



BLACKSTONE-MILLVILLE REGIONAL DISTRICT SCHOOL COMMITTEE

Frederick W. Hartnett Middle School - Media Center
November 14, 2018
6:00PM

- I. Opening of Meeting**
 - a. Call to Order
 - b. Pledge of Allegiance
 - c. Introduction of Members

- II. Report of Student Representative**

- III. Public Forum**

- IV. Consent Agenda A**
 - a. Approval of Warrants
 - b. Approval of Minutes of Meeting
 - i. October 10, 2018
 - c. Approval of Field Trips
 - i. Mystic Aquarium – Mystic, CT
 - ii. Roger Williams Park Zoo – Providence, RI
 - iii. Washington, DC

- V. School Committee**
 - a. Approval of School Committee Protocols
 - b. Review Sub Committee Structure
 - c. Review School Committee Calendar

- VI. Report of the Superintendent**
 - a. Discuss and Approve Co-Op Swim Team
 - b. Science Curriculum Update
 - c. Summit Learning Trip, December 9 – 10, 2018
 - d. Review and Approve Superintendent's Goals

VII. Business Office Report

- a. Audit Report for FY2017
- b. Closeout of FY2018 Budget
 - i. E&D Report
- c. Discuss District Treasurer and Assistant Treasurer Appointments
- d. Salary Spend Down
- e. Cost Center Review
- f. Revenue Report
- g. Personnel Update
- h. FY2020 Budget Timeline

VIII. Facility Report

- a. Facility Report

IX. School Committee Forum

- a. Mrs. Jane Reggio
- b. Mrs. Erin P. Vinacco
- c. Ms. Tara Larkin
- d. Mrs. Caryn Vernon
- e. Mr. Jack R. Keefe
- f. Mrs. Tammy Lemieux
- g. Ms. Bethany Dunton
- h. Ms. Sarah Williams

X. Upcoming Meetings

- a. Regular Meeting – Wednesday, December 12, 2018

XI. Executive Session

XII. Adjournment

The items listed on this agenda are those reasonably anticipated by the Chair to be discussed at the meeting. Not all items may in fact be discussed and other items not listed may also be brought up for discussion to the extent permitted by law.

**BLACKSTONE-MILLVILLE
REGIONAL SCHOOL DISTRICT**

MEMO

TO: Blackstone-Millville Regional School Committee
RE: School Committee, Consent Agenda A
DATE: November 14, 2018

1. Warrants

- a. Payroll
 - i. Move to approve payroll voucher numbers: and as submitted by the Superintendent of Schools
- b. Payables
 - i. Move to approve the payable voucher number: General and Cafeteria as submitted by the Superintendent of Schools

2. Minutes

- i. Move to approve the School Committee Minutes of
 - 1. October 10, 2018

3. Field Trips

- a. Mrs. Nneji requesting Grade 2 to attend field trip to Mystic Aquarium – on May 9, 2019
 - i. Move to approve field trip to Mystic Aquarium as recommended by the Superintendent of Schools
- b. Mrs. Jones and Mrs. Rosenbaum requesting Grade 1 to attend field trip to Roger Williams Park Zoo on June 7, 2019
 - i. Move to approve field trip to Roger Williams Park Zoo as recommended by the Superintendent of Schools
- c. Mrs. Tonya Curt Hoard presenting and requesting approval for 8th Grade field trip to Washington, DC
 - i. Move to approve field trip to Washington, DC as recommended by the Superintendent of Schools

Blackstone- Millville Regional School District School Committee Protocols

For the purpose of enhancing teamwork among members of the School Committee and between our School Committee and administration, we, the members of the Blackstone-Millville Regional District School Committee, do hereby publicly commit ourselves collectively and individually to the following operating protocols:

Who the Committee Represents:

- The BMR School Committee will represent the needs and interests of all the students in the district.
- We will strive to make decisions that are the best for students in all cases, and we assert that all means all.
- We will advocate for the Blackstone-Millville Regional School District and for regional and public education. We accept our roles as ambassadors of the district promoting support for public education and celebrating our successes.

How the Committee will conduct business:

- The School Committee will lead by example. We agree to avoid words and actions that create a negative impression of an individual, the School Committee, or the district. While we encourage debate and differing points of view, we will speak with care and respect.
- The School Committee will conduct its business through a set agenda at both Regular and Special Meetings (Workshops) of the Committee. Emerging items will be addressed in subsequent meetings through items placed on the agenda.
- Surprises to the School Committee or the superintendent will be the exception, not the rule. We agree to ask the School Committee Chair or the Superintendent to place an item on the agenda instead of bringing it up unexpectedly at a meeting.
- We acknowledge that a School Committee meeting is a meeting of the School Committee that is held in public—not a public meeting, and we will make every effort to ensure that the Committee meetings are effective and efficient.
- The Committee will debate issues, not one another and will work to build trusting relationships.

What the Committee will focus on:

- The School Committee will help establish the vision, create policies and assure accountability to sustain continuous improvement in our teaching and learning. The Superintendent will manage the schools and staff.
- The School Committee will consider research, best practice, public input and financial impacts in their decision making.
- The School Committee will represent the needs, interests and achievement of all students in the district and place these above all else in the decisions we make.

- The School Committee will set overarching goals for the District in conjunction with the Superintendent and allow these to drive District Improvement and School Improvement Plans. The Committee will define success and accountability for the itself, the Superintendent, staff and students.

How the Committee will communicate:

- School Committee members will channel request for information through the Superintendent and School Committee Chair rather than directly to staff. The Superintendent will ensure that each member has equal access to any requested information.
- We will recognize a single official “voice” of the Committee, such that, if the Committee is contacted as a whole, the Chair and/or Superintendent will be expected to respond. If members are contacted individually, they will respond if appropriate and/or forward the inquiry to the Superintendent.
- The Committee will maintain the confidentiality of privileged information and respect the Open Meeting Law.
- Members will refer constituent concerns and complaints to the appropriate person within the district chain of communication.
- Members will recognize the importance of working collaboratively with our members towns and town officials to improve our schools and actively seek ways to enlist their support for our efforts.
- Individual School Committee Members do not have authority. Only the School Committee as a whole has authority. We agree that an individual School Committee Member will not take unilateral action.

Continued Committee Improvement means:

- The School Committee will establish continuing workshop opportunities, either in house or external, to support each other and the efforts of the Committee and to assess our goals and hold ourselves accountable.
- School Committee members agree to participate in an annual formal retreat organized by the superintendent and the School Committee chairperson.
- We will model continuous learning in our roles as members of the governance team.

Understanding our Limits:

- It is the responsibility of the Superintendent to oversee the hiring, evaluation, and handling of personnel issues; it is the responsibility of the Committee to evaluate the Superintendent’s effectiveness in these matters.
- We will recognize that authority rests only with the majority decision of the School Committee and will make not independent commitments or take any independent actions that may compromise the School Committee as a whole.
- We will not use our positions for personal gain and when speaking with staff regarding issues surrounding our own children will identify that we are speaking as parents and not members of the School Committee.

Language for vote

In accordance with the Blackstone-Millville School Committee Policy (Section D, File DK), the committee hereby authorizes the review and approval of all accounts payable and payroll warrants to occur during the meetings of the finance and facilities subcommittee. Provided that no less than three members of the committee review and sign a warrant, said warrant shall be certified as correct and approved for payment.

Reference

File: DK - REGIONAL SCHOOL DISTRICT PAYMENT PROCEDURES

All claims for payment from the Blackstone-Millville Regional School District's funds will be processed in accordance with regulations developed by the Superintendent. Payment will be authorized against invoices properly supported by approved purchase orders, with properly submitted vouchers, or in accordance with salaries and salary schedules approved by the BMRSD School Committee.

As an operating procedure, the Committee will receive monthly lists of bills (warrants) for payment from school department funds. The lists will be certified as correct and approved for payment by the School Committee or by a subcommittee of no less than 3 members. Actual invoices, statements, and vouchers will be available for inspection by the School Committee.

The Superintendent will be responsible for assuring that budget allocations are observed and that total expenditures do not exceed the amount allocated in the budget for all items.

LEGAL REFS.: M.G.L. [41:41](#); [41:52](#) [41:56](#); [71:16A](#)

BLACKSTONE-MILLVILLE REGIONAL DISTRICT SCHOOL COMMITTEE 2018-2019 Calendar

July 2018						
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September 2018						
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October 2018						
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November 2018						
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January 2019						
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February 2019						
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31						

April 2019						
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May 2019						
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June 2019						
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30						

Meeting locations to be determined
Meeting begins at 6:00 p.m., unless otherwise indicated

School Committee Meeting

Policy Sub Committee

School Committee Workshops

- Facility & Finance Sub Committee
- Community & Advocacy
- Leaching & Learning

Negotiations, Superintendent Evaluation, Wellness Committee as needed

**BLACKSTONE-MILLVILLE
REGIONAL SCHOOL DISTRICT**

MEMO

TO: Blackstone-Millville Regional School Committee
From: Jill Tosti
RE: Co-Op Swim Team
DATE: November 14, 2018

Students and parents inquiring about trying to get a swim co-op. After asking around to schools who offer swimming, BMR was asked to join the Grafton, Sutton, Nipmuc, Douglas, Northbridge and Auburn schools swim co-op starting this winter season. This co-op will not cost the district any money and will allow more opportunities for students in athletics.

The team will practice and compete at Whitinsville Community Center. Students who are interested in being part of the team will pay the hosting school a user fee of \$250.00 and are responsible for transportation to the WCC.

This is a great opportunity for our student to be a part of a sport that BMR does not have at this time.

