expense. This is the amount of capital asset additions recorded in the current period.	1,195,309
Depreciation and amortization expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation and amortization expense is not reported as an expenditure in Governmental Funds financial statements.	(1,753,747)
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period.	(136,574)
Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year.	15,049
The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide financial statements.	26,385
Long-term OPEB liabilities are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources or are not available to pay for current period expenditures. Therefore, long-term OPEB liabilities are not reported as expenditures/revenues in Governmental Funds financial statements. This is the amount of the change in the long-term OPEB liability and related deferred OPEB amounts in the current period.	19,921
Long-term net pension liabilities (assets) are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources or are not available to pay for current period expenditures. Therefore, long-term net pension liabilities (assets) are not reported as expenditures/revenues in Governmental Funds financial statements. This is the amount of the change in long-term net pension liabilities (asset) and related deferred pension amounts in the current period.	818,915
The issuance of loans and financed purchase, lease and subscription-based IT arrangement agreements provide current financial resources to Governmental Funds, but issuing debt increases the long-term liabilities in the Government-Wide Statement of Net Position. Repayment of loan, financed purchase, lease and subscription principal is an expenditure in the Governmental Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position.	
This amount represents loan principal payments during the current period.	2,571,370
This amount represents financed purchase principal payments during the current period.	2,712
This amount represents lease liability principal payments during the current period.	34,483
This amount represents subscription liability principal payments during the current period.	17,277
This amount represents lease agreements entered into during the current period.	(199,753)
This amount represents subscription-based IT arrangement agreements entered into during the current period.	(55,795)
Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding debt are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.	
This amount represents amortization of deferred amounts on refunding debt during the current period.	(87,524)
This amount represents amortization of premium on debt during the current period.	351,126
<b>Change in Net Position of Governmental Activities in the Statement of Activities</b>	<b>\$ 4,434,919</b>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Statement of Net Position*  
*Proprietary Funds*  
*June 30, 2023*

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	<i>Governmental Activities</i>
	<i>Healthcare Management Fund</i>
<b>ASSETS</b>	
<i>Current assets</i>	
Other receivables	\$ 23,636
<b>Total current assets</b>	<b>23,636</b>
<i>Noncurrent assets</i>	
Deposits with others	3,237,456
<b>Total noncurrent assets</b>	<b>3,237,456</b>
<b>Total assets</b>	<b>3,261,092</b>
<b>LIABILITIES</b>	
<i>Current liabilities</i>	
Accrued claims payable	161,939
<b>Total liabilities</b>	<b>161,939</b>
<b>NET POSITION</b>	
Unrestricted	3,099,153
<b>Total net position</b>	<b>\$ 3,099,153</b>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Statement of Revenues, Expenses and Changes in Net Position*  
*Proprietary Funds*  
*For the Year Ended June 30, 2023*

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	<i>Governmental Activities</i>
	<i>Healthcare Management Fund</i>
<b><i>Operating Revenues</i></b>	
Charges for insurance	\$ 3,588,421
Other revenue	178,439
<b><i>Total operating revenues</i></b>	<b>3,766,860</b>
<b><i>Operating Expenses</i></b>	
Health and dental insurance claims	3,288,978
Administrative and other fees	451,497
<b><i>Total operating expenses</i></b>	<b>3,740,475</b>
Operating income	26,385
<b><i>Change in net position</i></b>	<b>26,385</b>
<b><i>Net position - beginning</i></b>	<b>3,072,768</b>
<b><i>Net position - ending</i></b>	<b>\$ 3,099,153</b>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Statement of Cash Flows*

*Proprietary Funds*

*For the Year Ended June 30, 2023*

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	<b><i>Governmental Activities Healthcare Management Fund</i></b>
<b><i>Cash flows from operating activities</i></b>	
Receipts for interfund charges for insurance	\$ 3,588,421
Payments for health and dental insurance claims	(3,223,684)
Payments for other operating expenses	(430,341)
Other receipts	133,647
Increase in deposits with others	(68,043)
<b><i>Net cash used for operating activities</i></b>	<b><u>-</u></b>
<b><i>Net increase in cash and cash equivalents</i></b>	<b>-</b>
<b><i>Cash and cash equivalents at beginning of year</i></b>	<b><u>-</u></b>
<b><i>Cash and cash equivalents at end of year</i></b>	<b><u><u>\$ -</u></u></b>
<b><i>Reconciliation of operating income to net cash used for operating activities</i></b>	
Operating income	\$ 26,385
<b><i>Adjustments to reconcile operating income to net cash used for operating activities:</i></b>	
Increase in other receivables	(23,636)
Increase in deposits with others	(68,043)
Increase in accrued claims (IBNR)	65,294
<b><i>Net cash used for operating activities</i></b>	<b><u><u>\$ -</u></u></b>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Statement of Fiduciary Net Position*

*Fiduciary Funds*

*June 30, 2023*

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	<b><i>Private- Purpose Trust Funds</i></b>
<b><i>Assets</i></b>	
Cash	\$ 861
Due from other funds	364
<b><i>Total assets</i></b>	<u>1,225</u>
<b><i>Net Position</i></b>	
Restricted for other purposes	<u>\$ 1,225</u>

*The notes to the financial statements are an integral part of this statement.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Statement of Changes in Fiduciary Net Position*

*Fiduciary Funds*

*For the Fiscal Year Ended June 30, 2023*

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	<b><i>Private- Purpose Trust Funds</i></b>
<b><i>Additions</i></b>	
Gifts and contributions	\$ -
<b><i>Total additions</i></b>	<u>-</u>
<b><i>Deductions</i></b>	
Scholarships	-
<b><i>Total deductions</i></b>	<u>-</u>
 <b><i>Change in net position</i></b>	 -
 <b><i>Net position - beginning of year</i></b>	 <u>1,225</u>
 <b><i>Net position - end of year</i></b>	 <u>\$ 1,225</u>

*The notes to the financial statements are an integral part of this statement.*

# **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

## *Notes to Financial Statements*

*June 30, 2023*

The financial statements of the Foster-Glocester Regional School District have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the School District's financial statements.

### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. REPORTING ENTITY**

The Foster-Glocester Regional School District was founded in 1958 to regionalize the high school and middle school from the Towns of Foster and Glocester. The School District is governed by a School Committee consisting of nine members, six members from Glocester and three members from Foster. Each Town elects its members to the School Committee. The annual costs of the School District are funded by the collective taxpayers of the Towns of Foster and Glocester in the same proportion that the average membership of students from each Town bears to the average membership of the School District.

In evaluating the inclusion of potential component units within its financial reporting entity, the School District applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61 "Financial Reporting Entity Omnibus". A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. Foster-Glocester Regional School District does not have any component units.

#### **B. BASIS OF PRESENTATION AND ACCOUNTING**

##### ***Government-Wide Financial Statements***

The School District's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the School District are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through local appropriations, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered. The School District has no business-type activities as of June 30, 2023 or for the year ended.

The Statement of Activities presents a comparison between direct expenses and program revenue for the business-type activities and for each function of the School District's governmental activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including local appropriations and general state aid are presented as general revenues.

# **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

## *Notes to Financial Statements*

*June 30, 2023*

These statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all the School District’s assets, deferred outflows of resources, liabilities and deferred inflows of resources including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated. In the Statement of Activities, internal service fund transactions have been eliminated.

### ***Fund Financial Statements***

Fund Financial Statements of the School District are organized into funds, each of which is considered to be a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to specific School District functions or activities. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures/expenses. Funds are organized into three categories: governmental, proprietary, and fiduciary. Major individual governmental funds are reported as separate columns in the fund financial statements.

### ***Governmental Fund Financial Statements***

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except those revenues subject to accrual (generally collected 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the School District are local appropriations, state-aid and grants, and tuitions. Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, claim and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

### ***Major Governmental Funds:***

***General Fund*** – The General Fund is the general operating fund of the School District and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted for or reported in another fund.

***Capital Project Fund*** – The Capital Project Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for School District capital projects.

***Debt Service Fund*** – The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of the governmental funds.

### ***Proprietary Fund Financial Statements***

Proprietary funds are used to account for business-like activities provided to external parties. Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. A column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the Governmental Activities in the Government-Wide Financial Statements.

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The School District has one Internal Service Fund as follows:

***Healthcare Management Fund*** – The Healthcare Management Fund is used to account for the School District’s self-insured health and dental care programs.

### ***Fiduciary Funds***

Fiduciary Fund Financial Statements include a Statement of Net Position and a Statement of Changes in Net Position. Fiduciary Funds are used to account for assets held by the School District in a trustee capacity or as a custodian for individuals, private organizations, or other governments. The School District’s fiduciary funds include private purpose trust funds. The fiduciary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting.

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

### **C. RECENTLY ISSUED ACCOUNTING STANDARDS**

The School District has implemented the following new accounting pronouncements:

- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the School District’s fiscal year ending June 30, 2023.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the School District’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the School District’s fiscal year ending June 30, 2023.
- GASB Statement No. 99 – *Omnibus 2022*, requirements related to leases, PPPs and SBITAs which are effective for the School District’s fiscal year ending June 30, 2023.

As discussed in Note 15, the adoption of GASB Statement Number 96 resulted in a restatement to the financial statements. The adoption of GASB Statement Number 91 and 94, and portions of GASB Statement Number 99 applicable in fiscal year 2023 did not have an impact on the School District’s financial position or results of operations.

The School District will adopt the following new accounting pronouncements in future years:

- GASB Statement No. 99 – *Omnibus 2022*, requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 effective for the School District’s fiscal year ending June 30, 2024.
- GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the School District’s fiscal year ending June 30, 2024.
- GASB Statement No. 101 – *Compensated Absences*, effective for the School District’s fiscal year ending June 30, 2025.

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

### **D. CASH EQUIVALENTS**

The School District considers cash and cash equivalents in the proprietary funds to include cash on hand, time and demand deposits, and short-term investments maturing within three months from the date of acquisition.

### **E. ACCOUNTS RECEIVABLE**

The significant receivable balances include amounts due from the State of Rhode Island and local municipalities. There is no allowance for uncollectible accounts as receivables are expected to be fully collectible.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**F. PREPAID ITEMS**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as an expenditure/expense when consumed rather than when purchased.

**G. INVENTORY**

Inventory is maintained on a periodic system and is stated at cost (first in, first out method of inventory valuation). Inventory is generally recorded as expenditures/expenses when consumed.

**H. CAPITAL ASSETS AND DEPRECIATION**

Capital assets are reported in the Government-Wide Statement of Net Position. In the Fund Financial Statements, capital assets used in governmental fund activities are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the Government-Wide Financial Statements.

All capital assets are recorded at cost (or estimated historical cost). Donated capital assets are recorded at acquisition value as of the date received. The School District follows the policy of not capitalizing assets with a cost of less than \$5,000 and a useful life of less than 1 year.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Building and improvements	50 years
Land improvements	20-50 years
Office furniture and equipment	3-15 years
Motor vehicles	7 years

**I. DEBT PREMIUMS**

In the Governmental Fund Financial Statements, debt premiums are reported as an “other financing source”. In the Government-Wide Statements, debt premiums are deferred and amortized over the term of the debt. Debt premiums are presented as an addition to the face amount of the debt payable.

**J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

Deferred outflows of resources represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the Government-Wide Financial Statements, deferred outflows of resources and deferred inflows of resources are reported for amounts related to the School District’s pension plans and other post-employment benefit plan that will be amortized as a component of pension expense and other post-employment benefit expense in future years. Deferred outflows are also reported for deferred

## ***FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT***

### *Notes to Financial Statements*

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amounts related to refunding debt issues which will be amortized as a component of interest expense in future years. In the Government-Wide and Governmental Financial Statements deferred inflows of resources are reported for leases as described in Note K - Leases.

#### **K. LEASES**

The School District is lessor for a noncancellable land lease. The School District recognizes a lease receivable and deferred inflow of resources in the Government-Wide and Governmental Fund Financial Statements. The School District is also lessee for noncancellable leases of office equipment. The School District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the Government-Wide Financial Statements.

At the commencement of a lease, the School District initially measures the lease receivable or lease liability at the present value of payments expected to be received or made during the lease term. Subsequently, the lease receivable or lease liability is reduced by the principal portion of the lease payments received or made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments include how the School District determines (1) the discount rate it uses to discount the expected lease receipts or payments to present value, (2) lease term, and (3) lease receipts or payments.

- The School District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and periods covered by the lessee's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessee will exercise that option. Lease receipts or payments included in the measurement of the lease receivable or liability is composed of fixed payments received from or made by the lessee.

The School District monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources or lease asset and lease liability if certain changes occur that are expected to significantly affect the amount of the lease receivable or liability.

Lease assets are reported with capital assets and lease liabilities are reported with long-term liabilities in the Government-Wide Statement of Net Position.

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

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### **L. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

The School District has entered into SBITAs to use vendor provided IT software and associated tangible capital assets. The School District recognizes a subscription liability and intangible right-to-use subscription asset (subscription asset) in the Government-Wide Financial Statements.

At the commencement of a SBITA, the School District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of the payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the subscription commencement date, plus certain capitalizable initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments include how the School District determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The School District uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the SBITA, and periods covered by the School District's option to extend the subscription if it is reasonably certain, based on all relevant factors, that the School District will exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments made by the School District.

The School District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and subscription liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with capital assets and subscription liabilities are reported with long-term liabilities in the Government-Wide Statement of Net Position.