Thank you,
Jill Tosti



Superintendent Goals

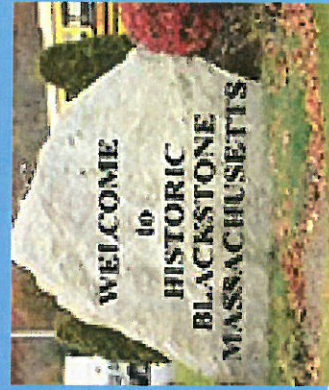
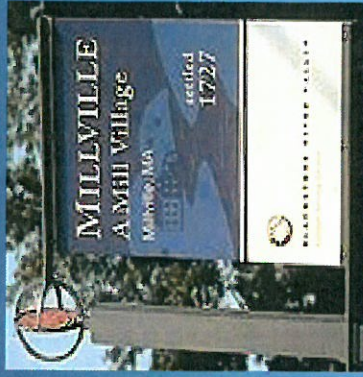
2018-19

School Committee

November 14, 2018

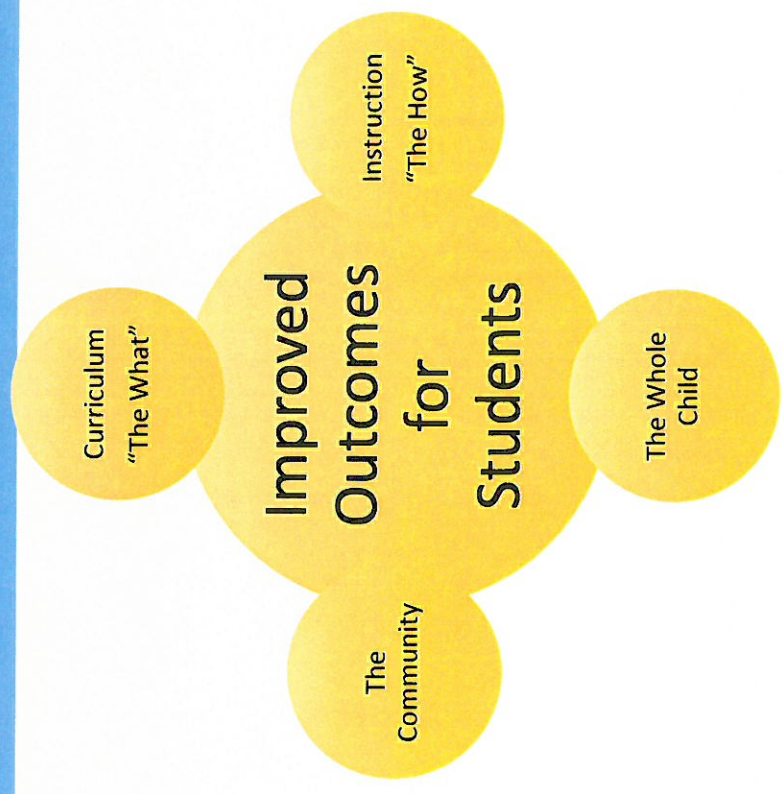
"A District of One – 2,000 Strong!"

Community, Achievement, Respect & Civility





District Improvement Strategy





Student Learning Goal

- The district's goal is for 100% of ALL students to show growth in ELA and math on state assessments as measured by their scaled score.
- We will move at least 10% of students not meeting/partially meeting expectations to meeting/exceeding expectations.
- To narrow the achievement gap, we will move at least 20% of students with special needs not meeting/partially meeting expectations to meeting/exceeding expectations, while the remaining 80% of students will grow within their achievement band.
- Schools will also stretch towards moving at least 10% more students to the advanced level.
We will do this by implementing an instructional framework that is focused on supporting teacher practice and student learning outcomes for ALL students. District level student achievement and growth will be carefully monitored over the course of the year through beginning, middle and end of year using Star testing with the appropriate targets set to stay on-track for meeting the end of the year goals.



Professional Practice Goal

- To create and apply skills in strategy development, instructional leadership, building leadership capacity within the district, and forging strong partnerships with the school committee by completing the first year of the New Superintendent Induction Program and earning a high or moderate impact rating on the Engagement Rubric and rubrics associated with each major assignment.



District Improvement Goal

Teaching and Learning

- By the end of the year, 100% of schools will show evidence of improving instruction and student learning through implementing the Focus Schools Framework specifically in the following areas-
- The implementation of school-based Instructional Leadership Teams (ILTs) who will lead in the following areas:
 - The use of effective data cycles using an internal accountability system (including Star & other common assessments)
 - The review of student work through Professional Learning Communities (PLCs)
 - The creation of meaningful professional development driven by student need and feedback from our educators

This will be measured through weekly standing meetings with principals and monthly meetings with Focused Schools, regular learning walks at all schools, and implementation of professional development plans with staff survey feedback.

- We will also have a deep focus on a comprehensive and collaborative process of writing, reviewing and creating an aligned district curriculum to state standards. By the end of the school year the K-12 science curriculum will be written (K-8) and revised where necessary (9-12) with recommendations in place for resources, materials and trainings for SY'19-20.



District Improvement Goal Fiscal Management

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- The FY19 Budget will be implemented and managed with a new system that will allow for deeper checks and balances to provide all stakeholders with the information necessary to establish stronger fiscal stability.
- The FY20 Budget will be developed and proposed based on the needs of the schools and the district, and in accordance with agreed-upon timelines.
- With input from the School Committee, the administration will present the FY 20 Budget publicly to demonstrate the alignment between the needs of the school district and the allocation of towns, state, and federal resources.



District Improvement Goal Community Outreach

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- By the end of the year, the district will establish a system and a series of community events to engage families and the community in the work of the district. Parents and the community will be aware of the goals and “direction” of the school district through receiving regular monthly communication about the district’s work and progress. This will be measured through an end of the year survey. At least 70% of families and community members who respond to a school and/or district survey will demonstrate a favorable response concerning the overall direction of the Blackstone-Millville Regional School District.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT

INDEPENDENT AUDITORS' REPORT AS
REQUIRED BY UNIFORM GUIDANCE
AND ***GOVERNMENT AUDITING STANDARDS***
AND RELATED INFORMATION

FOR THE YEAR ENDED JUNE 30, 2017

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
INDEPENDENT AUDITORS' REPORT AS REQUIRED BY UNIFORM GUIDANCE
AND *GOVERNMENT AUDITING STANDARDS* AND RELATED INFORMATION
FOR THE YEAR ENDED JUNE 30, 2017

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CERTIFIED PUBLIC ACCOUNTANTS
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Phone: (508) 478-3941

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REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM
GUIDANCE

INDEPENDENT AUDITOR'S REPORT

To the Honorable School Committee
Blackstone-Millville Regional School District

Report on Compliance for Each Major Federal Programs

We have audited the Blackstone-Millville Regional School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Blackstone-Millville Regional School District's major federal program for the year ended June 30, 2017. The Blackstone-Millville Regional School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Blackstone-Millville Regional School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Blackstone-Millville Regional School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Blackstone-Millville Regional School District's compliance.

Opinion on Each Major Federal Program

In our opinion, the Blackstone-Millville Regional School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended June 30, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2017-001, 2017-002, and 2017-003. Our opinion on the major federal program is not modified with respect to these matters.

The Blackstone-Millville Regional School District's responses to the noncompliance findings are identified in our audit and are described in the accompanying schedule of findings and questioned costs. The Blackstone-Millville Regional School District's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

Report on Internal Control over Compliance

Management of the Blackstone-Millville Regional School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Blackstone-Millville Regional School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Blackstone-Millville Regional School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2017-001 and 2017-002 that we consider to be significant deficiencies.

The Blackstone - Millville Regional School District responses to the internal control over compliance findings (2017-001 and 2017-002) are identified in our audit and described in the accompanying schedule of findings and questioned costs. The Blackstone - Millville Regional School District responses were not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Blackstone-Millville Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Blackstone-Millville Regional School District basic financial statements. We issued our report thereon dated August 20, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Respectfully,



Certified Public Accountants

August 20, 2018

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

PROGRAM GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	GRANTOR/ PASS-THROUGH ENTITY IDENTIFYING NUMBER	FEDERAL EXPENDITURES
U.S. DEPARTMENT OF EDUCATION			
SPECIAL EDUCATION CLUSTER:			
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			
SPECIAL EDUCATION PL 94-142 - FY 2017	84.027	240-101184-2017-0622	\$ 433,728
SPECIAL EDUCATION PL 94-142 - FY 2016	84.027	270-137-6-0622-Q	121
SPED PROGRAM IMPROVEMENT - FY 2017	84.027	274-326-7-0622-R	14,456
SPED PROGRAM IMPROVEMENT - FY 2016	84.027	274-017-6-0622-Q	<u>1,312</u>
TOTAL PASS-THROUGH PROGRAMS FROM: DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			<u>449,617</u>
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF EARLY EDUCATION & CARE (EEC)			
INCLUSIVE PRESCHOOL LEARNING ENVIRONMENTS GRANT - FY 2017	84.173	39116BLACKMILLVILLE	11,874
EARLY CHILDHOOD ALLOCATION - FY 2017	84.173	26216BLACKSTONEMILLVILLE	<u>22,137</u>
TOTAL PASS-THROUGH PROGRAMS FROM : DEPARTMENT OF EARLY EDUCATION & CARE (EEC)			<u>34,011</u>
TOTAL SPECIAL EDUCATION CLUSTER:			<u>483,628</u>
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION - DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE) *			
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 17	84.010	305-095453-2017-0622	200,999
TITLE 1 GRANTS TO LOCAL EDUCATIONAL AGENCIES - FY 16	84.010	305-073312-2016-0622	<u>765</u>
TOTAL TITLE 1 GRANTS			<u>201,764</u>
TEACHER QUALITY GRANT - FY 17	84.367	140-097388-2017-0622	40,880
TEACHER QUALITY GRANT - CARRY OVER	84.367	140-060138-2015-0622	373
TEACHER QUALITY GRANT - FY 16	84.367	140-090299-2016-0622	<u>20</u>
TOTAL TEACHER QUALITY GRANTS			<u>41,273</u>
TOTAL PASS-THROUGH PROGRAMS FROM: DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE)			<u>243,037</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>726,665</u>
U.S. DEPARTMENT OF AGRICULTURE			
PASS-THROUGH PROGRAMS FROM: MASSACHUSETTS EXECUTIVE OFFICE OF EDUCATION DEPARTMENT OF ELEMENTARY AND SECONDARY EDUCATION (DESE): BUREAU OF NUTRITION			
CHILD NUTRITION CLUSTER:			
SCHOOL BREAKFAST PROGRAM	10.553	N/A	51,969
NATIONAL SCHOOL LUNCH PROGRAM	10.555	N/A	261,557
NON CASH - NATIONAL SCHOOL LUNCH PROGRAM	10.555	N/A	<u>49,731</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>363,257</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,089,922</u>

SEE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2017**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting policies and financial reporting practices permitted for municipalities in Massachusetts are prescribed by the Uniform Municipal Accounting System (UMAS) promulgated by the Commonwealth of Massachusetts Department of Revenue. The significant accounting policies followed by the School are as follows:

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of the Blackstone-Millville Regional School District under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Blackstone-Millville Regional School District, it is not intended to and does not present the financial position, and changes in net position of the Blackstone-Millville Regional School District.

The accompanying Schedule of Expenditures of Federal Awards is presented on the modified accrual basis whereby revenue is recognized when it becomes available and measureable. Accordingly expenditures are recognized when the liability is incurred. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

II. SCOPE OF AUDIT

The Blackstone-Millville Regional School District (the School) is a governmental agency established by the laws of the Commonwealth of Massachusetts. All operations related to the School's Federal grant programs, (the Department of Agriculture and Department of Education), are included in the scope of the Uniform Guidance Audit Requirements for audits of state and local governments (the Single Audit). The U.S. Department of Education has been designated as the School's oversight agency for the Single Audit.

III. PERIOD AUDITED

Single audit testing procedures were performed for the School Federal grant transactions during the year ended June 30, 2017.

IV. SCHOOL LUNCH PROGRAM

The School accounts for local, state and federal expenditures of the National School Lunch and School Breakfast programs in one combined fund. Program expenditures in the accompanying Schedule of Expenditures of Federal Awards represent federal reimbursements for meals provided during fiscal 2017. Contributions of noncash assistance commodities under the Food Distribution program are received under a State distribution formula and are valued at federally published wholesale prices for purposes of this schedule.

V. SUBRECIPIENTS

The Blackstone-Millville Regional School District passed no federal awards through to sub-recipients during the period under audit.

VI. IN DIRECT COST RATE

The Blackstone-Millville Regional School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under Uniform Guidance.

R. E. BROWN & COMPANY

CERTIFIED PUBLIC ACCOUNTANTS
25 CEMETERY STREET – P.O. Box 230
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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 Honorable School Committee
Blackstone-Millville Regional School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Blackstone-Millville Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Blackstone-Millville Regional School District's basic financial statements, and have issued our report thereon dated August 20, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Blackstone-Millville Regional School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Blackstone-Millville Regional School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Blackstone-Millville 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Respectfully,

A handwritten signature in blue ink that reads "R. E. Brown + Company". The signature is written in a cursive, flowing style.

Certified Public Accountants

August 20, 2018

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

A. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditors' Report Issued: Unmodified Opinion

Internal Control over Financial Reporting:

- Material Weakness(es) Identified? _____ Yes X No
- Significant Deficiency(ies) Identified? _____ Yes X No

Noncompliance Material to the Financial Statements Noted? _____ Yes X No

Federal Awards

Internal Control over Major Program:

- Material Weakness(es) Identified? _____ Yes X No
- Significant Deficiency(ies) Identified? X Yes _____ No

Type of Auditors' Report Issued on Compliance for the Major Program: Unmodified Opinion

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Uniform Guidance? X Yes _____ No

Identification of the Major Program:

CFDA No.	Name of Federal Program or Cluster
84.027 & 84.173	Special Education Cluster

Dollar Threshold used to Distinguish Between Type A and Type B Programs:

\$ 750,000

Auditee Qualified as Low-Risk Auditee? _____ Yes X No

B. FINDINGS – BASIC FINANCIAL STATEMENT AUDIT – NONE.

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

C. CURRENT YEAR FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT –

Finding 2017-001 – Special Education Cluster – CFDA No.'s 84.027 & 84.173
Department of Education

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Significant Deficiency over Compliance of the Major Program

Criteria:

Title 2 U.S. Code of Federal Regulations Part 200 requires the following:

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- 1) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.*
- 2) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.*

State Finance Regulations

- *Form RF1 for requesting funds through an on-line process has been developed to document the Department's distribution of funds on an "as needed" basis. The requests should be based, as much as possible, on actual expenditures, rather than what is obligated. Unexpended balances should not exceed 10% of funds received to date for any DESE administered grants. It is incumbent upon grant recipients to observe their expenditures closely and submit their RF1 forms within the designated timeframe, usually the last two weeks of the month, for requesting cash advances. Grant recipients may make requests in excess of the allotment schedule but must include a justification explaining the need for additional funds and additional documentation may be required.*

BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017

CURRENT YEAR FINDINGS AND QUESTIONED COSTS – CONTINUED

- *By submitting a request the grantee certifies that the request is in compliance with the "Cash Management Act" (31CFR part 205) and EDGAR regulations (34 CFR part 80.20 and 80.21), which allow for cash advances provided grantees maintain procedures to minimize the time elapsing between the receipt and disbursement of grant funds. Additionally, the grantee certifies that the obligations incurred under this project for which funds are requested, were made within the period of availability (project duration) stated in the grant award notice. The grant records in support of each request must be in sufficient detail to properly substantiate all claims for payment and expenditures made under the grant.*

Condition: During our test of controls over compliance with cash management requirements as it related to the Special Education PL 94-142 (84.027), and the Special Education Program Improvement (84.027) we discovered that there were requests for funds (Form RF-1) related to the grants that were not based, as much as possible, on actual expenditures, rather than what is obligated.

Questioned Costs: None

Context: During our test of cash disbursements for the Special Education PL 94-142 (84.027), and the Special Education Program Improvement (84.027) there were instances in which funds expended per the grants management payment center report did not agree with actual expenditures.

Effect: At various times in the fiscal year the cash balances were in the deficit position. Additionally in the instances where the cash balance was in excess of needs, this may result in the District earning interest in excess of federal guidelines and funds would need to be returned to the U.S. Treasury.

Cause: There was no proper training during transition.

Identification as a Repeat Finding: This is a repeat finding 2016-005.

Recommendation: The grantee's administrative staff should establish procedures to ensure compliance with the cash management requirements. These procedures should include a thorough review of cash needs based on expenditures incurred as of the date of an anticipated draw down and how quickly those related liabilities are anticipated to be liquidated through the normal warrant (bill) payment process.

Management's Response: A new Business Manager was appointed and interim SPED was appointed. The correct process will be applied in FY 19. An outside CPA consultant is engaged to assess.

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

CURRENT YEAR FINDINGS AND QUESTIONED COSTS – CONTINUED

Finding 2017-002 – Special Education Cluster – CFDA No.’s 84.027 & 84.173
Department of Education

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Significant Deficiency over Compliance of the Major Program

Criteria: The Period of Availability for the Special Education Program Improvement Grant was March 31, 2017 through August 31, 2017.

Condition: During our test of controls over compliance it was noted that there are expenditures charged to the Special Education Program Improvement Grant (March 31, 2017 through August 31, 2017) for services outside of the period of performance as set forth by the Massachusetts Department of Elementary and Secondary Education.

Questioned Costs: This finding did result in questioned costs of \$9,538.90 for expenditures charged prior to the start of the grant.

Context: During our test of expenditures and review of the general ledger against the Special Education Program Improvement Grant as it related to compliance it was noted that there were expenditures charged to the grant for services prior to the grant start date of March 31, 2017 and thus would be outside the period of performance and thus would not be allowable costs.

Effect: The Blackstone – Millville Regional School District was not in compliance with the period of performance requirement set forth by the Massachusetts Department of Elementary and Secondary Education.

Cause: Lack of procedures and training.

Identification as a Repeat Finding: This is a repeat finding 2016-004.

Recommendation: We recommend the Blackstone – Millville Regional School District follow procedures to ensure that expenditures charged to the grants are within the period of performance as set forth by the and Massachusetts Department Elementary and Secondary Education.

Management’s Response: A new Business Manager was appointed and interim SPED was appointed. The correct process will be applied in FY 19. An outside CPA consultant is engaged to assist.

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

CURRENT YEAR FINDINGS AND QUESTIONED COSTS – CONTINUED

Finding 2017-003 – Special Education Cluster – CFDA No.’s 84.027 & 84.173
Department of Education

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Criteria: Where employees work solely or partially on a single Federal award or cost objective, their salaries or wages must be supported by periodic certification that the employee worked solely on these programs for the period covered by the programs. The certifications should be prepared at least semi-annually, and should be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. In addition employees partially funded by the grant should have monthly certifications performed.

Condition: During our test of controls over compliance with time and effort certifications the school department was not able to provide evidence that required semi-annual certifications of time and effort for those employees whose time was wholly spent on these programs were performed in a timely manner as required by Uniform Guidance.

Questioned Costs: None

Context: During our test of payroll transactions of the Early Childhood Education grant and Early Childhood Inclusive grant it was noted that the time and effort certifications were not completed in a timely manner as set forth by the Massachusetts Department of Early Education and Care

Effect: The Blackstone Millville Regional School District was not in compliance with the time and effort certification requirements.

Cause: Financial Assistant wasn't aware it needed to be signed soon after the period ends. Thought it could be signed at the beginning of the semi-annual date.

Identification as a Repeat Finding: This is a repeat finding 2016-001.

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

CURRENT YEAR FINDINGS AND QUESTIONED COSTS – CONTINUED

Recommendation: We recommend the School District follow procedures to ensure that semi-annual certifications are prepared and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees in a timely manner in order to comply with the time and effort certification requirement.

Management Response: The District uses the Substitute System Time and Effect Certifications for Employees with a fixed schedule and certifications are signed in a timely manner.

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS

Finding 2016-001 – Special Education Cluster – CFDA No.’s 84.027 & 84.173

Department of Education

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Criteria: Where employees work solely or partially on a single Federal award or cost objective, their salaries or wages must be supported by periodic certification that the employee worked solely on these programs for the period covered by the programs. The certifications should be prepared at least semi-annually, and should be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. In addition employees partially funded by the grant should have monthly certifications performed.

Condition: During our test of controls over compliance with time and effort certifications the school department was not able to provide evidence that required semi-annual certifications of time and effort for those employees whose time was wholly spent on these programs were performed in a timely manner as required by Uniform Guidance.

Questioned Costs: None

Context: During our test of payroll transactions of the SPED PL 94-142 and Early Childhood Education grant it was noted that the time and effort certifications were not completed in a timely manner as set forth by the Massachusetts Department of Elementary and Secondary Education and the Massachusetts Department of Early Education and Care

Effect: The Blackstone Millville Regional School District was not in compliance with the time and effort certification requirements.

Cause: Document was misplaced.

Identification as a Repeat Finding: This is not a repeat finding.

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Recommendation: We recommend the School District follow procedures to ensure that semi-annual certifications are prepared and signed by either the employees or supervisory official having first-hand knowledge of the work performed by the employees in a timely manner in order to comply with the time and effort certification requirement.

Management Response: The SPED Department will now scan the grant document electronically as a record.

Current Status: Finding still exist in FY 2017

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Finding 2016-002 – Special Education Cluster – CFDA No.’s 84.027 & 84.173
Department of Education
Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Significant Deficiency Related over Compliance of the Major Program

Criteria:

Massachusetts Department of Elementary and Secondary Education and Massachusetts Department of Early Education and Care Requires:

- Final expenditure reports are required to be filed within 60 days of the grant period ending date.

Condition: During our test of controls over compliance it was noted that the Special Education PL 94-142, Special Education Program Improvement, Early Childhood Special Education, and the Early Childhood Inclusion grant final expense reports were not filed within 60 days of the grant period ending as required by Massachusetts Department of Elementary and Secondary Education and Massachusetts Department of Early Education Care.

Questioned Costs: None

Context: During our test of the Final Expenditure Reports it was noted that the Special Education PL 94-142, Special Education Program Improvement, Early Childhood Special Education, and the Early Childhood Inclusion grants final expense reports were not filed within 60 days of the grant period ending as required by Massachusetts Department of Elementary and Secondary Education and Massachusetts Department of Early Education and Care. The information reported on the Final Expenditure Reports were accurate, but were filed late.