### **M. COMPENSATED ABSENCES**

Under the terms of various contracts and agreements, School District employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned on June 30. Sick leave benefits are based on the sick leave accumulated on June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect on June 30, 2023. The entire compensated absence liability is reported on the Government-Wide Financial Statements. For the Governmental Fund Financial Statements, the amount of accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are due to employees that have resigned or retired.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**N. ACCRUED LIABILITIES AND LONG-TERM DEBT**

All accrued liabilities and long-term debt are reported in the Government-Wide Financial Statements.

For Governmental Fund Financial Statements, the accrued liabilities are generally reported as a governmental fund liability if due for payment as of the balance sheet date regardless of whether they will be liquidated with current financial resources. However, claims and judgments and compensated absences paid from Governmental Funds are reported as a liability in the Governmental Fund Financial Statements only for the portion expected to be financed from expendable available financial resources. Long-term debt paid from Governmental Funds are not recognized as a liability in the Governmental Fund Financial Statements until due.

**O. PENSIONS**

For purposes of measuring the net pension liabilities (assets), 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, the Teachers' Survivor Benefit plan, and the Municipal Employees' Retirement System plan and the additions to/deductions from each respective plan's fiduciary net position have been determined on the same basis as they are reported by the plan. 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.

**P. ESTIMATES**

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

**NOTE 2 – CASH DEPOSITS**

*Deposits* – are in one financial institution and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet of the Fund Financial Statements and Government-Wide Statement of Net Position as “Cash and Cash Equivalents.”

Total Deposits	<u>Carrying Amount</u> \$6,976,946
<b><i>Total Cash and Cash Equivalents – Reported in the Financial Statements</i></b>	<u>\$6,976,946</u>

***Custodial Credit Risk*** – custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the School District will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The School

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

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District does not have a formal deposit policy for custodial credit risk but is governed by State Laws as described below. As of June 30, 2023, \$6,880,026 of the School District's bank balance of \$7,130,888 was exposed to custodial credit risk as follows:

	<b><i>Bank Balance</i></b>
Insured (Federal depository insurance funds)	\$250,862
Uninsured and uncollateralized	<u>6,880,026</u>
<b><i>Total</i></b>	<b><u><u>\$7,130,888</u></u></b>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies, or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to 100% of the deposits which are time deposits with maturities greater than 60 days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to 100% of the deposits, regardless of maturity. On June 30, 2023, the School District's uninsured, uncollateralized deposits with institutions was \$6,880,026. These deposits are held by an institution that meets the minimum capital standards as prescribed by the federal regulations.

**NOTE 3 – INVESTMENTS**

As of June 30, 2023, the School District had no investments. The School District does not have a formal investment policy.

The School District's General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificate of deposits, money market funds, obligations guaranteed by the U.S. Government, etc. with the goal of seeking reasonable income while preserving capital.

**Interest Rate Risk** – The School District does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** – The School District is governed by State Laws that limit investment choices to short-term investments for its General Fund. The School District does not have a formal policy that limits investment choices.

**Concentration of Credit Risk** – The School District does not have a formal policy that limits the amount the School District may invest in any one issuer.

**Custodial Credit Risk** – Custodial credit risk for investments is the risk that in the event of failure of the counterparty, the School District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School District does not have a formal policy for custodial credit risk.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

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**NOTE 4 – FAIR VALUE MEASUREMENTS**

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The School District had no recurring or nonrecurring fair value measurements as of June 30, 2023.

**NOTE 5 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 769,249	\$ -	\$ -	\$ 769,249
Construction in progress	1,242,233	839,055	1,971,878	109,410
Total capital assets not being depreciated	<u>2,011,482</u>	<u>839,055</u>	<u>1,971,878</u>	<u>878,659</u>
Capital assets being depreciated/amortized:				
Land improvements	2,413,648	-	-	2,413,648
Building and improvements	71,782,910	1,971,878	-	73,754,788
Furniture and equipment	3,119,974	43,326	-	3,163,300
Motor vehicles	495,086	50,980	-	546,066
Lease assets	-	206,153	-	206,153
Subscription assets	77,505	55,795	-	133,300
Total capital assets being depreciated/amortized	<u>77,889,123</u>	<u>2,328,132</u>	<u>-</u>	<u>80,217,255</u>
<b>Total capital assets</b>	<u>79,900,605</u>	<u>3,167,187</u>	<u>1,971,878</u>	<u>81,095,914</u>
Less accumulated depreciation for:				
Land improvements	531,183	99,937	-	631,120
Buildings and improvements	22,366,017	1,421,766	-	23,787,783
Furniture and equipment	2,776,540	112,560	-	2,889,100
Motor vehicles	338,011	38,769	-	376,780
Less accumulated amortization for:				
Lease assets	-	36,282	-	36,282
Subscription assets	-	44,433	-	44,433
<b>Total accumulated depreciation and amortization</b>	<u>26,011,751</u>	<u>1,753,747</u>	<u>-</u>	<u>27,765,498</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 53,888,854</u>	<u>\$ 1,413,440</u>	<u>\$ 1,971,878</u>	<u>\$ 53,330,416</u>

Depreciation and amortization expense for the year ended June 30, 2023 was \$1,753,747.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**NOTE 6 – LEASE RECEIVABLE**

During the current fiscal year, the School District leased land for a cell tower to a third party. The lease term was initially 5 years with a lessee option to extend for 5 additional terms in 5-year increments in accordance with the lease agreement. The School District receives monthly payments of \$1,755 related to the lease. The lease contains increases upon each additional term (3%). The School District recognized \$17,383 in lease revenue and \$3,680 in interest revenue during the fiscal year 2023 related to the lease. As of June 30, 2023, the School District’s receivable for lease payments was \$260,763. Also, the School District has a deferred inflow of resources associated with the lease that will be recognized as revenue over the lease term. As of June 30, 2023, the balance of the deferred inflow of resources was \$260,763.

**NOTE 7 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**A. ACCOUNTS RECEIVABLE**

Assumptions: The School District disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The School District expects to receive all receivables within the subsequent year.

**B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The accounts payable and accrued liabilities on June 30, 2023 were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<b>Governmental activities:</b>				
General Fund	\$ 205,536	\$ 39,366	\$ 39	\$ 244,941
Capital Project Fund	154,126	-	-	154,126
Other Governmental Funds	207,558	4,157	-	211,715
Reconciliation of balances in fund financial statements to government -wide financial statements	-	-	162,303	162,303
	<u>\$ 567,220</u>	<u>\$ 43,523</u>	<u>\$ 162,342</u>	<u>\$ 773,085</u>

**NOTE 8 – INTERFUND TRANSACTIONS**

The School District reports interfund transactions between many of its funds. The totals of all balances agree with the sum of interfund transactions presented in the fund statements.

Interfund receivable and payables on June 30, 2023 are as follows:

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

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	<u>Due From:</u>			<u>Total</u>
	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Other Governmental Funds</u>	
<b><u>Due To:</u></b>				
<b><u>Interfund Balances:</u></b>				
General Fund	\$ -	\$ 75,616	\$ 479,814	\$ 555,430
Capital Project Fund	1,864,746	-	-	1,864,746
Other Governmental Funds	545,409	-	-	545,409
Private Purpose Trust Funds	364	-	-	364
<b>Total</b>	<b><u>\$ 2,410,519</u></b>	<b><u>\$ 75,616</u></b>	<b><u>\$ 479,814</u></b>	<b><u>\$ 2,965,949</u></b>

The balances primarily result from the time lag between the dates the 1) transactions are recorded in the accounting system and 2) payments between funds are made.

Interfund transfer balances on June 30, 2023 are as follows:

	<u>Transfer From:</u>	
	<u>General Fund</u>	<u>Total</u>
<b><u>Transfer To:</u></b>		
Capital Project Fund	\$ 78,792	\$ 78,792
Debt Service Fund	3,512	3,512
	<b><u>\$ 82,304</u></b>	<b><u>\$ 82,304</u></b>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

**NOTE 9 –LONG TERM LIABILITIES**

**A. LONG-TERM LIABILITIES**

The following schedule reflects the changes in long-term liabilities for the year ended June 30, 2023:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
<b>Loans payable:</b>					
Loan payable	\$ 15,965,000	\$ -	\$ 2,420,000	\$ 13,545,000	\$ 2,540,000
Loan from direct borrowing	610,000	-	151,370	458,630	152,123
Plus unamortized premium on loans	2,457,880	-	351,126	2,106,754	-
<b>Total loans payable</b>	<b>19,032,880</b>	<b>-</b>	<b>2,922,496</b>	<b>16,110,384</b>	<b>2,692,123</b>
<b>Other liabilities:</b>					
Compensated absences	676,695	289,514	152,940	813,269	13,837
Financed purchase payable	2,954	-	2,712	242	242
Lease liabilities	-	199,753	34,483	165,270	37,350
Subscription liability	-	55,795	17,277	38,518	18,569
Other postemployment benefit liability	1,218,728	321,363	-	1,540,091	-
Net pension liabilities	13,977,072	3,595,314	-	17,572,386	-
<b>Total Governmental Activities</b>					
<b>Long-Term Liabilities</b>	<b>\$ 34,908,329</b>	<b>\$ 4,461,739</b>	<b>\$ 3,129,908</b>	<b>\$ 36,240,160</b>	<b>\$ 2,762,121</b>

The payments on the loans are paid from the Debt Service Fund. The payments of compensated absences, lease liabilities, subscription liability, other postemployment benefit liability and net pension liabilities are paid from the General Fund. The payments on the financed purchase payable are paid from the School Lunch Fund.

**B. LOANS PAYABLE**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2022</u>	<u>Additions</u>	<u>Deductions</u>	<u>Outstanding June 30, 2023</u>
<b>Governmental activities:</b>								
<b>Loan payable:</b>								
RIHEBC Series 2016A	8/10/2016	2.00%-5.00%	5/15/2029	\$ 26,305,000	\$ 15,965,000	\$ -	\$ 2,420,000	\$ 13,545,000
<b>Loan from direct borrowing:</b>								
RI Infrastructure Bank	2/2/2022	0.63%-0.94%	9/1/2025	610,000	610,000	-	151,370	458,630
<b>Total loans payable</b>				<b>\$ 26,915,000</b>	<b>\$ 16,575,000</b>	<b>\$ -</b>	<b>\$ 2,571,370</b>	<b>\$ 14,003,630</b>

On February 2, 2022, the District issued a loan in the amount of \$810,000. The loan agreement includes principal forgiveness in the amount of \$200,000 for a net loan amount of \$610,000 that will be repaid by the District. As of June 30, 2023, a loan payable of \$458,630 is reported in the Governmental Activities. The loan agreement requires the District to maintain a debt service reserve equal to the outstanding principal amount not subject to forgiveness which amounted to \$458,630 as

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

of June 30, 2023. The debt service reserve is reported in the Capital Project Fund as a due from RI Infrastructure Bank as of June 30, 2023. The loan is secured by an appropriation pledge.

**C. LOAN DEBT SERVICE REQUIREMENTS**

The debt service requirements on June 30, 2023, were as follows:

<u><i>Fiscal Year Ending June 30,</i></u>	<i>Governmental Activities</i>		<i>Governmental Activities</i>	
	<i>Loan</i>		<i>Loan From</i>	
	<u><i>Principal</i></u>	<u><i>Interest</i></u>	<u><i>Principal</i></u>	<u><i>Interest</i></u>
2024	\$ 2,540,000	\$ 632,375	\$152,123	\$ 3,124
2025	2,670,000	505,375	152,877	2,040
2026	2,790,000	380,625	153,630	722
2027	2,930,000	241,125	-	-
2028	1,285,000	94,625	-	-
2029	1,330,000	43,225	-	-
	<u>\$13,545,000</u>	<u>\$ 1,897,350</u>	<u>\$458,630</u>	<u>\$ 5,886</u>

**D. FINANCED PURCHASE PAYABLE**

The School District acquired equipment valued at \$10,850 with a financed purchase agreement. Obligations of governmental activities under the financed purchase payable as of June 30, 2023, were as follows:

<u><i>Fiscal Year Ending June 30,</i></u>	<u><i>Principal</i></u>	<u><i>Interest</i></u>
2024	\$ 242	\$ 3
	<u>\$ 242</u>	<u>\$ 3</u>

**E. LEASE LIABILITIES**

The School District has entered into lease agreements for the use of office equipment. As of June 30, 2023, the value of the lease liabilities was \$165,270. The equipment has estimated useful lives ranging from 5 to 6 years. The value of the right-to-use assets as of the end of the current fiscal year was \$206,153 and accumulated amortization was \$36,282.

Obligations of governmental activities for the lease liabilities as of June 30, 2023, were as follows:

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

<u><i>Fiscal Year Ending June 30,</i></u>	<u><i>Principal</i></u>	<u><i>Interest</i></u>
2024	\$ 37,350	\$ 3,542
2025	38,252	2,640
2026	39,176	1,716
2027	40,122	770
2028	10,370	42
	<u>\$ 165,270</u>	<u>\$ 8,710</u>

**F. SUBSCRIPTION LIABILITY**

The School District during the 2023 fiscal year entered into a subscription-based information technology arrangement (SBITA) contract to use vendor provided IT software. As of June 30, 2023, the value of the subscription liability was \$38,518. The related subscription asset has an estimated useful life of 3 years. The value of this right-to-use subscription asset as of June 30, 2023 was \$55,795 and accumulated amortization was \$18,598.

Obligations of governmental activities for the subscription liability as of June 30, 2023, were as follows:

<u><i>Fiscal Year Ended June 30,</i></u>	<u><i>Principal</i></u>	<u><i>Interest</i></u>
2024	\$18,569	\$841
2025	19,949	436
	<u>\$38,518</u>	<u>\$1,277</u>

**NOTE 10 – NET POSITION/FUND BALANCES**

The Government-Wide Financial Statements and Proprietary Fund Statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

***Net Investment in Capital Assets*** – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

***Restricted Net Position*** – This category presents balances limited to uses specified either externally by creditors, contributors, laws and regulations of other governments, or imposed through constitutional provisions or enabling legislation.

***Unrestricted Net Position*** – This category represents the residual component of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The School District considers restricted resources to have been spent when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

### *Notes to Financial Statements*

*June 30, 2023*

In the Fund Financial Statements, governmental fund equity is classified as fund balance. Fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to which the School District is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

***Nonspendable Fund Balance*** – This classification includes amounts that cannot be spent because they are not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criteria include items that are not expected to be converted to cash (e.g., prepaid items and inventory).

***Restricted Fund Balance*** – This classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

***Committed Fund Balance*** – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the School District’s highest level of decision- making authority. These committed amounts cannot be used for any other purpose unless the School District removes or changes the specific use by taking the same type of action it employed to previously commit those amounts.

***Assigned Fund Balance*** – This classification includes amounts constrained by the School District’s intent to be used for specific purposes but are neither restricted nor committed.

***Unassigned Fund Balance*** – This classification is the residual fund balance for the General Fund which is the only fund that reports a positive unassigned fund balance amount. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

School District policy states that committed fund balance includes the portion of the spendable fund balance that has constraints on spending that the Regional School Committee or the Regional voters at a Regional Financial Meeting imposed by a formal action of the Regional School Committee.

The School District policy states that the assigned fund balance represents a “plan” for spending the amount but is not restricted or committed. The authority to assign fund balance is designated to the Business Manager.

The School District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The School District considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

The School District has the following minimum unassigned fund balance policy:

General Fund – an amount no less than two months of general operating expenditures, and/or a minimum of 8% of budgeted operating expenditures, whichever is lower.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

At June 30, 2023 restricted fund balance consisted of the following:

***Special Revenue Funds:***

CTE Categorical - Even Year	\$ 55,204
CTE Categorical - Odd Year	55,126
CTE Categorical	27,030
CTE Agriculture	36,794
Professional Development	685
Nature Trails Fundraising	150
Big Yellow School Bus	400
Student Equity	36,533
Literacy Set Aside	114,540
School Lunch Fund	373,946
EDS Tech Grant	180
US Department of Energy	10,746
RI Foundation XQ+RI Challenge	6,879
New England Dairy Council	435
Federal Emergency Management Agency	70,426
Scholarship America	43
RI Center for the Arts	935
Perkins secondary Grant	9,090
CAST	2,055
Office of Innovation CS4RI	10,000
Alternative Energy Program	3,900
Henry Ruth Scholarship Fund	1,700
Protium ALT Energy Scholarship Fund	3,000
Sodexo Scholarship Fund	1,000
Future Business Leaders of America	8,976
Ponaganset MS Student Activity Fund	116,458
Ponaganset HS Student Activity Fund	293,745
Lindsay Ann Burke Memorial Fund	9
Intel Corporation	890
Champlin Foundation	844
RI Developmental Disabilities Council	4,000
<b><i>Capital Project Fund</i></b>	<b>109,460</b>
<b><i>Total restricted fund balance</i></b>	<b><u>\$ 1,355,179</u></b>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

At June 30, 2023 committed fund balance consisted of the following:

**General Fund:**

Early Retirement	\$ 67,495
OPEB Obligation	383,046
School Capital Projects Fund	200,000
Core Instructional Programs	54,676
Elective Instructional Programs	27,338

**Special Revenue Funds:**

Cell Tower	116,901
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<b>Capital Project Fund</b>	<u>2,059,790</u>
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<b>Total committed fund balance</b>	<u><u>\$ 2,909,246</u></u>
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At June 30, 2023 assigned fund balance consisted of the following:

**General Fund**

Special Education Programs	\$ 531,813
2024 Budget	250,000
Athletics	<u>17,277</u>

<b>Total assigned fund balance</b>	<u><u>\$ 799,090</u></u>
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**NOTE 11 – SUMMARY DISCLOSURE OF CONTINGENCIES AND COMMITMENTS**

**A. CONTINGENCIES**

During the ordinary course of its operations, the School District is a party to various claims, legal actions, and complaints. In the opinion of the School District’s management and legal counsel, these matters are not anticipated to have a material financial impact on the School District.

**B. FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The School District participates in various federal financial assistance programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by the grantor agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The costs, if any, which may be disallowed by the grantor cannot be determined at this time although the School District expects such amounts, if any, to be immaterial.

**NOTE 12 – RISK MANAGEMENT**

The School District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injury to employees; and natural disasters. As a result, the School District has purchased commercial insurance to insure for workers’ compensation claims and participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims. Upon joining the Trust, the School District signed a participation agreement which outlines the rights and responsibilities of both the Trust and the School District. The agreement states that for premiums paid by the School District, the Trust will assume financial responsibility for the School District's losses up to the maximum amount

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of insurance purchased, minus the School District’s deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years.

The School District also participates in a healthcare self-insurance pool administered by WB Community Health (WBCH). WB Community Health is a not-for-profit organization formed to administer health and dental programs for Rhode Island cities, towns, and school districts. Upon joining WBCH, each member enters into a member agreement with WBCH that outlines the rights and responsibilities of each member and WBCH.

WBCH is a claims-servicing or account pool, which is an arrangement by which a pool manages separate accounts for each pool member from which the claims and administration costs of each member are paid. This arrangement does not result in the transfer of risk to WBCH or the pooling (sharing) of risk amongst the members of WBCH. The School District is retaining the risk and it recognizes and measures its claims liabilities and related expenditures/expenses in accordance with GASB Statement No. 10 because the risk of loss has not been transferred to an unrelated third party. The School District’s payments of premiums to WBCH are reported as expenditures in the General Fund and as deposits (other assets) and charges for insurance in the Internal Service Fund – Healthcare Management Fund. The claims paid by WBCH on the School District’s behalf and the administrative costs paid to WBCH are reported as expenses in the Healthcare Management Fund and as a reduction of the deposits. The premiums are based on “working rates” determined by WBCH based on available funds on deposit and claims experience.

In order to avoid catastrophic losses, the School District purchases specific stop loss re-insurance. Under the stop loss re-insurance, the School District is covered for medical claims in excess of \$175,000 per person per contract period.

The claims liability of \$161,939 reported in the Internal Service Fund on June 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Changes in the School District’s claims liability for the past two fiscal years were:

	<i><u>Beginning Fiscal Year Liability</u></i>	<i><u>Current Year Claims and Changes In Estimate</u></i>	<i><u>Claims Payments</u></i>	<i><u>Balance Fiscal Year End</u></i>
2021-2022	\$907,467	\$1,934,706	\$2,745,528	\$96,645
2022-2023	\$96,645	\$3,288,978	\$3,223,684	\$161,939

## ***FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT***

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### **NOTE 13 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

#### **General Information about the OPEB Plan**

***Plan Description*** - The Foster-Glocester Regional School District administers a single-employer, defined benefit OPEB plan. This plan does not include the pension benefits discussed in Note 14. The plan provides medical, dental, and life insurance for eligible retirees through the School District's group health, dental, and life insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the School District and the respective unions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

The Plan does not issue a stand-alone financial report.

***Benefits Provided*** - The plan provides the following benefits based on employee group upon retirement:

***Certified Employees*** - Certified teachers and certain administrator positions are eligible for retiree health benefits once they meet the retirement eligibility requirements of the Rhode Island Employees Retirement System (RI ERS) and have 10 years of service with the School District.

The administrator positions that fall in this category are Superintendent, Assistant Superintendent, Business Manager, and Principal.

Duration of coverage for certified teachers and administrator positions (as previously defined) that are tied to certified teachers bargained benefits are as follows:

- Teachers hired prior to July 1, 1992 – individual health benefits are available until the earlier of age sixty-five (65) or Medicare eligibility
- Teachers hired on/after July 1, 1992 but before July 1, 2000 – individual health benefits are available for 8 years, but not past the earlier of age sixty-five (65) or Medicare eligibility
- Teachers hired on/after July 1, 2000 but before July 1, 2011 – individual health benefits are available for 3 years, but not past the earlier of age sixty-five (65) or Medicare eligibility
- Teachers hired on/after July 1, 2011 – not eligible for retiree health benefits

The contribution requirement is equal to the employee contribution toward an individual plan during the employee's last year as an active (non-retired) teacher. The contribution requirement is currently 20% of premiums to the maximum limit stated in the union contract (medical and dental).

Certain administrator positions are not covered under a contract but have the same contribution requirements as certified employees. These administrator positions are Superintendent, Assistant Superintendent, Administrative Assistant to the Superintendent, Principal, Vice (or Assistant) Principal, Business Manager, Director of IT, Accountant, Director of Buildings and Grounds, and Data Manager.

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Non-Certified Employees - Non-certified employees and certain administrator positions are eligible for retiree health benefits once they meet the retirement eligibility requirements of the Rhode Island Municipal Employees Retirement System (RI MERS). The administrator positions that fall in this category are Director of IT, Accountant, Director of Building and Grounds, Data Manager, Administrative Assistant to Superintendent and Vice (or Assistant) Principal.

Duration of coverage for non-certified employee positions that are tied to non-certified employee bargained benefits are as follows:

Non-certified employees hired prior to July 1, 2012:

- Retirement prior to age 61 - allowed to purchase healthcare coverage at group rates until they reach age 61
- Retirement at age 61 and upon reaching age 61 - eligible for individual healthcare coverage until the earlier of age sixty-five (65) or Medicare eligibility

Non-certified employees hired on/after July 1, 2012:

- Not eligible for retiree health benefits

The contribution requirement for employees retiring after January 1, 2012 that have reached the age of 61 is the same co-share of health and dental benefits as current non-certified employees.

Certified and Non-Certified Employees - Certified and non-certified retirees must pay the full incremental cost of family coverage if he/she has spousal and/or dependent coverage.

Upon the death of the retired member or when the member reaches Medicare eligibility, spouse coverage converts to COBRA coverage.

Life insurance benefits are available to employees at retirement except for certified employees who retire after July 1, 2017. The retiree must pay the full cost of life insurance coverage at retirement.

**Employees Covered by Benefit Terms** - As of July 1, 2022, the following plan participants were covered by the benefit terms:

Active participants	129
Retirees	<u>83</u>
Total plan participants	<u><u>212</u></u>

**Funding Policy** - Contribution requirements are negotiated between the School District and the respective unions. The School District is required to contribute the cost of medical and dental benefits, less the amount of any applicable retiree share of medical or dental premiums. For the year ended June 30, 2023, the plan operated on a “pay as you go basis” and no provision has been made to fund future benefits to be provided to plan members.

**Total OPEB Liability**

The School District’s total OPEB liability of \$1,540,091 was measured as of June 30, 2023 and was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

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**Actuarial Assumptions and Other Inputs** – The total OPEB liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	General wage inflation of 3% for RI ERS employees and 3.25% for RI MERS employees, plus merit and productivity increases
Inflation	3% for RI ERS employees; 3.25% for RI MERS employees
Discount Rate	4.13% (prior measurement date – 4.09%)
Mortality	Teachers – Pub-2010 Teacher Headcount-Weighted Mortality Table fully generational using scale MP-2021; General Employees - Pub-2010 General Headcount-Weighted Mortality Table fully generational using scale MP-2021
Health Care Trend Rates	6.5% in 2022, 7% in 2023 with 0.5% decrease per year until 5.5% in 2026; rates gradually decrease from 5.4% in 2027 to 4.1% in 2075 and later based on the Society of Actuaries Long-Run Medical Cost Trend Model (prior measurement date – medical/RX – 8% with a 0.5% decrease per year until 4.5% in 2029 and later; dental – 3%)

The discount rate was based on the S&P Municipal Bond 20-Year High Grade Rate Index.

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***Changes in the Total OPEB Liability***

	<b>Total OPEB Liability</b>
<b>Balance as of June 30, 2022</b>	<u>\$1,218,728</u>
Changes for the Year:	
Service cost	24,032
Interest on the total OPEB liability	48,488
Changes in benefit terms	-
Difference between expected and actual experience	13,413
Changes in assumptions and other inputs	365,858
Benefit payments	(130,428)
Other changes	-
Net change	<u>321,363</u>
<b>Balance as of June 30, 2023</b>	<u>\$1,540,091</u>

***Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*** - The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower (3.13%) and 1-percentage-point higher (5.13%) than the current discount rate:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b><u>(3.13%)</u></b>	<b><u>(4.13%)</u></b>	<b><u>(5.13%)</u></b>
Total OPEB Liability	\$1,703,710	\$1,540,091	\$1,400,745

***Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*** - The following presents the total OPEB liability of the School District, as well as what the School District's total OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower and 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Current Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
	<b><u></u></b>	<b><u></u></b>	<b><u></u></b>
Total OPEB Liability	\$1,460,730	\$1,540,091	\$1,630,555

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

For the year ended June 30, 2023, the School District recognized OPEB expense of \$110,507. On June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

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	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Differences between expected and actual experience	\$66,342	\$163,295
Changes in assumptions and other inputs	400,379	76,952
<b>Total</b>	<b><u>\$466,721</u></b>	<b><u>\$240,247</u></b>

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

Year ended June 30:	
2024	\$37,985
2025	40,972
2026	12,343
2027	23,169
2028	17,188
Thereafter	94,817

**NOTE 14 – PENSION PLANS**

**A. EMPLOYEES' RETIREMENT SYSTEM PLAN**

**Defined Benefit Plan**

**General Information about the Pension Plan**

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

The System issues a publicly available financial report that includes financial statements and required supplementary information for the plans administered by the System. 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

## ***FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT***

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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 on 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 ERS, SPRBT and JRBT 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.