Effect: The Blackstone – Millville Regional School District was not in compliance with the Final Expenditure Reporting requirement date as set forth by the Massachusetts Department of Elementary and Secondary Education and Massachusetts Department of Early Education and Care.

Cause: Personnel change

Identification as a Repeat Finding: This is a repeat finding.

Recommendation: We recommend the Blackstone – Millville Regional School District follow procedures to ensure that the Final Expenditure Report is filed within the 60 days of the grant period ending date as required by the Massachusetts Department of Elementary and Secondary Education and Massachusetts Department of Early Education and Care.

Management’s Response: Because of personnel responsibility change and lack of training grant final reports were not filed in a timely manner.

Current Status: Finding resolved in FY 2017

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Finding 2016-003 – Special Education Cluster – CFDA No.’s 84.027 & 84.173

Department of Education

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Noncompliance and Significant Deficiency Related to Internal Control over Compliance of the Major Program

Criteria: Title 2 U.S. Code of Federal Regulations Part 200, Subparts D and E (2 CFR sections 200.300 and 200.400, respectively) Uniform Administrative Requirements, Cost Principles, and Requirements for Federal Awards (Uniform Guidance), states that nonfederal entities must establish and maintain effective internal controls over federal awards that provides the nonfederal entity is managing the federal award in compliance with federal statutes, regulations, and the terms of the federal award. These internal controls should be in compliance with guidance in “Standards for Internal Control in the Federal Government”, issued by the Comptroller General of the United States and the “Internal Control Integrated Framework”, issue by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Condition: Although the Blackstone - Millville Regional School District has designed and implemented many internal controls in administering federal award programs, the Blackstone - Millville Regional School District has not documented their internal control system over federal awards.

Questioned Costs: None

Context: The Blackstone - Millville Regional School District has designed and implemented many internal controls in administering federal award programs, which we tested and verified. However, the Blackstone - Millville Regional School District has not documented their internal control system over federal awards.

Effect: Lack of written documentation of internal control policies and procedures may lead to situations of noncompliance with federal requirements for allowable costs, cash management, etc.

Cause: New Standard

Identification as a Repeat Finding: This is not a repeat finding.

Recommendation: We recommend that the Blackstone - Millville Regional School District establish written policies and procedures to document the administering of federal grant awards.

Management’s Response: The District now has a grant management procedure in compliance with the new standards.

Current Status: Finding resolved in FY 2017

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Finding 2016-004 – Special Education Cluster – CFDA No.’s 84.027 & 84.173
Department of Education

Massachusetts Department of Elementary and Secondary Education and the
Massachusetts Department of Early Education and Care

Significant Deficiency over Compliance of the Major Program

Criteria: The Period of Availability for Early Childhood Inclusive Preschool Learning Environments Grant was November 5, 2015 through June 30, 2016.

Condition: During our test of controls over compliance it was noted that there are expenditures charged to the Early Childhood Inclusive Preschool Learning Environments Grant (November 5, 2015 through June 30, 2016) for services outside of the period of performance as set forth by the Massachusetts Department of Early Education and Care.

Questioned Costs: This finding did result in a questioned cost of \$3,598.62 for expenditures charged prior to the start of the grant.

Context: During our test of expenditures and review of the general ledger against the Early Childhood Inclusive Preschool Learning Environments Grant as it related to compliance it was noted that there were expenditures charged to the grant for services prior to the grant start date of November 5, 2015 and thus would be outside the period of performance and thus would not be allowable costs.

Effect: The Blackstone – Millville Regional School District was not in compliance with the period of performance requirement set forth by the Massachusetts Department of Early Education and Care.

Cause: The Business Office wasn’t clear about the award date

Identification as a Repeat Finding: This is not repeat finding.

Recommendation: We recommend the Blackstone – Millville Regional School District follow procedures to ensure that expenditures charged to the grants are within the period of performance as set forth by the and Massachusetts Department of Early Education and Care.

Management’s Response: The Business Office will communicate with SPED Department more effectively about the grant period starting and ending dates.

Current Status: Finding still exist in FY 2017

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Finding 2016-005 – Special Education Cluster – CFDA No.'s 84.027 & 84.173

Department of Education

Massachusetts Department of Elementary and Secondary Education

Significant Deficiency over Compliance of the Major Program

Criteria:

Title 2 U.S. Code of Federal Regulations Part 200 requires the following:

(b) The financial management systems of other grantees and subgrantees must meet the following standards:

- 3) Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.*
- 4) Accounting records. Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income.*

State Finance Regulations

- Form RF1 for requesting funds through an on-line process has been developed to document the Department's distribution of funds on an "as needed" basis. The requests should be based, as much as possible, on actual expenditures, rather than what is obligated. Unexpended balances should not exceed 10% of funds received to date for any DESE administered grants. It is incumbent upon grant recipients to observe their expenditures closely and submit their RF1 forms within the designated timeframe, usually the last two weeks of the month, for requesting cash advances. Grant recipients may make requests in excess of the allotment schedule but must include a justification explaining the need for additional funds and additional documentation may be required.*
- By submitting a request the grantee certifies that the request is in compliance with the "Cash Management Act" (31CFR part 205) and EDGAR regulations (34 CFR part 80.20 and 80.21), which allow for cash advances provided grantees maintain procedures to minimize the time elapsing between the receipt and disbursement of grant funds. Additionally, the grantee certifies that the obligations incurred under this project for which funds are requested, were made within the period of availability (project duration) stated in the grant award notice. The grant records in support of each request must be in sufficient detail to properly substantiate all claims for payment and expenditures made under the grant.*

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2017**

D. PRIOR YEAR FINDINGS & QUESTIONED COSTS – CONTINUED

Condition: During our test of controls over compliance with cash management requirements as it related to the Special Education PL 94-142 (84.027), and the Special Education Program Improvement (84.027) we discovered that there were requests for funds (Form RF-1) related to the grants that were not based, as much as possible, on actual expenditures, rather than what is obligated.

Questioned Costs: None

Context: During our test of cash disbursements for the Special Education PL 94-142 (84.027), and the Special Education Program Improvement (84.027) there were instances in which funds expended per the grants management payment center report exceeded actual expenditures and thus the funds requested exceeded the allowable funds allocation.

Effect: Cash balances in excess of needs may be earning interest in excess of federal guidelines and would need to be returned to the U.S. Treasury.

Cause: Lack of training on the fund request timeline

Identification as a Repeat Finding: This is a repeat finding.

Recommendation: The grantee's administrative staff should establish procedures to ensure compliance with the cash management requirements. These procedures should include a thorough review of cash needs based on expenditures incurred as of the date of an anticipated draw down and how quickly those related liabilities are anticipated to be liquidated through the normal warrant (bill) payment process.

Management's Response: We agree with the auditors' recommendation. Starting with FY18 grant year the Financial Assistant who requests fund will run an expenditure report and/or communicate with the Business Manager to ensure compliance with the cash management requirement.

Current Status: Finding still exist in FY 2017

BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT

**REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS**

JUNE 30, 2017

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
 REPORT ON EXAMINATION OF
 BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017**

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**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
REPORT ON EXAMINATION OF
BASIC FINANCIAL STATEMENTS
JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Honorable School Committee
Blackstone - Millville Regional School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Blackstone - Millville Regional School District, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Blackstone - Millville Regional School District, as of June 30, 2017, and, the respective changes in financial position and, the respective budgetary comparison for the General Fund and the for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Worcester Regional Retirement Systems schedules - District's proportionate share of the net pension liability, and District's contribution, Massachusetts Teachers Retirement System's schedule of the Commonwealth's Collective amounts of the Net Pension Liability, other post-employment benefits - schedules of funding progress and employer contributions, actuarial methods and assumptions, and notes to the required supplementary information on pages 3 – 9, 49 –50, 51, 52 – 53 and 54 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



August 20, 2018

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT

Management's Discussion and Analysis

Fiscal Year Ended June 30, 2017

As management of the Blackstone-Millville Regional School District (the School District), we offer readers this narrative overview and analysis of the financial activities of the School District for the fiscal year ended June 30, 2017. The intent of this discussion and analysis is to look at the School District's financial performance as a whole. Readers should also review notes to the basic financial statements and financial statements to enhance their understanding of the School District's financial performance.

FINANCIAL HIGHLIGHTS

- The assets of the School District exceeded its liabilities at June 30, 2017 by \$863,442. Of this amount, \$(16,072,022) is considered an Unrestricted Net Deficit. The Total Net Position decreased by \$3,023,916 from the balance at June 30, 2016.
- The School District has adopted the requirement of GASB Statement No. 45 related to Other Post-Employment Benefits (OPEB), resulting in the recognition of a liability and associated expense of \$1,531,223 in 2017 and \$931,415 in 2016. The total cumulative non-current liability for OPEB is \$9,699,243 at June 30, 2017 and \$8,168,020 at June 30, 2016.
- The School District had \$31,822,970 in expenses related to governmental activities; only \$6,272,186 of these expenses were offset by program specific charges for services, capital grants and contributions, and operating grants and contributions. General revenues totaling \$22,526,868 were received primarily from two sources. Member Town assessments were \$11,210,747 or 50 percent of total general revenues and unallocated State aid totaled \$11,312,393 or 50 percent of the total.
- The General Fund's total fund balance decreased by \$586,113 to \$565,271. At June 30, 2017 unassigned fund balance for the General Fund was \$409,542 or approximately 1.8 percent of total General Fund expenditures reported on the budgetary basis.
- The majority of the School District's cost are related to salary benefits and associated expenses which amount to approximately \$17,100,000 in Fiscal Year 2017 as reported on a budgetary basis. These payroll cost and related costs amount to approximately 54 percent of the total expenditures of the School District.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis also serves as an introduction to the School District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private-sector business.

OVERVIEW OF FINANCIAL STATEMENTS (Continued)

Government-Wide Financial Statements

The Statement of Net Position presents information on all assets and liabilities, 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 is improving or deteriorating.

The Statement of Activities presents information showing how the government'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., earned but unused vacation leave).

Governmental Activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant, pupil transportation and extracurricular activities.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the funds can be divided into two categories: governmental 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 and outflows 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 a government'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 government's near-term financing 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.

An annual appropriated budget is adopted for the general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the School District's own programs.

Notes to Basic 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.