***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 2023, Foster-Glocester 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 Foster-Glocester 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 Foster-Glocester Regional School District; the rates were 11.12% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2023 for the State and the Foster-Glocester Regional School District, respectively. The Foster-Glocester Regional School District contributed \$1,779,294, \$1,782,012 and, \$1,627,721 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$1,241,892 for fiscal year 2023 are reflected as on-behalf payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

On June 30, 2023, the Foster-Glocester Regional School District reported a liability of \$16,267,027 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Foster-Glocester 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 Foster-Glocester Regional School District were as follows:

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Foster-Glocester Regional School District's proportionate share of the net pension liability	\$16,267,027
State's proportionate share of the net pension liability associated with the Foster-Glocester Regional School District	<u>12,030,610</u>
Total net pension liability	<u><u>\$28,297,637</u></u>

The net pension liability was measured as of June 30, 2022, 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, 2021 rolled forward to June 30, 2022. The Foster-Glocester Regional School District's proportion of the net pension liability was based on a projection of the Foster-Glocester 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. On June 30, 2022, the Foster-Glocester Regional School District's proportion was 0.60232211%.

For the year ended June 30, 2023, the Foster-Glocester Regional School District recognized in the Government-Wide financial statements gross pension expense of \$2,491,426 and revenue of \$1,153,185 for support provided by the State. On June 30, 2023, the Foster Glocester 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	\$1,779,294
Change of assumptions	328,084
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,625,982
Differences between expected and actual experience	<u>240,933</u>
<b>Total</b>	<u><u>\$3,974,293</u></u>

**Deferred inflows of resources:**

Change of assumptions	\$243,886
Changes in proportion and differences between employer contributions and proportionate share of contributions	102,311
Differences between expected and actual experience	316,394
Net difference between projected and actual earnings on pension plan investments	<u>340,369</u>
<b>Total</b>	<u><u>\$1,002,960</u></u>

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\$1,779,294 reported as deferred outflows of resources related to pensions resulting from the Foster-Glocester Regional School District contributions in fiscal year 2023 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:

Year ended June 30:	
2024	\$264,035
2025	122,421
2026	(150,293)
2027	748,028
2028	159,345
Thereafter	48,503

**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% to 13%
Investment rate of return	7%

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, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability on June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six-year period ended June 30, 2019 as approved by the System’s Board on May 22, 2020.

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 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global Equity</b>		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<b>Subtotal</b>	40.00%	
<b>Private Growth</b>		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
<b>Subtotal</b>	15.00%	
<b>INCOME</b>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
<b>Subtotal</b>	12.00%	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<b>Subtotal</b>	10.00%	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<b>Subtotal</b>	8.00%	
<b>Volatility Protection</b>		
IG Corp. Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
<b>Subtotal</b>	15.00%	
<b>Total</b>	100.00%	

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.

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**Discount Rate** - The discount rate used to measure the total pension liability was 7 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 to Changes in the Discount Rate** - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7 percent as well as what the net pension liability 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.

<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
<b><u>(6%)</u></b>	<b><u>Rate</u></b>	<b><u>(8%)</u></b>
<b><u>(6%)</u></b>	<b><u>(7%)</u></b>	<b><u>(8%)</u></b>
\$20,408,323	\$16,267,027	\$12,504,195

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

**Defined Contribution Plan**

***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 7% of their annual covered salary and employers contribute between 3% and 3.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. The employer contribution is split between the State and the School District. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The Foster-Glocester Regional School District recognized pension expense of \$324,324 for the fiscal year ended June 30, 2023. For financial reporting purposes, the State's share of contributions totaling

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

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\$45,311 for fiscal year 2023 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

#### **B. TEACHERS' SURVIVOR BENEFIT PLAN**

##### **General Information about the Pension Plan**

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

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

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

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

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

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

Highest Annual Salary	Basic Monthly Spouse's Benefit
\$17,000 or less	\$825.00
\$17,001 to \$25,000	\$962.50
\$25,001 to \$33,000	\$1,100.00
\$33,001 to \$40,000	\$1,237.50
\$40,001 and over	\$1,375.00

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

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

**Contributions** - The contribution requirements of active employees and the participating school districts were established under Chapter 16-16 of the Rhode Island General Laws, which may be amended by the General Assembly. The cost of the benefits provided by the plan are two percent (2%) of the member's annual salary up to but not exceeding an annual salary of \$11,500; one-half (1/2) of the cost is contributed by the member by deductions from his or her salary, and the other half (1/2) is contributed and paid by the respective school district by which the member is employed. These contributions are in addition to the contributions required for regular pension benefits.

The Foster-Glocester Regional School District contributed \$15,985, \$16,173, and \$15,809 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

**Pension Asset, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources**

On June 30, 2023, the Foster-Glocester Regional School District reported an asset of \$3,761,759 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. The Foster-Glocester Regional School District's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. On June 30, 2022, the Foster-Glocester Regional School District's proportion was 2.14065827%.

For the year ended June 30, 2023, the Foster-Glocester Regional School District recognized pension expense of \$(428,100) – an increase in the net pension asset. On June 30, 2023, the Foster Glocester

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

Regional School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred outflows of resources:</b>	
Contributions subsequent to the measurement date	\$15,985
Change of assumptions	91,407
Differences between expected and actual experience	92,443
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>27,338</u>
<b>Total</b>	<b><u>\$227,173</u></b>
<b>Deferred inflows of resources:</b>	
Difference between expected and actual experience	\$484,454
Change of assumptions	125,998
Changes in proportion and differences between employer contributions and proportionate share of contributions	202,244
Net difference between projected and actual earnings on pension plan investments	<u>87,003</u>
<b>Total</b>	<b><u>\$899,699</u></b>

\$15,985 reported as deferred outflows of resources related to pensions resulting from the Foster-Glocester Regional School District's contributions in fiscal year 2023 subsequent to the measurement date will be recognized as an addition to the net pension asset 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:

Year ended June 30:	
2024	\$(149,333)
2025	(204,193)
2026	(251,156)
2027	51,443
2028	(83,403)
Thereafter	(51,869)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**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% to 13%
Investment rate of return	7%

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

Cost of Living Adjustments – Eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.5% cost of living adjustment is assumed.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability on June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six-year period ended June 30, 2019 as approved by the System’s Board on May 22, 2020.

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 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global Equity</b>		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<b>Subtotal</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
<b>Subtotal</b>	<b>15.00%</b>	
<b>INCOME</b>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
<b>Subtotal</b>	<b>12.00%</b>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<b>Subtotal</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<b>Subtotal</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Corp. Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
<b>Subtotal</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	

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.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**Discount Rate** - The discount rate used to measure the total pension liability was 7 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 Asset to Changes in the Discount Rate** - The following presents the proportionate share of the net pension asset calculated using the discount rate of 7 percent as well as what the net pension 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.

<b>1% Decrease</b>	<b>Current Discount</b>	<b>1% Increase</b>
<b><u>(6%)</u></b>	<b><u>Rate</u></b>	<b><u>(8%)</u></b>
<b><u>(6%)</u></b>	<b><u>(7%)</u></b>	<b><u>(8%)</u></b>
\$3,302,233	\$3,761,759	\$4,179,265

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

**C. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS**

**Defined Benefit Plan**

**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.

The System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the System. This report may be obtained accessing the ERSRI website at <http://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. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

### *Notes to Financial Statements*

*June 30, 2023*

general employees, with separate contribution rates applicable. The Foster-Glocester Regional School District has only general employees that participate in the MERS Plan.

**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.

**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.

## **FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

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

The annual benefit is equal to 2% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1% 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% 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% 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). The Foster-Glocester Regional School District has elected the optional cost-of-living provision COLA B.

- 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.
- 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% to 4%, plus 50% of the lesser of 3% or last year's CPI-U increase for a total maximum increase of 3.5%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0% to 4%
- 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 \$27,184 for 2020, \$27,608 for 2021, and \$27,901 for 2022.

**Employees Covered by Benefit Terms** - At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

	General Employees Plan
	<hr/>
Retirees and Beneficiaries	45
Inactive, Nonretired	
Members	23
Active Members	<hr/> 56
Total	<hr/> <hr/> 124

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. The Foster-Glocester 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 Foster-Glocester Regional School District contributed \$276,497 for general employees in the year ended June 30, 2023. The School District's contributions represented 11.43% of annual covered payroll.

**Net Pension Liability** - The total pension liability was determined by an actuarial valuation performed as of June 30, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Summary of Actuarial Assumptions Used in the Valuation to Determine the Net Pension Liability at the June 30, 2022 Measurement Date (June 30, 2021 valuation rolled forward to June 30, 2022)</b>	
<b>Actuarial Cost Method</b>	Entry Age Normal - The Individual Entry Age Actuarial Cost methodology is used.
<b>Amortization Method</b>	Level Percent of Payroll – Closed
<b>Actuarial Assumptions:</b>	
<b>Investment Rate of Return</b>	7%
<b>Projected Salary Increases</b>	General Employees - 3.25% to 7.25%
<b>Inflation</b>	2.5%
<b>Mortality</b>	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
<b>Cost of Living Adjustments</b>	A 2.1% COLA is assumed for all MERS units with the COLA provision.

***FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT***

*Notes to Financial Statements*

*June 30, 2023*

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability on June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six-year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

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 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global Equity</b>		
U.S. Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<b>Subtotal</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
<b>Subtotal</b>	<b>15.00%</b>	
<b>INCOME</b>		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
<b>Subtotal</b>	<b>12.00%</b>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<b>Subtotal</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<b>Subtotal</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Corp. Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
<b>Subtotal</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	

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.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

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**Discount Rate** - The discount rate used to measure the total pension liability of the plans was 7 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.

**General Employees Plan  
Changes in the Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
<b>Balances as of June 30, 2021</b>	\$9,742,977	\$9,543,399	\$199,578
Changes for the Year:			
Service cost	185,156	-	185,156
Interest on the total pension liability	668,061	-	668,061
Changes in benefits	-	-	-
Difference between expected and actual experience	87,012	-	87,012
Changes in assumptions	-	-	-
Employer contributions	-	248,457	(248,457)
Employee contributions	-	51,869	(51,869)
Net investment income	-	(246,246)	246,246
Benefit payments, including employee refunds	(583,660)	(583,660)	-
Administrative expense	-	(8,395)	8,395
Other changes	-	(211,237)	211,237
Net changes	356,569	(749,212)	1,105,781
<b>Balances as of June 30, 2022</b>	\$10,099,546	\$8,794,187	\$1,305,359

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** - The following presents the net pension liability of the employer calculated using the discount rate of 7 percent, as well as what the employer's net pension liability 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.

Plan	Current Discount Rate		
	1% Decrease (6%)	Rate (7%)	1% Increase (8%)
General Employees	\$2,269,555	\$1,305,359	\$429,357

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**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, 2023, the School District recognized pension expense of \$329,166 for general employees. The employer 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	\$276,497
Differences between expected and actual experience	<u>370,655</u>
<b>Total</b>	<u><u>\$647,152</u></u>

**Deferred Inflows of Resources:**

Differences between expected and actual experience	\$66,175
Changes of assumptions	50,443
Net difference between projected and actual investment earnings	<u>94,836</u>
<b>Total</b>	<u><u>\$211,454</u></u>

\$276,497 reported as deferred outflows of resources related to pensions resulting from the School District's contributions in fiscal year 2023 subsequent to the measurement date that 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:

Year Ending June 30:	
2024	\$(44,142)
2025	15,736
2026	(35,489)
2027	217,399
2028	5,697

**Defined Contribution Plan**

***Plan Description***

Certain general employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

June 30, 2023

General employees contribute 5% of their annual covered salary and employers contribute 1% to 1.5% of annual covered salary depending on years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The Foster-Glocester Regional School District recognized pension expense of \$24,662 for the fiscal year ended June 30, 2023.

The System issues an annual financial report that includes financial statements and required supplementary information for plans administered by the System. The reports can be obtained at <http://www.ersri.org>.

**D. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS**

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Asset	Net Pension Liability	Pension Expense
Employees’ Retirement System Plan	\$3,974,293	\$1,002,960	\$ -	\$16,267,027	\$2,491,426
Teachers’ Survivor Benefits Plan	227,173	899,699	3,761,759	-	(428,100)
General Employees Plan	647,152	211,454	-	1,305,359	329,166
<b>Total</b>	<u>\$4,848,618</u>	<u>\$2,114,113</u>	<u>\$3,761,759</u>	<u>\$17,572,386</u>	<u>\$2,392,492</u>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2023*

**NOTE 15 – RESTATEMENTS**

The School District recorded the following restatement in the Government-Wide financial statements:

	<u><i>Governmental Activities</i></u>
Net position, June 30, 2022, as previously reported	\$ 30,314,159
Adoption of GASB Statement No. 96:	
Record subscription asset	<u>77,505</u>
<b><i>Net position, June 30, 2022, as restated</i></b>	<u><u>\$ 30,391,664</u></u>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Required Supplementary Information*  
**Employees' Retirement System Pension Plan**  
*Schedule of the School District's Proportionate Share of the Net Pension Liability (1)*  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension liability	0.60232211%	0.58542979%	0.55415151%	0.52869550%	0.52135091%
School District's proportionate share of the net pension liability	\$ 16,267,027	\$ 13,777,494	\$ 17,705,173	\$ 16,869,451	\$ 16,564,612
State's proportionate share of the net pension liability associated with the School District	<u>12,030,610</u>	<u>10,217,247</u>	<u>13,155,377</u>	<u>12,636,966</u>	<u>12,356,011</u>
Total	<u>\$ 28,297,637</u>	<u>\$ 23,994,741</u>	<u>\$ 30,860,550</u>	<u>\$ 29,506,417</u>	<u>\$ 28,920,623</u>
School District's covered payroll	\$ 11,757,073	\$ 11,054,536	\$ 10,485,696	\$ 9,839,740	\$ 9,436,402
School District's proportionate share of the net pension liability as a percentage of its covered payroll	138.36%	124.63%	168.85%	171.44%	175.54%
Plan fiduciary net position as a percentage of the total pension liability	62.1%	66.5%	54.3%	54.6%	54.3%
 <i>Fiscal Year</i>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>	
School District's proportion of the net pension liability	0.50648631%	0.52875004%	0.52494730%	0.53220866%	
School District's proportionate share of the net pension liability	\$ 15,975,017	\$ 15,775,667	\$ 14,451,813	\$ 12,953,960	
State's proportionate share of the net pension liability associated with the School District	<u>12,073,274</u>	<u>10,804,016</u>	<u>9,873,025</u>	<u>8,883,128</u>	
Total	<u>\$ 28,048,291</u>	<u>\$ 26,579,683</u>	<u>\$ 24,324,838</u>	<u>\$ 21,837,088</u>	
School District's covered payroll	\$ 8,946,957	\$ 8,686,235	\$ 8,530,058	\$ 8,540,784	
School District's proportionate share of the net pension liability as a percentage of its covered payroll	178.55%	181.62%	169.42%	151.67%	
Plan fiduciary net position as a percentage of the total pension liability	54.0%	54.1%	57.6%	61.4%	

*The notes to the required supplementary information are an integral part of this schedule.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**Teachers' Survivor Benefit Pension Plan**  
**Schedule of the School District's Proportionate Share of the Net Pension Asset (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
School District's proportion of the net pension asset	2.14065827%	2.14740208%	2.06634790%	1.98943577%	1.94547466%
School District's proportionate share of the net pension asset	\$ 3,761,759	\$ 4,202,320	\$ 2,454,068	\$ 2,256,932	\$ 1,735,933
School District's covered payroll	\$ 11,757,073	\$ 11,054,536	\$ 10,485,696	\$ 9,839,740	\$ 9,436,402
School District's proportionate share of the net pension asset as a percentage of its covered payroll	32.00%	38.01%	23.40%	22.94%	18.40%
Plan fiduciary net position as a percentage of the total pension liability	177.7%	185.7%	153.1%	150.2%	137.4%
<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	
School District's proportion of the net pension asset	1.81404824%	1.85441389%	1.81375921%	1.85958611%	
School District's proportionate share of the net pension asset	\$ 1,500,697	\$ 1,846,475	\$ 1,693,246	\$ 2,311,851	
School District's covered payroll	\$ 8,946,957	\$ 8,686,235	\$ 8,530,058	\$ 8,540,784	
School District's proportionate share of the net pension asset as a percentage of its covered payroll	16.77%	21.26%	19.85%	27.07%	
Plan fiduciary net position as a percentage of the total pension liability	136.1%	153.3%	146.6%	173.3%	

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

*The notes to the required supplementary information are an integral part of this schedule.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Required Supplementary Information*  
**General Employees Pension Plan**  
*Schedule of Changes in the Net Pension Liability and Related Ratios (1)*  
*"Unaudited"*

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability:</b>					
Service cost	\$ 185,156	\$ 186,888	\$ 199,760	\$ 206,457	\$ 194,953
Interest	668,061	624,456	606,375	612,602	581,703
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	87,012	395,820	132,432	(417,791)	89,694
Changes of assumptions	-	-	(124,417)	-	-
Benefits payments, including refunds of member contributions	(583,660)	(583,082)	(515,752)	(458,010)	(403,350)
<b>Net change in total pension liability</b>	<u>356,569</u>	<u>624,082</u>	<u>298,398</u>	<u>(56,742)</u>	<u>463,000</u>
<b>Total pension liability - beginning</b>	<u>9,742,977</u>	<u>9,118,895</u>	<u>8,820,497</u>	<u>8,877,239</u>	<u>8,414,239</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 10,099,546</u>	<u>\$ 9,742,977</u>	<u>\$ 9,118,895</u>	<u>\$ 8,820,497</u>	<u>\$ 8,877,239</u>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 248,457	\$ 223,764	\$ 252,301	\$ 228,062	\$ 217,338
Contributions - employee	51,869	47,220	51,278	51,765	52,625
Net investment income	(246,246)	2,064,105	284,239	481,801	555,626
Benefits payments, including refunds of member contributions	(583,660)	(583,082)	(515,752)	(458,010)	(403,350)
Administrative expense	(8,395)	(7,865)	(7,831)	(7,540)	(7,397)
Other	(211,237)	13,566	-	1	2,817
<b>Net change in plan fiduciary net position</b>	<u>(749,212)</u>	<u>1,757,708</u>	<u>64,235</u>	<u>296,079</u>	<u>417,659</u>
<b>Plan fiduciary net position - beginning</b>	<u>9,543,399</u>	<u>7,785,691</u>	<u>7,721,456</u>	<u>7,425,377</u>	<u>7,007,718</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 8,794,187</u>	<u>\$ 9,543,399</u>	<u>\$ 7,785,691</u>	<u>\$ 7,721,456</u>	<u>\$ 7,425,377</u>
<b>School District's net pension liability - ending (a) - (b)</b>	<u>\$ 1,305,359</u>	<u>\$ 199,578</u>	<u>\$ 1,333,204</u>	<u>\$ 1,099,041</u>	<u>\$ 1,451,862</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	87.08%	97.95%	85.38%	87.54%	83.65%
<b>Covered payroll</b>	\$ 2,379,896	\$ 2,243,551	\$ 2,267,420	\$ 2,175,517	\$ 2,034,999
<b>Net pension liability as a percentage of covered payroll</b>	54.85%	8.90%	58.80%	50.52%	71.34%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

(Continued)

*The notes to the required supplementary information are an integral part of this schedule.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information**  
**General Employees Pension Plan (Continued)**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>				
Service cost	\$ 177,613	\$ 172,973	\$ 175,563	\$ 180,312
Interest	574,182	540,136	514,253	488,198
Changes of benefit terms	-	-	136,734	-
Differences between expected and actual experience	(90,857)	150,513	(105,183)	-
Changes of assumptions	396,527	-	-	24,287
Benefits payments, including refunds of member contributions	(420,351)	(403,637)	(346,298)	(339,748)
<b>Net change in total pension liability</b>	<u>637,114</u>	<u>459,985</u>	<u>375,069</u>	<u>353,049</u>
<b>Total pension liability - beginning</b>	<u>7,777,125</u>	<u>7,317,140</u>	<u>6,942,071</u>	<u>6,589,022</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 8,414,239</u>	<u>\$ 7,777,125</u>	<u>\$ 7,317,140</u>	<u>\$ 6,942,071</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 220,685	\$ 223,341	\$ 223,952	\$ 241,194
Contributions - employee	52,656	51,445	35,977	36,797
Net investment income	744,195	(2,209)	152,358	857,925
Benefits payments, including refunds of member contributions	(420,351)	(403,637)	(346,298)	(339,748)
Administrative expense	(7,031)	(5,943)	(6,112)	(5,372)
Other	53,272	-	1	123,257
<b>Net change in plan fiduciary net position</b>	<u>643,426</u>	<u>(137,003)</u>	<u>59,878</u>	<u>914,053</u>
<b>Plan fiduciary net position - beginning</b>	<u>6,364,292</u>	<u>6,501,295</u>	<u>6,441,417</u>	<u>5,527,364</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 7,007,718</u>	<u>\$ 6,364,292</u>	<u>\$ 6,501,295</u>	<u>\$ 6,441,417</u>
<b>School District's net pension liability - ending (a) - (b)</b>	<u>\$ 1,406,521</u>	<u>\$ 1,412,833</u>	<u>\$ 815,845</u>	<u>\$ 500,654</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	83.28%	81.83%	88.85%	92.79%
<b>Covered payroll</b>	\$ 2,006,921	\$ 1,896,629	\$ 1,798,805	\$ 1,757,428
<b>Net pension liability as a percentage of covered payroll</b>	70.08%	74.49%	45.35%	28.49%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

*The notes to the required supplementary information are an integral part of this schedule.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Required Supplementary Information - Pension Plans**  
**Schedule of School District Contributions (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b><u>Employees' Retirement System Plan</u></b>									
Actuarially determined contribution	\$ 1,779,294	\$ 1,782,012	\$ 1,627,721	\$ 1,485,609	\$ 1,330,334	\$ 1,256,102	\$ 1,195,663	\$ 1,203,084	\$ 1,153,736
Contributions in relation to the actuarially determined contribution	1,779,294	1,782,012	1,627,721	1,485,609	1,330,334	1,256,102	1,195,663	1,203,084	1,153,736
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,549,058	\$ 11,757,073	\$ 11,054,536	\$ 10,485,696	\$ 9,839,740	\$ 9,436,402	\$ 8,946,957	\$ 8,686,235	\$ 8,530,058
Contributions as a percentage of covered payroll	15.41%	15.16%	14.72%	14.17%	13.52%	13.31%	13.36%	13.85%	13.53%
<b><u>Teachers' Survivor Benefit Plan</u></b>									
Statutorily determined contribution	\$ 15,985	\$ 16,173	\$ 15,809	\$ 15,410	\$ 14,838	\$ 14,475	\$ 10,701	\$ 11,910	\$ 10,944
Contributions in relation to the statutorily determined contribution	15,985	16,173	15,809	15,410	14,838	14,475	10,701	11,910	10,944
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 11,549,058	\$ 11,757,073	\$ 11,054,536	\$ 10,485,696	\$ 9,839,740	\$ 9,436,402	\$ 8,946,957	\$ 8,686,235	\$ 8,530,058
Contributions as a percentage of covered payroll	0.14%	0.14%	0.14%	0.15%	0.15%	0.15%	0.12%	0.14%	0.13%
<b><u>General Employees Plan</u></b>									
Actuarially determined contribution	\$ 276,497	\$ 248,457	\$ 223,764	\$ 252,301	\$ 228,062	\$ 217,338	\$ 220,685	\$ 223,341	\$ 223,952
Contributions in relation to the actuarially determined contribution	276,497	248,457	223,764	252,301	228,062	217,338	220,685	223,341	223,952
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,425,582	\$ 2,379,896	\$ 2,243,551	\$ 2,267,420	\$ 2,175,517	\$ 2,034,999	\$ 2,006,921	\$ 1,896,629	\$ 1,798,805
Contributions as a percentage of covered payroll	11.40%	10.44%	9.97%	11.13%	10.48%	10.68%	11.00%	11.78%	12.45%

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

*The notes to the required supplementary information are an integral part of this schedule.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Required Supplementary Information*  
**Other Postemployment Benefit (OPEB) Plan**  
*Schedule of Changes in the Total OPEB Liability and Related Ratios (1)*  
*"Unaudited"*

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total OPEB liability:</b>							
Service cost	\$ 24,032	\$ 61,346	\$ 61,168	\$ 55,072	\$ 60,452	\$ 61,271	\$ 63,452
Interest	48,488	32,041	38,510	54,161	53,351	51,454	42,361
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	13,413	(108,008)	(53,025)	(130,307)	191,121	-	6,676
Changes of assumptions or other inputs	365,858	(103,551)	94,900	54,544	9,268	(20,897)	26,618
Benefits payments	<u>(130,428)</u>	<u>(128,940)</u>	<u>(123,787)</u>	<u>(145,499)</u>	<u>(143,083)</u>	<u>(172,318)</u>	<u>(238,929)</u>
<b>Net change in total OPEB liability</b>	321,363	(247,112)	17,766	(112,029)	171,109	(80,490)	(99,822)
<b>Total OPEB liability - beginning</b>	<u>1,218,728</u>	<u>1,465,840</u>	<u>1,448,074</u>	<u>1,560,103</u>	<u>1,388,994</u>	<u>1,469,484</u>	<u>1,569,306</u>
<b>Total OPEB liability - ending</b>	<u>\$ 1,540,091</u>	<u>\$ 1,218,728</u>	<u>\$ 1,465,840</u>	<u>\$ 1,448,074</u>	<u>\$ 1,560,103</u>	<u>\$ 1,388,994</u>	<u>\$ 1,469,484</u>
<b>Covered employee payroll</b>	\$ 8,969,582	\$ 8,311,130	\$ 8,155,650	N/A	\$ 9,222,243	\$ 10,599,634	\$ 10,241,192
<b>Total OPEB liability as a percentage of covered employee payroll</b>	17.17%	14.66%	17.97%	N/A	16.92%	13.10%	14.35%

**Notes to Schedule:**

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay for OPEB.