	NET POSITION			
	Governmental Activities			
	<u>FY 2017</u>	<u>FY 2016</u>	<u>\$ Change</u>	<u>% Change</u>
ASSETS:				
Current Assets	\$ 2,694,511	\$ 4,065,351	\$ (1,370,840)	-33.72%
Capital Assets	20,288,524	21,145,744	(857,220)	-4.05%
Total Assets	<u>22,983,035</u>	<u>25,211,095</u>	<u>(2,228,060)</u>	<u>-8.84%</u>
Deferred Outflows of Resources:	<u>1,332,383</u>	<u>695,507</u>	<u>636,876</u>	<u>100.00%</u>
LIABILITIES:				
Current Liabilities (excluding debt)	1,549,254	1,507,796	41,458	2.75%
Non-Current Liabilities	17,568,443	14,934,585	2,633,858	17.64%
Current Debt	611,785	1,454,552	(842,767)	-57.94%
Non-Current Debt	3,614,616	4,122,311	(507,695)	-12.32%
Total Liabilities	<u>23,344,098</u>	<u>22,019,244</u>	<u>1,324,854</u>	<u>6.02%</u>
Deferred Outflows of Resources:	<u>107,878</u>	<u>-</u>	<u>107,878</u>	<u>100.00%</u>
NET POSITION:				
Net Investment in Capital Assets	16,166,213	16,515,738	(349,525)	-2.12%
Restricted	769,251	1,065,515	(296,264)	-27.80%
Unrestricted	(16,072,022)	(13,693,895)	(2,378,127)	17.37%
Total Net Position	<u>\$ 863,442</u>	<u>\$ 3,887,358</u>	<u>\$ (3,023,916)</u>	<u>-77.79%</u>

The largest of the School District's total assets totaling \$20,288,524 in 2017 and \$21,145,744 in 2016 is invested in capital assets (land, buildings and equipment), and has accumulated depreciation applied since acquisition, where applicable. These capital assets are used to provide services to students; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of Net Position, \$ 769,251 in 2017 and \$1,065,515 in 2016, represents resources that are subject to internal and external restrictions on how they may be used. The remaining balance of unrestricted Net Position was a deficit of \$16,072,022 in 2017 and \$13,693,895 in 2016.

The deficit in Unrestricted Net Position is largely a result of recognizing an OPEB (Other Post-Employment Benefit) Liability of \$9,699,243 and the School District proportionate share of Net Pension Liability related to the regional retirement system which totals \$7,661,333 for 2017. The combined liability for OPEB and Pension Liability totaling \$17,360,576 at June 30, 2017 as an increase of \$2,557,699 over June 30, 2016 liability.

Changes in Net Position

	Governmental Activities			
	FY 2017	FY 2016	\$ Change	% Change
Revenues:				
Program Revenues				
Charges for Services	\$ 742,153	\$ 655,965	\$ 86,188	13.14%
Operating Grants and Contributions	5,474,147	4,897,182	576,965	11.78%
Capital Grants and Contributions'	55,886	16,092	39,794	247.29%
General Revenues				
State aid, Not restricted to specific programs	11,312,393	11,223,895	88,498	0.79%
Assessments to member Towns	11,210,747	11,147,356	63,391	0.57%
Unrestricted Investment Income	3,728	5,729	(2,001)	-34.93%
Other Revenues	-	20,419	(20,419)	-100.00%
Total Revenues	28,799,054	27,966,638	832,416	2.98%
Expenses:				
Administration	1,037,716	970,675	67,041	6.91%
Instruction	12,974,902	12,664,084	310,818	2.45%
Student Transportation	1,744,531	1,899,935	(155,404)	-8.18%
Food Services	774,440	748,752	25,688	3.43%
Athletics	261,796	248,823	12,973	5.21%
Other School Services	601,710	505,019	96,691	19.15%
Operations and Maintenance	1,835,183	2,031,829	(196,646)	-9.68%
Property and Liability Insurance	8,437	19,777	(11,340)	-57.34%
Retirement Benefits	4,411,726	3,368,239	1,043,487	30.98%
Fringe Benefits	5,493,675	4,544,087	949,588	20.90%
Payment to Other Districts	509,750	369,794	139,956	37.85%
School Choice & Charter Assessments	308,574	507,522	(198,948)	-39.20%
Federal and State Grant Programs	874,925	1,244,342	(369,417)	-29.69%
Capital Outlay	500	6,887	(6,387)	100.00%
Interest	127,885	149,376	(21,491)	-14.39%
Depreciation	857,220	776,922	80,298	10.34%
Total Expenses	31,822,970	30,056,063	1,766,907	5.88%
Changes in Net Position	(3,023,916)	(2,089,425)	(934,491)	44.72%
Net Position - Beginning of Year	3,887,358	5,976,783	(2,089,425)	-34.96%
Net Position - End of Year	\$ 863,442	\$ 3,887,358	\$ (3,023,916)	-77.79%

THE SCHOOL DISTRICT FUNDS

At June 30, 2017, the School District's governmental funds reported a combined ending fund balance of \$1,178,793 which represents a decrease of \$580,304 compared to June 30, 2016 balances.

General Fund

The general fund is the chief operating fund. At the end of the current fiscal year, unassigned fund balance of the general fund was \$409,542 while total fund balance was \$565,271. The fund balance of the School District's general fund decreased by \$586,113 during the current fiscal year.

Key factors in this change are as follows:

- The fund balance decrease of \$586,113 reflects actual revenues and expenditures incurred, regardless of the fiscal year they were budgeted. The School District used \$125,000 of excess and deficiency (a non-revenue source of funds) to balance the 2017 budget. On a budgetary basis, the School District had a total negative variance (deficit) of \$144,040 in Fiscal Year 2017. Transfers out to non-major governmental funds of \$216,334 was a major factor in the overall negative variance between budgeted and actual results in 2017.
- On a budgetary basis, the School District over-expended its Fiscal Year 2017 appropriations by \$50,252. The School District received an additional \$86,961 in assessment revenue, which accounted for a significant amount of the overall positive revenue variance totaling \$103,187 in Fiscal Year 2017.

Community Education Funds/Grants

The fund balances of the various community education programs decreased by \$264,136 during Fiscal Year 2017 resulting in an ending balance of \$598,135.

Capital Improvements Fund

The School district has \$104,090 outstanding Bond anticipation notes which were used to fund roof project expenditures.

GENERAL FUND BUDGET

During the fiscal year, the School Committee authorizes revisions to the original budget to accommodate differences from the original budget to the actual expenditures of the School District. The following table summarizes the Fiscal Year 2017 budgetary totals by major functions with comparable totals for Fiscal Year 2016.

	Final Budget 2017	Final Budget 2016
Instruction	\$12,870,853	\$12,484,446
Administration	1,019,629	1,057,495
Student Transportation	1,667,950	1,707,161
Athletics	182,875	251,218
Other School Services	334,721	379,636
Operations and Maintenance	1,691,102	2,090,801
Property and Liability Insurance	8,720	12,581
Retirement Benefits	499,906	509,956
Fringe Benefits	3,311,157	3,236,828
Payments to Other Districts	538,369	413,154
School Choice & Charter	245,917	238,073
Assessments		
Debt Service	635,284	662,902
Total	\$23,006,483	\$23,044,251

Fiscal 2018

The approved total Fiscal 2018 budget of \$22,663,490 is approximately two percent higher than the Fiscal 2017 budget. The member town assessments are \$11,392,968 or \$182,221 higher than the Fiscal 2017 assessments.

CAPITAL ASSETS

Total investment in capital assets at year-end amounted to \$20,288,524 (net of accumulated depreciation), a decrease of \$857,220 from the prior year. The investment in capital assets includes land, buildings and facilities, machinery and equipment, and other depreciable costs.

DEBT ADMINISTRATION

Debt Obligations Payable

Outstanding obligations payable at June 30, 2016	\$ 5,549,178
Add: New Issues	104,090
Less: Debt retired	<u>(1,447,631)</u>
Outstanding obligations payable at June 30, 2017	<u>\$ 4,205,637</u>

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have questions about this report or need additional information, contact Jason DeFalco EdD, Superintendent of Schools, 175 Lincoln Street, Blackstone, MA 01504, 508-876-0137

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2017**

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
CURRENT:	
CASH AND SHORT-TERM INVESTMENTS	\$ 2,617,123
RECEIVABLES:	
INTERGOVERNMENTAL	52,418
OTHER ASSETS	24,970
TOTAL CURRENT ASSETS	2,694,511
NONCURRENT:	
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	20,288,524
TOTAL ASSETS	22,983,035
DEFERRED OUTFLOWS OF RESOURCES	
RELATED TO PENSIONS	1,332,383
<u>LIABILITIES</u>	
CURRENT:	
ACCOUNTS PAYABLE	116,483
ACCRUED PAYROLL	1,269,214
OTHER LIABILITIES	25,931
ACCRUED INTEREST	39,731
CAPITAL LEASE PAYABLE	6,921
BONDS AND NOTES PAYABLE	604,864
COMPENSATED ABSENCES	87,920
EARLY RETIREMENT INCENTIVE	9,975
NONCURRENT:	
CAPITAL LEASE PAYABLE	13,843
BONDS AND NOTES PAYABLE	3,600,773
COMPENSATED ABSENCES	207,867
POSTEMPLOYMENT BENEFITS	9,699,243
NET PENSION LIABILITY	7,661,333
TOTAL LIABILITIES	23,344,098
DEFERRED INFLOWS OF RESOURCES	
RELATED TO PENSIONS	107,878
<u>NET POSITION</u>	
NET INVESTMENT IN CAPITAL ASSETS	16,166,213
RESTRICTED FOR:	
CAPITAL PROJECTS	15,387
OTHER PURPOSES	753,864
UNRESTRICTED	(16,072,022)
TOTAL NET POSITION	\$ 863,442

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2017

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSE) REVENUE
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
PRIMARY GOVERNMENT:					
GOVERNMENTAL ACTIVITIES:					
ADMINISTRATION	\$ 1,037,716	\$ -	\$ -	\$ -	(1,037,716)
INSTRUCTION	12,974,902	85,280	-	-	(12,889,622)
STUDENT TRANSPORTATION	1,744,531	-	-	-	(1,744,531)
FOOD SERVICES	774,440	431,913	378,246	-	35,719
ATHLETICS	261,796	74,956	252	-	(186,588)
OTHER SCHOOL SERVICES	601,710	82,616	217,640	-	(301,454)
OPERATIONS AND MAINTENANCE	1,835,183	67,388	-	-	(1,767,795)
PROPERTY AND LIABILITY INSURANCE	8,437	-	-	-	(8,437)
RETIREMENT BENEFITS	4,411,726	-	3,867,473	-	(544,253)
FRINGE BENEFITS	5,493,675	-	-	-	(5,493,675)
PAYMENTS TO OTHER DISTRICTS	509,750	-	-	-	(509,750)
SCHOOL CHOICE & CHARTER ASSESSMENTS	308,574	-	-	-	(308,574)
FEDERAL AND STATE GRANT PROGRAMS	874,925	-	1,010,536	-	135,611
INTEREST	127,885	-	-	-	(127,885)
CAPITAL ACQUISITIONS	500	-	-	55,886	55,386
DEPRECIATION (unallocated)	857,220	-	-	-	(857,220)
TOTAL GOVERNMENTAL ACTIVITIES	\$ 31,822,970	\$ 742,153	\$ 5,474,147	\$ 55,886	\$ (25,550,784)