(1) This schedule is intended to show 10 years - additional information will be presented as it becomes available.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual*  
*General Fund - Budgetary Basis*  
*For the Year Ended June 30, 2023*

	<b>General Fund</b>			
	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget</b>
			<b>(Budgetary</b>	<b>Positive</b>
			<b>Basis)</b>	<b>(Negative)</b>
<b>Revenues</b>				
State and federal aid and grants	\$ 5,157,464	\$ 5,157,464	\$ 5,355,298	\$ 197,834
Local appropriations	15,509,049	15,509,049	15,509,050	1
Tuition	3,860,787	3,860,787	4,112,070	251,283
Medicaid revenue	175,000	175,000	145,270	(29,730)
Reappropriated fund balance	100,000	100,000	-	(100,000)
Other revenues	191,500	191,500	140,819	(50,681)
<b>Total revenues</b>	<b>24,993,800</b>	<b>24,993,800</b>	<b>25,262,507</b>	<b>268,707</b>
<b>Expenditures</b>				
Personnel service - compensation	15,071,852	15,071,852	14,685,157	386,695
Personnel services - employee benefits	5,993,061	5,993,061	5,715,664	277,397
Purchased services	2,076,275	2,076,275	1,973,086	103,189
Supplies and materials	1,110,016	1,110,016	1,045,454	64,562
Capital outlay	611,054	611,054	422,678	188,376
Other	131,542	131,542	135,612	(4,070)
<b>Total expenditures</b>	<b>24,993,800</b>	<b>24,993,800</b>	<b>23,977,651</b>	<b>1,016,149</b>
<b>Excess of revenues over expenditures</b>				
<b>before other financing uses</b>	-	-	1,284,856	1,284,856
<b>Other financing sources (uses)</b>				
Transfers in	-	-	30,276	30,276
Transfers out	-	-	(82,304)	(82,304)
<b>Total other financing sources (uses)</b>	-	-	(52,028)	(52,028)
<b>Net change in fund balance-budgetary basis</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,232,828</b>	<b>\$ 1,232,828</b>

*The notes to the required supplementary information are an integral part of this schedule.*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

**NOTE 1 – PENSION PLANS**

The net pension liability (asset) amounts presented as of the June 30, 2023 were determined as part of actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 14 A, B, and C to the financial statements.

The net pension liability (asset) amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year-end.

The following summarizes the more significant changes in assumptions and benefits and were reflected in the determination of the net pension liability (asset) as of the:

***June 30, 2020 measurement date –***

- 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, 2017 measurement date –***

- 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.
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

***June 30, 2015 measurement date –***

The net pension liability for the ERS and MERS plans reflects changes in benefits 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.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9% (10% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service on 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 receive a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a maximum of 4%) and 50% calculated using previous year's CPI-U (maximum of 3%) for a total maximum 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.

The employee and employer contribution rates for the Teachers' Survivors Benefit Plan were applied to the first \$11,500 of member salary for fiscal year 2018. In fiscal year 2017 and prior years, the rate was applied to salary up to \$9,600.

Employers participating in the Employees' 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 Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, 16-16-35. Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

The schedules are intended to present ten years of data. Additional years of data will be presented as they become available.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

**NOTE 2 - BUDGETARY DATA AND BUDGETARY COMPLIANCE**

In accordance with the District’s Charter, the District has formally established budgetary accounting control for its General Fund. The General Fund is subject to an annual operating budget approved by the Regional School Committee and by the voters at the District’s Annual Financial Meeting held each March. Annually, the Regional School Committee appoints a budget sub-committee which is responsible for establishing a budget that is supported by revenue estimates and that takes into account, when possible, the elimination of accumulated deficits. The budget sub-committee brings forward the final proposed budget to the Regional School Committee for full Committee adoption at the annual public hearing which is held approximately two weeks before the District’s Annual Financial Meeting. Upon a vote at the District’s Annual Financial Meeting, the District’s budget is set and each Town must then fund their respected appropriations as outlined in the adopted Regional District budget. The General Fund operating budget is in conformance with the legally enacted budgetary basis, which is not in conformance with generally accepted accounting principles. The accompanying budgetary comparison schedule is reflected on the budgetary basis. The difference between the budgetary basis and generally accepted accounting principles is explained below.

***Explanation of Differences between Budgetary Revenues and Expenditures and Other Financing Sources (Uses) and GAAP Revenues and Expenditures and Other Financing Sources (Uses)***

<u><b>Revenues and Other Financing Sources</b></u>	<u><b>General Fund</b></u>
Actual amounts (budgetary basis)	\$25,292,783
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Foster-Glocester Regional School District are not reported as a budgetary revenue, but are a current year revenue for financial reporting purposes.	1,287,203
Transportation categorical aid and athletic gate receipt revenues are not reported as budgetary revenues, but are current year revenues for financial reporting purposes.	600,721
Leases and subscription based IT arrangements are not reported as a budgetary other financing source, but are reported as an other financing source for financial reporting purposes.	255,548
	\$27,436,255
<b><i>Total revenue and other financing sources as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i></b>	<b><u>\$27,436,255</u></b>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Notes to Required Supplementary Information**  
**June 30, 2023**

<b><u>Expenditures and Other Financing Uses</u></b>	<b><u>General Fund</u></b>
Actual amounts (budgetary basis)	\$24,059,955
The pension contributions made to the Employees Retirement System by the State on behalf of the Foster-Glocester Regional School District are not reported as a budgetary expenditure, but are a current year expenditure for financial reporting purposes.	1,287,203
Transportation categorical aid passed through to the Towns of Foster and Glocester is not reported as a budgetary expenditure, but is a current year expenditure for financial reporting purposes.	575,245
Athletic Fund expenditures are not reported as budgetary expenditures, but are current year expenditures for financial reporting purposes.	19,867
Right to use leased assets and subscription IT assets are not reported as a budgetary expenditure, but are reported as an expenditure for financial reporting purposes	<u>255,548</u>
<b><i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i></b>	<b><u>\$26,197,818</u></b>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

*Special Revenue Funds*

	<i>Even Year CTE Categorical</i>	<i>Odd Year CTE Categorical</i>	<i>CTE Categorical</i>	<i>CTE Agriculture</i>	<i>Professional Development</i>	<i>Cell Tower Fund</i>	<i>Nature Trails Fundraising</i>	<i>ESSER II</i>
<b>Assets</b>								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,827	\$ -	\$ -
Due from state and federal government	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Due from other funds	55,204	55,126	36,433	36,794	685	17,074	150	-
Lease receivable	-	-	-	-	-	260,763	-	-
Prepaid items	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 55,204</u>	<u>\$ 55,126</u>	<u>\$ 36,433</u>	<u>\$ 36,794</u>	<u>\$ 685</u>	<u>\$ 377,664</u>	<u>\$ 150</u>	<u>\$ -</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>								
<b>Liabilities</b>								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 9,403	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>9,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>								
Deferred inflows lease related	-	-	-	-	-	260,763	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,763</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	55,204	55,126	27,030	36,794	685	-	150	-
Committed	-	-	-	-	-	116,901	-	-
<b>Total fund balances</b>	<u>55,204</u>	<u>55,126</u>	<u>27,030</u>	<u>36,794</u>	<u>685</u>	<u>116,901</u>	<u>150</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 55,204</u>	<u>\$ 55,126</u>	<u>\$ 36,433</u>	<u>\$ 36,794</u>	<u>\$ 685</u>	<u>\$ 377,664</u>	<u>\$ 150</u>	<u>\$ -</u>

*(Continued)*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*June 30, 2023*

	<i>Special Revenue Funds</i>						
	<i>Big Yellow School Bus</i>	<i>ESSER III</i>	<i>Student Equity</i>	<i>Literacy Set Aside</i>	<i>Title I Part A</i>	<i>Title II Teacher Quality</i>	<i>Title IV</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from state and federal government	-	166,678	-	-	54,080	14,908	10,485
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	400	-	36,533	114,540	-	-	-
Lease receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 400</u>	<u>\$ 166,678</u>	<u>\$ 36,533</u>	<u>\$ 114,540</u>	<u>\$ 54,080</u>	<u>\$ 14,908</u>	<u>\$ 10,485</u>
 <b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 3,144	\$ -	\$ -
Due to other funds	-	166,678	-	-	50,936	14,908	10,485
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>166,678</u>	<u>-</u>	<u>-</u>	<u>54,080</u>	<u>14,908</u>	<u>10,485</u>
 <b>Deferred Inflows of Resources</b>							
Deferred inflows lease related	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Fund balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	400	-	36,533	114,540	-	-	-
Committed	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>400</u>	<u>-</u>	<u>36,533</u>	<u>114,540</u>	<u>-</u>	<u>-</u>	<u>-</u>
 <b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 400</u>	<u>\$ 166,678</u>	<u>\$ 36,533</u>	<u>\$ 114,540</u>	<u>\$ 54,080</u>	<u>\$ 14,908</u>	<u>\$ 10,485</u>

*(Continued)*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 June 30, 2023

	<b>Special Revenue Funds</b>						
	<u>School Lunch Fund</u>	<u>EDS Tech Grant</u>	<u>RI State Council on Arts</u>	<u>US Department of Energy Grant</u>	<u>Emergency Connectivity Fund</u>	<u>RI Foundation XQ+RI Challenge</u>	<u>New England Dairy Council</u>
<b>Assets</b>							
Cash	\$ 712,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from state and federal government	6,325	-	-	-	57,564	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	-	180	-	10,746	-	6,879	435
Lease receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Inventory	9,696	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 728,207</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 10,746</u>	<u>\$ 57,564</u>	<u>\$ 6,879</u>	<u>\$ 435</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ 184,958	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	144,948	-	-	-	57,564	-	-
Unearned revenue	14,659	-	-	-	-	-	-
<b>Total liabilities</b>	<u>344,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,564</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Deferred inflows lease related	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Nonspendable	9,696	-	-	-	-	-	-
Restricted	373,946	180	-	10,746	-	6,879	435
Committed	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>383,642</u>	<u>180</u>	<u>-</u>	<u>10,746</u>	<u>-</u>	<u>6,879</u>	<u>435</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 728,207</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 10,746</u>	<u>\$ 57,564</u>	<u>\$ 6,879</u>	<u>\$ 435</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Balance Sheet (Continued)  
 Nonmajor Governmental Funds  
 June 30, 2023

	<i>Special Revenue Funds</i>						
	<i>Federal Emergency Management Agency</i>	<i>Scholarship America</i>	<i>RI Center for the Arts</i>	<i>RI Council on the Humanities</i>	<i>Perkins Secondary Set Aside</i>	<i>ARP IDEA</i>	<i>Perkins Secondary Grant</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from state and federal government	-	-	-	-	-	-	44,398
Accounts receivable	-	-	-	-	-	-	-
Due from other funds	70,426	43	935	-	-	-	-
Lease receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 70,426</u>	<u>\$ 43</u>	<u>\$ 935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,398</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,013
Due to other funds	-	-	-	-	-	-	34,295
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,308</u>
<b>Deferred Inflows of Resources</b>							
Deferred inflows lease related	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	70,426	43	935	-	-	-	9,090
Committed	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>70,426</u>	<u>43</u>	<u>935</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,090</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 70,426</u>	<u>\$ 43</u>	<u>\$ 935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,398</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Combining Balance Sheet (Continued)*

*Nonmajor Governmental Funds*

*June 30, 2023*

	<i>Special Revenue Funds</i>						
	<i>RI Foundation</i>	<i>Ponaganset Education Foundation</i>	<i>CAST</i>	<i>SBA Capital Fund #1 Projects</i>	<i>SBA Capital Fund #2 Projects</i>	<i>Office of Innovation CS4RI</i>	<i>Alternative Energy Program</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from state and federal government	-	-	-	-	-	-	-
Accounts receivable	5,106	-	-	-	-	-	-
Due from other funds	-	-	2,055	6,400	50,857	10,000	3,900
Lease receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	48,957	-	-
Inventory	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 5,106</u>	<u>\$ -</u>	<u>\$ 2,055</u>	<u>\$ 6,400</u>	<u>\$ 99,814</u>	<u>\$ 10,000</u>	<u>\$ 3,900</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ 5,106	\$ -	\$ -	\$ 6,400	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	99,814	-	-
<b>Total liabilities</b>	<u>5,106</u>	<u>-</u>	<u>-</u>	<u>6,400</u>	<u>99,814</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Deferred inflows lease related	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	2,055	-	-	10,000	3,900
Committed	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>2,055</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>3,900</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 5,106</u>	<u>\$ -</u>	<u>\$ 2,055</u>	<u>\$ 6,400</u>	<u>\$ 99,814</u>	<u>\$ 10,000</u>	<u>\$ 3,900</u>

*(Continued)*

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

Combining Balance Sheet (Continued)

Nonmajor Governmental Funds

June 30, 2023

	<i>Special Revenue Funds</i>						
	<i>Henry/Ruth Scholarship Fund</i>	<i>Protium ALT Energy Scholarship Fund</i>	<i>Sodexo Scholarship Fund</i>	<i>Miscellaneous Scholarship Fund</i>	<i>Future Business Leaders of America</i>	<i>Ponaganset MS Student Activity Fund</i>	<i>Ponaganset HS Student Activity Fund</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 110,242	\$ 290,957
Due from state and federal government	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	1,500	-	-
Due from other funds	1,700	3,000	1,000	-	8,676	6,707	2,788
Lease receivable	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 1,700</u>	<u>\$ 3,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 10,176</u>	<u>\$ 116,949</u>	<u>\$ 293,745</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 1,200	\$ 491	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,200</u>	<u>491</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Deferred inflows lease related	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	1,700	3,000	1,000	-	8,976	116,458	293,745
Committed	-	-	-	-	-	-	-
<b>Total fund balances</b>	<u>1,700</u>	<u>3,000</u>	<u>1,000</u>	<u>-</u>	<u>8,976</u>	<u>116,458</u>	<u>293,745</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 1,700</u>	<u>\$ 3,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 10,176</u>	<u>\$ 116,949</u>	<u>\$ 293,745</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
Combining Balance Sheet (Continued)  
Nonmajor Governmental Funds  
June 30, 2023