See accompanying notes to the basic financial statements

(continued)

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FISCAL YEAR ENDED JUNE 30, 2017**

	PRIMARY GOVERNMENT
	GOVERNMENTAL ACTIVITIES
CHANGES IN NET POSITION:	
NET (EXPENSE) REVENUE FROM PREVIOUS PAGE	\$ (25,550,784)
GENERAL REVENUES:	
ASSESSMENTS TO MEMBER TOWNS	11,210,747
STATE AID, NOT RESTRICTED TO SPECIFIC PROGRAMS	11,312,393
INVESTMENT EARNINGS	3,728
TOTAL GENERAL REVENUES	22,526,868
CHANGE IN NET POSITION	(3,023,916)
NET POSITION:	
BEGINNING OF YEAR	3,887,358
END OF YEAR	\$ 863,442

See accompanying notes to the basic financial statements

(concluded)

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 JUNE 30, 2017

<u>ASSETS</u>	GENERAL	CAPITAL IMPROVEMENTS FUNDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
CASH AND SHORT-TERM INVESTMENTS	\$ 1,944,364	\$ 119,477	\$ 553,282	\$ 2,617,123
RECEIVABLES:				
INTERGOVERNMENTAL	6,692	-	45,726	52,418
OTHER ASSETS	-	-	24,970	24,970
TOTAL ASSETS	\$ 1,951,056	\$ 119,477	\$ 623,978	\$ 2,694,511
 <u>LIABILITIES AND FUND BALANCES</u>				
LIABILITIES:				
ACCOUNTS PAYABLE	\$ 103,425	-	\$ 13,058	\$ 116,483
ACCRUED PAYROLL	1,267,861	-	1,353	1,269,214
OTHER LIABILITIES	14,499	-	11,432	25,931
NOTES PAYABLE	-	104,090	-	104,090
TOTAL LIABILITIES	1,385,785	104,090	25,843	1,515,718
FUND BALANCES:				
RESTRICTED	-	72,449	618,176	690,625
ASSIGNED	155,729	-	-	155,729
UNASSIGNED	409,542	(57,062)	(20,041)	332,439
TOTAL FUND BALANCES	565,271	15,387	598,135	1,178,793
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,951,056	\$ 119,477	\$ 623,978	\$ 2,694,511

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED JUNE 30, 2017

	GENERAL	CAPITAL IMPROVEMENTS FUNDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
ASSESSMENTS TO MEMBER TOWNS	\$ 11,210,747	\$ -	\$ -	\$ 11,210,747
INTERGOVERNMENTAL	11,312,393	55,886	1,580,295	12,948,574
INTERGOVERNMENTAL - ON-BEHALF PAYMENTS	3,867,473	-	-	3,867,473
CHARGES FOR SERVICES				
SCHOOL LUNCH	-	-	431,913	431,913
FEES	-	-	310,240	310,240
INVESTMENT INCOME	3,728	-	-	3,728
CONTRIBUTIONS & DONATIONS	-	-	252	252
DEPARTMENTAL	-	-	26,127	26,127
TOTAL REVENUES	26,394,341	55,886	2,348,827	28,799,054
EXPENDITURES:				
CURRENT:				
INSTRUCTION	12,870,894	-	104,008	12,974,902
ADMINISTRATION	1,037,716	-	-	1,037,716
STUDENT TRANSPORTATION	1,666,886	-	77,645	1,744,531
FOOD SERVICES	-	-	774,440	774,440
ATHLETICS	181,949	-	79,847	261,796
OTHER SCHOOL SERVICES	338,623	-	263,087	601,710
OPERATIONS AND MAINTENANCE	1,749,216	-	92,888	1,842,104
PROPERTY AND LIABILITY INSURANCE	8,437	-	-	8,437
RETIREMENT BENEFITS	544,253	-	-	544,253
FRINGE BENEFITS	3,189,424	-	201,764	3,391,188
MA STATE RETIREMENT ON-BEHALF PAYMENTS	3,867,473	-	-	3,867,473
PAYMENTS TO OTHER DISTRICTS	509,750	-	-	509,750
SCHOOL CHOICE & CHARTER ASSESSMENTS	308,574	-	-	308,574
FEDERAL AND STATE GRANT PROGRAMS	-	-	874,925	874,925
CAPITAL OUTLAY	-	500	-	500
DEBT SERVICE:				
PRINCIPAL	500,774	-	-	500,774
INTEREST	134,510	1,775	-	136,285
TOTAL EXPENDITURES	26,908,479	2,275	2,468,604	29,379,358
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(514,138)	53,611	(119,777)	(580,304)
OTHER FINANCING SOURCES (USES)				
OPERATING TRANSFERS IN	144,359	216,334	-	360,693
OPERATING TRANSFERS OUT	(216,334)	-	(144,359)	(360,693)
TOTAL OTHER FINANCING SOURCES (USES)	(71,975)	216,334	(144,359)	-
NET CHANGE IN FUND BALANCES	(586,113)	269,945	(264,136)	(580,304)
FUND BALANCES AT BEGINNING OF YEAR	1,151,384	(254,558)	862,271	1,759,097
FUND BALANCES AT END OF YEAR	\$ 565,271	\$ 15,387	\$ 598,135	\$ 1,178,793

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TOTAL FUND BALANCES TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

TOTAL GOVERNMENTAL FUND BALANCES		\$ 1,178,793
CAPITAL ASSETS (NET) USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS		20,288,524
IN THE STATEMENT OF ACTIVITIES, INTEREST IS ACCRUED ON OUTSTANDING LONG-TERM DEBT, WHEREAS IN GOVERNMENTAL FUNDS INTEREST IS NOT REPORTED UNTIL DUE		(39,731)
LONG-TERM LIABILITIES ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE GOVERNMENTAL FUNDS		
BONDS AND NOTES PAYABLE	(4,101,547)	
CAPITAL LEASE PAYABLE	(20,764)	
OTHER POSTEMPLOYMENT BENEFITS (OPEB)	(9,699,243)	
NET PENSION LIABILITY	(7,661,333)	
DEFERRED INFLOWS OF RESOURCES	(107,878)	
DEFERRED OUTFLOWS OF RESOURCES	1,332,383	
EARLY RETIREMENT	(9,975)	
COMPENSATED ABSENCES	<u>(295,787)</u>	
NET EFFECT OF REPORTING LONG-TERM LIABILITIES		<u>(20,564,144)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 863,442</u>

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FISCAL YEAR ENDED JUNE 30, 2017

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS		\$ (580,304)
<p>GOVERNMENTAL FUNDS REPORT CAPITAL OUTLAYS AS EXPENDITURES. HOWEVER, IN THE STATEMENT OF ACTIVITIES THE COST OF THOSE ASSETS IS ALLOCATED OVER THEIR ESTIMATED USEFUL LIVES AND REPORTED AS DEPRECIATION EXPENSE.</p>		
DEPRECIATION EXPENSE	<u>(857,220)</u>	
NET EFFECT OF REPORTING CAPITAL ASSETS		(857,220)
<p>THE ISSUANCE OF LONG-TERM DEBT (E.G., BONDS) PROVIDES CURRENT FINANCIAL RESOURCES TO GOVERNMENTAL FUNDS, WHILE THE REPAYMENT OF THE PRINCIPAL OF LONG-TERM DEBT CONSUMES THE FINANCIAL RESOURCES OF GOVERNMENTAL FUNDS. NEITHER TRANSACTION, HOWEVER, HAS ANY EFFECT ON NET ASSETS. ALSO, GOVERNMENTAL FUNDS REPORT THE EFFECT OF ISSUANCE COSTS, PREMIUMS, DISCOUNTS, AND SIMILAR ITEMS WHEN DEBT IS FIRST ISSUED, WHEREAS THESE AMOUNTS ARE DEFERRED AND AMORTIZED IN THE STATEMENT OF ACTIVITIES.</p>		
DEBT SERVICE PRINCIPAL PAYMENTS	<u>500,774</u>	
NET EFFECT OF REPORTING LONG-TEM DEBT		500,774
<p>SOME EXPENSES REPORTED IN THE STATEMENT OF ACTIVITIES DO NOT REQUIRE THE USE OF CURRENT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED AS EXPENDITURES IN THE GOVERNMENTAL FUNDS.</p>		
NET CHANGE IN CAPITAL LEASE	6,921	
NET CHANGE IN COMPENSATED ABSENCES ACCRUAL	(73,786)	
NET CHANGE IN ACCRUED INTEREST ON LONG-TERM DEBT	8,400	
NET CHANGE IN OTHER POSTEMPLOYMENT BENEFITS	(1,531,223)	
NET PENSION LIABILITY	(1,026,476)	
DEFERRED INFLOWS OF RESOURCES	(107,878)	
DEFERRED OUTFLOWS OF RESOURCES	<u>636,876</u>	
NET EFFECT OF RECORDING LONG-TERM LIABILITIES		<u>(2,087,166)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ (3,023,916)</u>

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FISCAL YEAR ENDED JUNE 30, 2017