	<i>Special Revenue Funds</i>						
	<i>Lindsay Ann Burke Memorial Fund</i>	<i>Intel Corporation</i>	<i>Champlin Foundation</i>	<i>Perkins Special Programs</i>	<i>RI Developmental Disabilities Council</i>	<i>IDEA</i>	<i>Total Nonmajor Governmental Funds</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,213,212
Due from state and federal government	-	-	-	-	-	-	354,438
Accounts receivable	-	-	-	-	-	-	6,606
Due from other funds	9	890	844	-	4,000	-	545,409
Lease receivable	-	-	-	-	-	-	260,763
Prepaid items	-	-	-	-	-	-	48,957
Inventory	-	-	-	-	-	-	9,696
<b>Total assets</b>	<u>\$ 9</u>	<u>\$ 890</u>	<u>\$ 844</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>2,439,081</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	211,715
Due to other funds	-	-	-	-	-	-	479,814
Unearned revenue	-	-	-	-	-	-	114,473
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>806,002</u>
<b>Deferred Inflows of Resources</b>							
Deferred inflows lease related	-	-	-	-	-	-	260,763
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,763</u>
<b>Fund balances</b>							
Nonspendable	-	-	-	-	-	-	9,696
Restricted	9	890	844	-	4,000	-	1,245,719
Committed	-	-	-	-	-	-	116,901
<b>Total fund balances</b>	<u>9</u>	<u>890</u>	<u>844</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>1,372,316</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 9</u>	<u>\$ 890</u>	<u>\$ 844</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 2,439,081</u>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

**Special Revenue Funds**

	<i>Even Year CTE Categorical</i>	<i>Odd Year CTE Categorical</i>	<i>CTE Categorical</i>	<i>CTE Agriculture</i>	<i>Professional Development</i>	<i>Cell Tower Fund</i>	<i>Nature Trails Fundraising</i>	<i>ESSER</i>
<b>Revenues</b>								
State and federal aid and grants	\$ -	\$ -	\$ 184,778	\$ -	\$ -	\$ -	\$ -	\$ 18,000
Contributions	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	21,063	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>184,778</u>	<u>-</u>	<u>-</u>	<u>21,063</u>	<u>-</u>	<u>18,000</u>
<b>Expenditures</b>								
<i>Current:</i>								
Salaries	-	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-	-
Purchased services	-	10,225	18,775	-	-	30,373	-	18,000
Supplies and materials	-	-	79,026	-	-	4,125	-	-
Other	-	-	10,109	-	-	7,655	-	-
Debt Service	-	-	-	-	-	-	-	-
Capital outlay	50,980	-	75,334	-	-	-	-	-
<b>Total expenditures</b>	<u>50,980</u>	<u>10,225</u>	<u>183,244</u>	<u>-</u>	<u>-</u>	<u>42,153</u>	<u>-</u>	<u>18,000</u>
<b>Net change in fund balance</b>	(50,980)	(10,225)	1,534	-	-	(21,090)	-	-
<b>Fund balances - beginning of year</b>	<u>106,184</u>	<u>65,351</u>	<u>25,496</u>	<u>36,794</u>	<u>685</u>	<u>137,991</u>	<u>150</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 55,204</u>	<u>\$ 55,126</u>	<u>\$ 27,030</u>	<u>\$ 36,794</u>	<u>\$ 685</u>	<u>\$ 116,901</u>	<u>\$ 150</u>	<u>\$ -</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

	<b>Special Revenue Funds</b>						
	<i>Big Yellow School Bus</i>	<i>ESSER III</i>	<i>Student Equity</i>	<i>Literacy Set Aside</i>	<i>Title I Part A</i>	<i>Title II Teacher Quality</i>	<i>Title IV</i>
<b>Revenues</b>							
State and federal aid and grants	\$ -	\$ 412,223	\$ -	\$ -	\$ 130,467	\$ 50,655	\$ 10,485
Contributions	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>412,223</u>	<u>-</u>	<u>-</u>	<u>130,467</u>	<u>50,655</u>	<u>10,485</u>
<b>Expenditures</b>							
<i>Current:</i>							
Salaries	-	269,834	-	-	96,610	34,400	10,000
Employee benefits	-	142,389	-	-	33,857	16,255	149
Purchased services	-	-	-	-	-	-	336
Supplies and materials	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>412,223</u>	<u>-</u>	<u>-</u>	<u>130,467</u>	<u>50,655</u>	<u>10,485</u>
<b>Net change in fund balance</b>	-	-	-	-	-	-	-
<b>Fund balances - beginning of year</b>	<u>400</u>	<u>-</u>	<u>36,533</u>	<u>114,540</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances - end of year</b>	<u>\$ 400</u>	<u>\$ -</u>	<u>\$ 36,533</u>	<u>\$ 114,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

	<b>Special Revenue Funds</b>						
	<i>School Lunch Fund</i>	<i>EDS Tech Grant</i>	<i>RI State Council on Arts</i>	<i>US Department of Energy Grant</i>	<i>Emergency Connectivity Fund</i>	<i>RI Foundation XQ+RI Challenge</i>	<i>New England Dairy Council</i>
<b>Revenues</b>							
State and federal aid and grants	\$ 252,977	\$ -	\$ 12,500	\$ -	\$ 297,564	\$ -	\$ -
Contributions	-	-	-	-	-	-	-
Other revenue	383,621	-	-	-	-	-	-
<b>Total revenues</b>	<u>636,598</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>297,564</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>							
<i>Current:</i>							
Salaries	-	-	6,400	-	-	367	-
Employee benefits	-	-	92	-	-	5	-
Purchased services	583,634	-	6,008	-	-	-	-
Supplies and materials	-	-	-	-	-	-	-
Other	329	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital outlay	13,451	-	-	-	297,564	-	-
<b>Total expenditures</b>	<u>597,414</u>	<u>-</u>	<u>12,500</u>	<u>-</u>	<u>297,564</u>	<u>372</u>	<u>-</u>
<b>Net change in fund balance</b>	39,184	-	-	-	-	(372)	-
<b>Fund balances - beginning of year</b>	<u>344,458</u>	<u>180</u>	<u>-</u>	<u>10,746</u>	<u>-</u>	<u>7,251</u>	<u>435</u>
<b>Fund balances - end of year</b>	<u>\$ 383,642</u>	<u>\$ 180</u>	<u>\$ -</u>	<u>\$ 10,746</u>	<u>\$ -</u>	<u>\$ 6,879</u>	<u>\$ 435</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

	<b>Special Revenue Funds</b>						
	<i>Federal Emergency Management Agency</i>	<i>Scholarship America</i>	<i>RI Center for the Arts</i>	<i>RI Council on the Humanities</i>	<i>Perkins Secondary Set Aside</i>	<i>ARP IDEA</i>	<i>Perkins Secondary Grant</i>
<b>Revenues</b>							
State and federal aid and grants	\$ 70,426	\$ -	\$ -	\$ 200	\$ 9,137	\$ 76,686	\$ 55,445
Contributions	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>70,426</u>	<u>-</u>	<u>-</u>	<u>200</u>	<u>9,137</u>	<u>76,686</u>	<u>55,445</u>
<b>Expenditures</b>							
<i>Current:</i>							
Salaries	-	-	-	-	4,620	-	42,324
Employee benefits	-	-	-	-	64	-	3,237
Purchased services	-	-	-	700	4,453	76,686	6,794
Supplies and materials	-	-	-	1,200	-	-	-
Other	-	-	-	-	-	-	9,480
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900</u>	<u>9,137</u>	<u>76,686</u>	<u>61,835</u>
 <b>Net change in fund balance</b>	 70,426	 -	 -	 (1,700)	 -	 -	 (6,390)
<b>Fund balances - beginning of year</b>	<u>-</u>	<u>43</u>	<u>935</u>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>15,480</u>
<b>Fund balances - end of year</b>	<u>\$ 70,426</u>	<u>\$ 43</u>	<u>\$ 935</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,090</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

	<b>Special Revenue Funds</b>						
	<u>RI Foundation</u>	<u>Ponaganset Education Foundation</u>	<u>CAST</u>	<u>SBA Capital Fund #1 Projects</u>	<u>SBA Capital Fund #2 Projects</u>	<u>Office of Innovation CS4RI</u>	<u>Alternative Energy Program</u>
<b>Revenues</b>							
State and federal aid and grants	\$ -	\$ -	\$ -	\$ 44,483	\$ -	\$ -	\$ -
Contributions	5,106	5,000	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>5,106</u>	<u>5,000</u>	<u>-</u>	<u>44,483</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>							
<i>Current:</i>							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	5,106	-	-	1,667	-	-	-
Supplies and materials	-	2,500	-	-	-	-	-
Other	-	-	-	350	-	-	-
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	2,500	-	42,466	-	-	-
<b>Total expenditures</b>	<u>5,106</u>	<u>5,000</u>	<u>-</u>	<u>44,483</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balance</b>	-	-	-	-	-	-	-
<b>Fund balances - beginning of year</b>	<u>-</u>	<u>-</u>	<u>2,055</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>3,900</u>
<b>Fund balances - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,055</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 3,900</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

	<b>Special Revenue Funds</b>						
	<i>Henry/Ruth Scholarship Fund</i>	<i>Protium ALT Energy Scholarship Fund</i>	<i>Sodexo Scholarship Fund</i>	<i>Miscellaneous Scholarship Fund</i>	<i>Future Business Leaders of America</i>	<i>Ponaganset MS Student Activity Fund</i>	<i>Ponaganset HS Student Activity Fund</i>
<b>Revenues</b>							
State and federal aid and grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions	-	-	-	1,500	12,120	-	-
Other revenue	-	-	-	-	-	46,391	175,978
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>12,120</u>	<u>46,391</u>	<u>175,978</u>
<b>Expenditures</b>							
<i>Current:</i>							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	1,500	2,525	-	-
Supplies and materials	-	-	-	-	3,125	-	-
Other	-	-	-	-	-	48,607	171,570
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>5,650</u>	<u>48,607</u>	<u>171,570</u>
<b>Net change in fund balance</b>	-	-	-	-	6,470	(2,216)	4,408
<b>Fund balances - beginning of year</b>	<u>1,700</u>	<u>3,000</u>	<u>1,000</u>	<u>-</u>	<u>2,506</u>	<u>118,674</u>	<u>289,337</u>
<b>Fund balances - end of year</b>	<u>\$ 1,700</u>	<u>\$ 3,000</u>	<u>\$ 1,000</u>	<u>\$ -</u>	<u>\$ 8,976</u>	<u>\$ 116,458</u>	<u>\$ 293,745</u>

(Continued)

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
 Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)  
 Nonmajor Governmental Funds  
 For the Fiscal Year Ended June 30, 2023

	<u>Special Revenue Funds</u>						<u>Total Nonmajor Governmental Funds</u>
	<u>Lindsay Ann Burke Memorial Fund</u>	<u>Intel Corporation</u>	<u>Champlin Foundation</u>	<u>Perkins Special Programs</u>	<u>RI Developmental Disabilities Council</u>	<u>IDEA</u>	
<b>Revenues</b>							
State and federal aid and grants	\$ -	\$ -	\$ -	\$ 447	\$ -	\$ 591,713	\$ 2,218,186
Contributions	300	5,000	-	-	-	-	29,026
Other revenue	-	-	-	-	-	-	627,053
<b>Total revenues</b>	<u>300</u>	<u>5,000</u>	<u>-</u>	<u>447</u>	<u>-</u>	<u>591,713</u>	<u>2,874,265</u>
<b>Expenditures</b>							
<i>Current:</i>							
Salaries	-	-	-	-	-	304,911	769,466
Employee benefits	-	-	-	-	-	67,805	263,853
Purchased services	-	-	-	-	-	198,696	965,478
Supplies and materials	291	1,840	-	-	-	9,861	101,968
Other	-	-	-	447	-	-	248,547
Debt Service	-	-	-	-	-	-	-
Capital outlay	-	2,270	-	-	-	10,440	495,005
<b>Total expenditures</b>	<u>291</u>	<u>4,110</u>	<u>-</u>	<u>447</u>	<u>-</u>	<u>591,713</u>	<u>2,844,317</u>
<b>Net change in fund balance</b>	9	890	-	-	-	-	29,948
<b>Fund balances - beginning of year</b>	<u>-</u>	<u>-</u>	<u>844</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>1,342,368</u>
<b>Fund balances - end of year</b>	<u>\$ 9</u>	<u>\$ 890</u>	<u>\$ 844</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ -</u>	<u>\$ 1,372,316</u>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Combining Statement of Fiduciary Net Position*

*Private-Purpose Trusts*

*June 30, 2023*

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	<i>Memorial School Library Fund</i>	<i>Henry &amp; Pepi Silverstien Memorial Fund</i>	<i>Total Private- Purpose Trusts</i>
<i>Assets</i>			
Cash	\$ 861	\$ -	\$ 861
Due from other funds	-	364	364
<i>Total assets</i>	<u>861</u>	<u>364</u>	<u>1,225</u>
<i>Net Position</i>			
Restricted for other purposes	<u>\$ 861</u>	<u>\$ 364</u>	<u>\$ 1,225</u>

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**

*Combining Statement of Changes in Fiduciary Net Position*

*Private-Purpose Trusts*

*For the Fiscal Year Ended June 30, 2023*

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	<i>Memorial School Library Fund</i>	<i>Henry &amp; Pepi Silverstien Memorial Fund</i>	<i>Total Private- Purpose Trusts</i>
<i><b>Additions</b></i>			
Gifts and contributions	\$ -	\$ -	\$ -
<i><b>Total additions</b></i>	<u>-</u>	<u>-</u>	<u>-</u>
<i><b>Deductions</b></i>			
Scholarships	-	-	-
<i><b>Total deductions</b></i>	<u>-</u>	<u>-</u>	<u>-</u>
<i><b>Change in net position</b></i>	-	-	-
<i><b>Net position - beginning of year</b></i>	<u>861</u>	<u>364</u>	<u>1,225</u>
<i><b>Net position - end of year</b></i>	<u>\$ 861</u>	<u>\$ 364</u>	<u>\$ 1,225</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department

Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

Foster Gloucester  
Regional School District  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2023

<u>REVENUE</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ -
Last Year's Levy Tax Collection	-
Prior Years Property Tax Collection	-
Interest & Penalty	-
PILOT & Tax Treaty (excluded from levy) Collection	-
Other Local Property Taxes	-
Licenses and Permits	-
Fines and Forfeitures	-
Investment Income	-
Departmental	-
Rescue Run Revenue	-
Police & Fire Detail	-
Other Local Non-Property Tax Revenues	-
Tuition	4,112,070
Impact Aid	-
Medicaid	145,270
Federal Stabilization Funds	-
Federal Food Service Reimbursement	244,035
CDBG	-
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	1,145,913
COVID - ESSER	430,223
COVID - CRF	-
COVID - CDBG	-
COVID - FEMA	-
COVID - Other	-
COVID - ARPA	76,686
MV Excise Tax Reimbursement	-
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	-
Meals & Beverage Tax / Hotel Tax	-
LEA Aid	5,355,298
Group Home	-
Housing Aid Capital Projects	935,531
Housing Aid Bonded Debt	1,878,627
State Food Service Revenue	8,943
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	272,237
Motor Vehicle Phase Out	-
Other Revenue	892,798
Local Appropriation for Education	-
Regional Appropriation for Education	15,817,493
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	1,294,749
Other Education Appropriation	-
Rounding	-
<b>Total Revenue</b>	<u><u>\$ 32,609,874</u></u>
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	-
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
<b>Total Other Financing Sources</b>	<u><u>\$ -</u></u>

Foster Gloucester Regional School District  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2023

<u>EXPENDITURES</u>	<u>Education Department</u>
Compensation- Group A	\$ 11,388,479
Compensation - Group B	1,516,832
Compensation - Group C	2,360,989
Compensation -Volunteer	-
Overtime- Group A	-
Overtime - Group B	-
Overtime - Group C	42,601
Police & Fire Detail	-
Active Medical Insurance - Group A	1,762,245
Active Medical Insurance- Group B	147,350
Active Medical Insurance- Group C	900,977
Active Dental insurance- Group A	80,058
Active Dental Insurance- Group B	8,620
Active Dental Insurance- Group C	42,086
Payroll Taxes	448,455
Life Insurance	36,080
State Defined Contribution- Group A	260,378
State Defined Contribution - Group B	24,659
State Defined Contribution - Group C	20,689
Other Benefits- Group A	29,648
Other Benefits- Group B	28,115
Other Benefits- Group C	107,242
Local Defined Benefit Pension- Group A	-
Local Defined Benefit Pension - Group B	-
Local Defined Benefit Pension - Group C	-
State Defined Benefit Pension- Group A	1,660,213
State Defined Benefit Pension - Group B	181,860
State Defined Benefit Pension - Group C	233,832
Other Defined Benefit / Contribution	-
Purchased Services	3,314,551
Materials/Supplies	186,574
Software Licenses	249,149
Capital Outlays	773,080
Insurance	235,542
Maintenance	398,255
Vehicle Operations	61,381
Utilities	624,216
Contingency	-
Street Lighting	-
Revaluation	-
Snow Removal-Raw Material & External Contracts	-
Trash Removal & Recycling	-
Claims & Settlements	-
Community Support	12,768
Other Operation Expenditures	412,589
Tipping Fees	-
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Municipal Debt- Principal	-
Municipal Debt- Interest	-
School Debt- Principal	2,609,988
School Debt- Interest	754,833
Retiree Medical Insurance- Total	75,387
Retiree Dental Insurance- Total	4,390
OPEB Contribution- Total	-
Rounding	-
<b>Total Expenditures</b>	<b>\$ 30,994,109</b>
Financing Uses: Transfer to Capital Funds	\$ -
Financing Uses: Transfer to Other Funds	-
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
<b>Total Other Financing Uses</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>1,615,765</b>
<b>Fund Balance1- beginning of year</b>	<b>\$5,941,284</b>
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	-
Misc. Adjustment	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>5,941,284</b>
Rounding	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 7,557,049</b>

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

Foster Gloucester Regional School District  
Annual Supplemental Transparency Report (MTP2)  
Combining Schedule of  
Reportable Government Services with  
Reconciliation to MTP2  
Education Department  
Fiscal Year Ended June 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance1 - per MTP-2 at June 30, 2022 adjusted</b>						\$ 5,941,284	\$ -	\$ 5,941,284	
<i>No miscellaneous adjustments made for fiscal 2022</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 5,941,284</u>	<u>\$ -</u>	<u>\$ 5,941,284</u>	
School Unrestricted Fund	\$ 27,180,707	\$ 255,548	\$ 26,115,514	\$ 82,304	\$ 1,238,437	\$ 2,777,046	\$ -	\$ 2,777,046	\$ 4,015,483
School Lunch	636,598	-	597,414	-	39,184	344,458	-	344,458	383,642
SBA School Capital Project Fund	1,243,974	78,792	826,070	-	496,696	1,672,554	-	1,672,554	2,169,250
Debt Service Fund	3,173,376	3,512	3,326,204	-	(149,316)	149,316	-	149,316	-
School Special Revenue Funds	2,237,667	-	2,246,903	-	(9,236)	997,910	-	997,910	988,674
<b>Totals per audited financial statements</b>	<u>\$ 34,472,322</u>	<u>\$ 337,852</u>	<u>\$ 33,112,105</u>	<u>\$ 82,304</u>	<u>\$ 1,615,765</u>	<u>\$ 5,941,284</u>	<u>\$ -</u>	<u>\$ 5,941,284</u>	<u>\$ 7,557,049</u>
<b>Reconciliation from financial statements to MTP2</b>									
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	\$ (1,287,203)	\$ -	\$ (1,287,203)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transportation Pass through reimbursement	(575,245)	-	(575,245)	-	-	-	-	-	-
Leases (Lessor)	-	(199,753)	(199,753)	-	-	-	-	-	-
Subscription Based IT Arrangements (SBITA's)	-	(55,795)	(55,795)	-	-	-	-	-	-
Elimination of transfers between funds	-	(82,304)	-	(82,304)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 32,609,874</u>	<u>\$ -</u>	<u>\$ 30,994,109</u>	<u>\$ -</u>	<u>\$ 1,615,765</u>	<u>\$ 5,941,284</u>	<u>-</u>	<u>\$ 5,941,284</u>	<u>\$ 7,557,049</u>
<b>Reconciliation from MTP2 to UCOA</b>									
Transportation Pass through reimbursement	\$ 575,245	\$ -	-	-	-	-	-	-	-
Town of Foster and Gloucester share of Reimbursement	-	-	1,443,829	-	-	-	-	-	-
Miscellaneous variance between MTP2 and UCOA	<u>(1)</u>	<u>-</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Totals per UCOA Validated Totals Report- Dated January 19, 2024</b>	<u>\$ 33,185,118</u>	<u>\$ -</u>	<u>\$ 32,437,941</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
*Reportable Government Services with*  
*MTP2 Notes*  
*Fiscal Year Ended June 30, 2023*

Notes to Supplementary Information – *Annual Supplemental Transparency Report (MTP2)*

**NOTE 1 - BASIS OF PRESENTATION**

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

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

**NOTE 2 - REPORTABLE GOVERNMENT SERVICES**

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

**NOTE 3 - EMPLOYEE GROUPS - COMPENSATION AND BENEFIT COSTS**

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

The Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: Education Department - professional staff providing direct services to students.

Group B: Education Department - executive/mid-level educational administration employees.

Group C: Education Department - administrative and support staff.

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

**NOTE 4 - EDUCATION REVENUE AND EXPENDITURES**

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

Additional guidance and definitions regarding the State’s Municipal Transparency Portal can be found on the State Division of Municipal Finance website: <http://www.municipalfinance.ri.gov/>.



CERTIFIED PUBLIC ACCOUNTANTS

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***REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS***

***Independent Auditor's Report***

To the Members of the Regional School Committee  
Foster-Glocester Regional School District  
North Scituate, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Foster-Glocester Regional School District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Foster-Glocester Regional School District's basic financial statements, and have issued our report thereon dated January 30, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Foster-Glocester Regional School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Foster-Glocester Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Foster-Glocester Regional School District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2023-001 and 2023-002 that we consider to be significant deficiencies.

### **Report on Compliance and Other Matters**

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

### **Foster- Glocester Regional School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Foster-Glocester Regional School District's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Foster-Glocester Regional School District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of This Report**

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

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
January 30, 2024

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Schedule of Findings and Responses**  
**For the Fiscal Year Ended June 30, 2023**

**SIGNIFICANT DEFICIENCY**

**Finding: 2023-001**

**FINANCIAL REPORTING AND CLOSING PROCEDURES**

**Criteria:** An entity's system of internal controls should be designed and operate to allow the entity to prepare accurate and timely financial statements in conformance with generally accepted accounting principles and be designed and operate to prevent, detect, and correct misstatements in the financial statements on a timely basis. The system should also be designed and operate to allow the entity to properly monitor the financial position of the entity.

**Condition:** The School District's monthly and year-end financial reporting and closing procedures are not completed in a timely manner. The School District internal control system also does not include formal review procedures of the monthly and year-end financial account reconciliations, which resulted in proposed audit adjustments to correct year-end accounts payable, accruals and interfund balances.

**Effect:** Material misstatements of the financial statements may not be prevented or detected and corrected in a timely manner. Delays in the completion of the audit of the School District's financial statements.

**Cause:** The School District has not implemented formal monthly and year-end financial statement closing and review procedures. The School District also had some personnel changes in the Business Office in the 2023 fiscal year.

**Identification of a Repeat Finding:** This is a repeat finding from previous audits 2022-001.

**Recommendation:** We recommend that the School District implement formal monthly and year-end financial statement closing and review procedures. The procedures should be documented in a detail schedule with expected completion dates. The procedures should include timely reconciliation of all significant accounts and the review and approval of the reconciliations by the Director of Finance and Operations or other appropriate personnel.

**Views of Responsible Officials and Corrective Action:** Due to continued staffing challenges within the business office, the implementation of a formal monthly close has been delayed. The district business manager is currently in the process of creating a close schedule and drafting account reconciliation templates. Once the templates are complete, staff will be trained how to complete the reconciliations and supply proper supporting documentation. It is anticipated that the monthly close process will be fully implemented before the end of Fiscal Year 2024.

**FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT**  
**Schedule of Findings and Responses**  
**For the Fiscal Year Ended June 30, 2023**

**SIGNIFICANT DEFICIENCY**

**Finding: 2023-002**

**PROCUREMENT**

**Criteria:** Rhode Island General Law 45-55 and Foster-Glocester Regional School District policy require competitive sealed bids for purchases that have an anticipated aggregate price in excess of \$5,000. Exceptions exist for emergency and sole source purchases; however, these types of purchases must be properly documented.

**Condition:** During our test of compliance with procurement requirements, we noted that two of the ten items in excess of \$5,000 selected for testing did not have appropriate documentation to support procurement procedures had been followed and three of the items selected did not follow established procurement policies and procedures.

**Effect:** The School District is not properly documenting compliance with and adhering to procurement laws, policies, and procedures.

**Cause:** The School District did not follow established procurement policies and procedures.

**Identification of a Repeat Finding:** This is a repeat finding from previous audits 2022-002.

**Recommendation:** We recommend that the School District follow established procurement policies and procedures and maintain appropriate procurement documentation on file.

**Views of Responsible Officials and Corrective Action:** Beginning in FY24 the district business office staff have made strides toward fully implementing the district purchasing policy. Employees responsible for department budgets have been informed of the policy dollar thresholds and the applicable documentation requirements. Requisitions that do not comply with the district purchasing policy are returned to the requester until adequate support or explanation is provided. Items in excess of \$5,000 are either obtained using the State of RI Master Purchasing Agreement or a formal bidding process.

***FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT***  
***Summary Schedule of Prior Year Audit Findings***  
***For the Fiscal Year Ended June 30, 2023***

***Finding: 2022-001-***The District has lacked formal monthly and yearly close procedures for many years, which has contributed to significant delays in the completion of yearly audits. Due to staffing issues, this audit finding will be further addressed in FY24.

***Finding: 2022-002-*** The District often utilizes the State of RI Master Purchasing Agreement for purchases over \$5,000. Due to staffing issues, this audit finding will be further addressed in FY24.