	AMOUNTS CARRIED FORWARD FROM PRIOR YEAR	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL BUDGETARY AMOUNTS	AMOUNTS CARRIED FORWARD TO NEXT YEAR	VARIANCE OVER (UNDER)
REVENUES:						
ASSESSMENTS:						
BLACKSTONE	\$ -	\$ 8,342,756	\$ 8,342,756	\$ 8,416,131	\$ -	\$ 73,375
MILLVILLE	-	2,781,030	2,781,030	2,794,616	-	13,586
TOTAL ASSESSMENTS	-	11,123,786	11,123,786	11,210,747	-	86,961
STATE AID:						
CHAPTER 70	-	10,826,779	10,826,779	10,826,779	-	-
TRANSPORTATION	-	469,116	469,116	485,614	-	16,498
TOTAL STATE AID	-	11,295,895	11,295,895	11,312,393	-	16,498
LOCAL:						
INVESTMENT INCOME	-	4,000	4,000	3,728	-	(272)
TOTAL REVENUES	-	22,423,681	22,423,681	22,526,868	-	103,187
EXPENDITURES:						
CURRENT:						
INSTRUCTION	62,834	12,808,019	12,870,853	12,870,894	5,251	(5,292)
ADMINISTRATION	5,645	1,013,984	1,019,629	1,037,716	9,893	(27,980)
STUDENT TRANSPORTATION	5,262	1,662,688	1,667,950	1,666,886	-	1,064
ATHLETICS	-	182,875	182,875	181,949	-	926
OTHER SCHOOL SERVICES	-	334,721	334,721	338,623	585	(4,487)
OPERATIONS AND MAINTENANCE	17,614	1,673,488	1,691,102	1,749,216	-	(58,114)
PROPERTY AND LIABILITY INSURANCE	-	8,720	8,720	8,437	-	283
RETIREMENT BENEFITS	-	499,906	499,906	544,253	-	(44,347)
FRINGE BENEFITS	16,447	3,294,710	3,311,157	3,189,424	-	121,733
PAYMENTS TO OTHER DISTRICTS	-	538,369	538,369	509,750	-	28,619
SCHOOL CHOICE & CHARTER ASSESSMENTS	-	245,917	245,917	308,574	-	(62,657)
DEBT SERVICE:						
PRINCIPAL	-	500,774	500,774	500,774	-	-
INTEREST	-	134,510	134,510	134,510	-	-
TOTAL EXPENDITURES	107,802	22,898,661	23,006,483	23,041,006	15,729	(50,252)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(107,802)	(475,000)	(582,802)	(514,138)	(15,729)	52,935
OTHER FINANCING SOURCES (USES):						
OPERATING TRANSFERS IN	-	125,000	125,000	144,359	-	19,359
OPERATING TRANSFERS OUT	-	-	-	(216,334)	-	(216,334)
TOTAL OTHER FINANCING SOURCES (USES)	-	125,000	125,000	(71,975)	-	(196,975)
NET CHANGE IN BUDGETARY FUND BALANCE	\$ (107,802)	\$ (350,000)	\$ (457,802)	\$ (586,113)	\$ (15,729)	\$ (144,040)
OTHER BUDGETARY ITEMS						
USE OF UNRESERVED FUND BALANCE	\$ -	\$ 350,000	\$ 350,000			
PRIOR YEAR ENCUMBRANCES	107,802	-	107,802			
TOTAL OTHER BUDGETARY ITEMS	107,802	350,000	457,802			
NET BUDGET	\$ -	\$ -	\$ -			

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<u>ASSETS</u>		
CASH AND SHORT-TERM INVESTMENTS	\$ 13,878	\$ 63,694
<u>LIABILITIES</u>		
ACCOUNTS PAYABLE	-	675
OTHER LIABILITIES	-	63,019
TOTAL LIABILITIES	-	63,694
<u>NET POSITION</u>		
NET POSITION - HELD IN TRUST FOR OTHER PURPOSES	\$ 13,878	\$ -

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FISCAL YEAR ENDED JUNE 30, 2017

	PRIVATE PURPOSE TRUST FUNDS
<u>ADDITIONS:</u>	
CONTRIBUTIONS:	
PRIVATE DONATIONS	\$ 6,000
<u>DEDUCTIONS:</u>	
EDUCATIONAL SCHOLARSHIPS	2,500
CHANGE IN NET POSITION	3,500
NET POSITION AT BEGINNING OF YEAR	10,378
NET POSITION AT END OF YEAR	\$ 13,878

See accompanying notes to the basic financial statements

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying basic financial statements of the Blackstone-Millville Regional School District in Blackstone, Massachusetts (the District) have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the recognized standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant District accounting policies:

A. Reporting Entity

Primary Government

The Blackstone-Millville Regional School District was formed under Chapter 71 of the Massachusetts General Laws. The District is comprised of the Towns of Blackstone and Millville. The District was established in 1967 and operates under a regional agreement serving the educational needs of students in Grades K through 12. The form of government is an elected eight-member School Committee that is responsible for appointing a Superintendent who is the chief operating officer for the District.

The School District operates five school buildings – John F. Kennedy School, A.F. Maloney School, Millville Elementary School, Frederick Hartnett Middle School and the Blackstone-Millville Regional High School. The School District is responsible for both the operating and capital costs related to all buildings, which are apportioned to the Towns based on student enrollment in accordance with the regional agreement.

For financial reporting purposes, the basic financial statements include all funds, organizations, account groups, agencies, boards, commissions and institutions that are not legally separate from the District

The District has also considered all potential component units, blended or discretely presented, for which it is financially accountable as well as other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the basic financial statements to be misleading or incomplete. Blended component units, although legally separate entities, are, in substance, part of the District's operations and discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the District. It has been determined that there are no component units (blended or discretely presented) for inclusion in the primary government's financial reporting entity.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The government-wide financial statements (i.e., statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. The District reports Governmental *Activities*, which are primarily supported by member Town assessments and intergovernmental revenues.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Fund Financial Statements

Separate financial statements are provided for governmental funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and displayed in a single column.

Major Fund Criteria

A fund is considered major if it is the primary operating fund of the District or it meets the following criteria:

- a. If the total assets, liabilities, revenues, or expenditures of an individual governmental fund are at least 10 percent of the corresponding element (assets, liabilities, etc.) for all funds of that category or type (total governmental funds), and
- b. If the total assets, liabilities, revenues, or expenditures of the individual governmental fund are at least 5 percent of the corresponding element for all governmental funds combined.

Additionally, any other governmental fund that management believes is particularly significant to the basic financial statements may be reported as a major fund.

Fiduciary funds are reported by fund type.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when the liabilities are incurred.

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The *statement of activities* demonstrates the degree to which the direct expenses of a particular function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include the following:

- a. *Charges to customers or applicants* who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment.
- b. *Grants and contributions* that are restricted to meeting the operational requirements of a particular function or segment.
- c. *Grants and contributions* that are restricted to meeting the capital requirements of a particular function or segment.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Assessments and other items not identifiable as program revenues are reported as general revenues.

The effect of interfund activity has been removed from the government-wide financial statements.

Fund Financial Statements

Governmental Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred, except for interest on general long-term debt which is recognized when due, and the noncurrent portion of net pension liability, compensated absences, capital lease, and other post-employment benefits (OPEB) which are recognized when the obligations are expected to be liquidated with current expendable available resources.

Member assessments are apportioned among capital and operating costs, less intergovernmental and other revenues, and are based upon student enrollment.

In applying the susceptible to accrual concept to intergovernmental revenues, there are essentially two types of revenues. In one, moneys must be expended on the specific purpose or project before any amounts will be paid to the District; therefore, revenues are recognized based upon the expenditures incurred. In the other, moneys are virtually unrestricted and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Investment income is susceptible to accrual. Other receipts and revenue become measurable and available when the cash is received and are recognized as revenue at that time.

The District reports the following major governmental funds:

- The *General fund* is the primary operating fund of the District. It is used to account for all financial resources, except those that are required to be accounted for in another fund.
- The *Capital Improvements Funds* are used to account for capital equipment purchases and other capital improvements.
- The *Nonmajor Governmental funds* consist of other special revenue funds that are aggregated and presented in the nonmajor governmental funds column on the governmental funds financial statements. The following describes the general use of this fund type:
 - The *Special Revenue fund* is used to account for the proceeds of specific revenue sources (other than capital projects funds) that are restricted by law or administrative action to expenditures for specified purposes.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Fiduciary Fund Financial Statements

Fiduciary fund financial statements are reported using the flow of economic resources measurement focus and use the accrual basis of accounting. Fiduciary funds are used to account for assets held by the District in a trustee capacity for others that cannot be used to support the governmental programs.

The following fiduciary fund types are reported:

- The *Private-Purpose Trust fund* is used to account for various scholarship awards.
- The *Agency fund* is used to account for assets held in a purely custodial capacity.

D. Cash and Investments

Government-Wide and Fund Financial Statements

Cash and short term investments are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments are reported at fair value.

E. Fair Value Measurements

The District reports required types of financial instruments in accordance with the fair value standards. These standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or valuation techniques) to determine fair value. Fair value standards also require the government to classify these financial instruments into a three-level hierarchy, based on the priority of inputs to the valuation technique or in accordance with net asset value practical expedient rules, which allow for either Level 2 or Level 3 depending on lock up and notice periods associated with the underlying funds. Instruments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 – Quoted prices are available in active markets for identical instruments as of the reporting date. Instruments, which are generally included in this category, include actively traded equity and debt securities, U.S. government obligations, and mutual funds with quoted market prices in active markets.

Level 2 – Pricing inputs are other than quoted in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. Certain fixed income securities, primarily corporate bonds, are classified as Level 2 because fair values are estimated using pricing models, matrix pricing, or discounted cash flows.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Level 3 – Pricing inputs are unobservable for the instrument and include situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management judgment or estimation. In some instances the inputs used to measure fair value may fall into different levels of the fair value hierarchy and is based on the lowest level of input that is significant to the fair value measurement. Market price is affected by a number of factors, including the type of instrument and the characteristics specific to the instrument. Instruments with readily available active quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. It is reasonably possible that change in values of these instruments will occur in the near term and that such changes could materially affect amounts reported in these financial statements. For more information on the fair value of the District’s financial instruments, see Note 3 – Fair Market Value of Investments.

F. Accounts Receivable

Government-Wide and Fund Financial Statements

The recognition of revenue related to accounts receivable reported in the government-wide financial statements and fiduciary funds financial statements are reported under the accrual basis of accounting. The recognition of revenue related to accounts receivable reported in the governmental funds financial statements are reported under the modified accrual basis of accounting.

Intergovernmental

Various federal and state grants for operating and capital purposes are applied for and received annually. For non-expenditure driven grants, receivables are recognized as soon as all eligibility requirements imposed by the provider have been met. For expenditure driven grants, receivables are recognized when the qualifying expenditures are incurred and all other grant requirements are met. These receivables are considered 100% collectible.

G. Inventories

Government-Wide and Fund Financial Statements

Inventories of the governmental funds are recorded as expenditures at the time of purchase. Such inventories are not material in total to the basic financial statements, and therefore are not reported.

H. Capital Assets

Government-Wide Financial Statements

Capital assets, which include land, buildings and improvements, improvements other than buildings, machinery, equipment and furnishings, trucks, software, and intangible assets are reported in the applicable governmental activities column of the government-wide financial statements. Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are recorded at the estimated fair market value at the date of donation.

All purchases and construction costs in excess of \$5,000 are capitalized at the date of acquisition or construction, respectively, with expected useful lives of 5 years or greater.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Capital assets (excluding land) are depreciated on a straight-line basis. The estimated useful lives of capital assets are as follows:

Asset Class	Estimated Useful Life (in years)
Buildings and improvements	40
Improvements other than buildings	15-40
Trucks	5
Machinery, equipment and furnishings	5-10
Software	5
Debt issue costs (Intangible Assets)	20

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized and are treated as expenses when incurred. Improvements are capitalized.

Governmental Fund Financial Statements

Capital asset costs are recorded as expenditures in the fiscal year of purchase for the various funds.

I. Interfund Receivables and Payables

During the course of its operations, transactions occur between and within individual funds that may result in amounts owed between funds.

Government-Wide Financial Statements

Transactions of a buyer/seller nature between and within governmental funds are eliminated from the governmental activities in the Statement of Net Position.

Fund Financial Statements

Transactions of a buyer/seller nature between and within funds are not eliminated from the individual fund statements.

J. Interfund Transfers

During the course of its operations, resources are permanently reallocated between and within funds. These transactions are reported as operating transfers in and operating transfers out.

Government-Wide Financial Statements

Operating transfers between and within governmental funds are eliminated from the governmental activities in the Statement of Net Position.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

Fund Financial Statements

Operating transfers between and within funds are not eliminated from the individual fund statements and are reported as operating transfers in and operating transfers out.

K. Net Position and Fund Equity

Government-Wide Financial Statements (Net Position)

Net Position are classified into three components:

- a. *Net Investment in capital assets* – consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. *Restricted net position* – Consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or laws or regulations of other governments.

Net position have been “restricted” for the following:

- *Capital Projects* represents various ongoing roof projects and other capital equipment and improvements at June 30, 2017.
 - *Other purposes* represent restrictions placed on assets from outside parties.
- c. *Unrestricted net position* – All other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements (Fund Balances)

The District uses the following criteria for fund balance classification:

- For *restricted* fund balance: when constraints placed on the use of the resources are either (1) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- For *assigned* fund balance: (1) the body or official authorized to assign amounts to a specific purpose and (2) the policy established by the governing body pursuant to which the authorization is given.
- For *unassigned* fund balance: is the residual classification for the general fund. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

The District uses the following criteria for fund balance policies and procedures:

- When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the unrestricted amount will be considered to have been spent.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

- When an expenditure is incurred for purposes for which, assigned or unassigned fund balance is available, and the least restricted amount will be considered to have been spent.

L. Deferred Outflows/Inflows of Resources

Government-Wide Financial Statements (Net Position)

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenditure) until then. The District reported deferred outflows of resources related to pensions in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District reported deferred inflows of related to pensions in the category.

Governmental Fund Financial Statements

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents assets that have been recorded in the governmental fund financial statements but the revenue is not available and so will not be recognized as an inflow of resources (revenue) until it becomes available. There were no deferred inflows of resources outstanding as of June 30, 2017.

M. Long-term debt

Government-Wide Financial Statements

Long-term debt is reported as liabilities in the government-wide statement of net position. Material bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

Governmental Fund Financial Statements

The face amount of governmental funds long-term debt is reported as other financing sources. Bond premiums and discounts, as well as issuance costs, are recognized in the current period. Bond premiums are reported as other financing sources and bond discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual bond proceeds received, are reported as general government expenditures.

N. Investment Income

Investment income derived from major and nonmajor governmental funds is legally assigned to the general fund unless otherwise directed by Massachusetts General Laws (MGL).

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

O. Compensated Absences

The District grants to employees sick and vacation leave, in varying amounts based upon collective bargaining agreements, state laws and executive policies.

Government-Wide Financial Statements

Vested or accumulated vacation and sick leave are reported as liabilities and expensed as incurred.

Governmental Fund Financial Statements

The portion of the liability related to unused vacation time that has matured or is due as of June 30, 2017 is recorded in the governmental fund financial statement.

P. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Worcester Regional Retirement System (WRRS) and the Massachusetts Teachers Retirement System (MTRS). Additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the Systems. 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.

Q. Post Retirement Benefits

Government-Wide and Fund Financial Statements

In addition to providing pension benefits, health insurance coverage is provided for retired employees and their survivors in accordance with Chapter 32B, of Massachusetts General Laws, under various contributory plans. The cost of providing health insurance is recognized by recording the employer's 50% share of insurance premiums in the general fund in the fiscal year paid. All benefits are provided through third-party insurance carriers and health maintenance organizations that administer, assume, and pay all claims.

R. Use of Estimates

Government-Wide and Fund Financial Statements

The preparation of the accompanying 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 during the reporting period. Actual results could vary from estimates that were used.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

S. Total Column

Fund Financial Statements

The total column on the fund financial statements is presented only to facilitate financial analysis. Data in this column is not comparable to the consolidated financial information.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Basis of Accounting

Municipal law requires the adoption of a balanced budget that is approved by the School District’s members and committees.

Annually, the School Committee prepares a tentative budget, including capital costs. In accordance with the District agreement, the School Committee adopts the annual operating and maintenance budget not later than 45 days to the earliest date on which the first business session of the annual Town meeting of any member Town is held but no later than March 31st of any year, providing that such annual budget need not to be adopted prior to February 1st on any year. The final budget, divided between operating costs and capital costs, is then apportioned among the Member Towns. The apportioned amount for each Member Town must be certified to the Treasurers of such Towns within 30 days from the date on which said annual budget is adopted.

B. Assessments

Assessments are levied annually to the Member Towns of the District for the fiscal year beginning on July 1, and are due and payable in five (5) installments.

Capital costs, as defined by the District’s Regional Agreement, generally relate to costs incurred to construct or improve school plant operations.

Capital costs shall include payment for principal and interest on indebtedness incurred to meet capital outlay. Each Member Town’s proportionate share of the annual capital costs shall be determined to the nearest one hundredth of one percent by dividing the equalized valuation of the Town by the total of the equalized valuations of all Member Towns of the School District.

Operating costs include all other expenses not listed as capital costs, as well as interest on temporary notes issued by the District in anticipation of revenue. The current year’s operating costs are apportioned utilizing the statutory method of assessment. The contributions and expenditures break downs for Fiscal Year 2017 are as follows:

	Operating Contribution	Additional Local Contribution	Transportation and Other Expenditures	Capital and Debt Expenditures	Total Assessment
Blackstone	\$ 6,241,740	\$ 410,000	\$ 1,247,165	\$ 517,226	\$ 8,416,131
Millville	1,941,214	160,000	488,383	205,019	2,794,616
Totals	<u>\$ 8,182,954</u>	<u>\$ 570,000</u>	<u>\$ 1,735,548</u>	<u>\$ 722,245</u>	<u>\$ 11,210,747</u>

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

C. Budgetary – GAAP Reconciliation

While the School District is reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

The statement of revenues, expenditures, and changes in fund balances – budget and actual presented for the general fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget.

The adjustments necessary to reconcile the GAAP and Budgetary Basis Statements are as follows:

<u>General Fund</u>	<u>Revenues</u>	<u>Expenditures</u>
GAAP Basis	\$ 26,394,341	\$ 26,908,479
To reverse the effect of non-budgeted State contributions for teacher's retirement	<u>(3,867,473)</u>	<u>(3,867,473)</u>
Budgetary Basis	<u>\$ 22,526,868</u>	<u>\$ 23,041,006</u>

D. Deficit Fund Balance

Several individual fund deficits exist within the special revenue and the capital improvements funds. These individual deficits will be eliminated through subsequent fiscal year budget transfers, grants, or proceeds of long-term debt during fiscal year 2018.

NOTE 3 – DEPOSITS AND INVESTMENTS

A cash pool is maintained that is available for use by all funds. Each fund type's portion of this pool is displayed on the balance sheet as "cash and short term investments."

Deposits

▪ *Custodial Credit Risk – Deposits*

Custodial credit risk is the risk that in the event of bank failure, the School District's deposits may not be returned. The District does not have a formal deposit policy for custodial credit risk.

The District carries deposits that are fully insured by the Federal Deposit Insurance Corporation (FDIC), and Deposit Insurance Fund (DIF).

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

The following table illustrates how much of the District's bank deposits are insured, and how much of the District's bank deposits are uninsured and uncollateralized as of June 30, 2017:

Total Bank Balances		<u>\$ 2,958,008</u>
Bank Balances Covered by Deposit Insurance		
Federal Deposit Insurance Corporation (FDIC)	250,000	
Deposit Insurance Fund (DIF)	<u>2,708,008</u>	
Total Bank Balances Covered by Deposit Insurance		2,958,008
Bank Balances Uninsured and Uncollateralized		<u>-</u>
Total Bank Balances		<u>\$ 2,958,008</u>

Investments

Investments can also be made in securities issued by or unconditionally guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreement guaranteed by the U.S. government or agencies that have a maturity of less than one year from the date of purchase, repurchase agreements guaranteed by such securities with maturity dates of no more than 90 days from the date of purchase, and units in the Massachusetts Municipal Depository Trust (MMDT). The Treasurer of the Commonwealth of Massachusetts oversees the financial management of the MMDT, a local investment pool for cities, Districts, and other state and local agencies within the Commonwealth.

The District did not hold or own any investments as of June 30, 2017.

a) Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. For short-term investments that were purchased using surplus revenues, Massachusetts General Law Chapter 44, Section 55, limits the District's investments to the top rating issued by at least one nationally recognized statistical rating organization (NRSROs).

The District has not adopted a formal policy related to Credit Risk.

b) Custodial Credit Risk

For an investment, this is the risk that, in the event of a failure by the counterparty, the District will not be able to recover the value of its investments or collateral security that are in possession of an outside party.

The District does not have an investment policy for custodial credit risk.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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c) Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the risk of its fair value to change with the market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

d) Concentration of Credit Risk

The District places no limit on the amount that may be invested in any one issuer.

e) Fair Market Value of Assets

The District holds no investments that are measured at fair value on a recurring basis as of June 30, 2017.

NOTE 4 – INTERGOVERNMENTAL RECEIVABLES

The School District's intergovernmental receivable balance represents reimbursements from other governments for expenditures incurred, aid awarded, or debt incurred, and consisted of the following at June 30, 2017.

Governmental Funds:

General Fund:

Commonwealth of Massachusetts	
School Transportation	\$ 6,692

Non-Major Governmental Funds:

U.S. Department of Agriculture	
School Lunch	23,277
U.S. Department of Education	
Federal School Grants	20,825

Commonwealth of Massachusetts	
School Lunch	1,624

Total	<u><u>\$ 52,418</u></u>
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BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2017, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
<i>Capital assets not being depreciated :</i>				
Land	\$ 280,000	\$ -	\$ -	\$ 280,000
<i>Capital assets being depreciated :</i>				
Building and improvements	30,975,974	-	-	30,975,974
Improvements other than buildings	1,274,117	-	-	1,274,117
Trucks	195,891	-	-	195,891
Machinery, equipment and furnishings	3,101,150	-	-	3,101,150
Software	91,411	-	-	91,411
Debt issue costs intangible Assets	31,915	-	-	31,915
Total capital assest being depreciated	35,670,458	-	-	35,670,458
<i>Less accumulated depreciation for :</i>				
Building and improvements	(11,118,848)	(728,674)	-	(11,847,522)
Improvements other than buildings	(483,251)	(42,374)	-	(525,625)
Trucks	(148,132)	(17,998)	-	(166,130)
Machinery, equipment and furnishings	(2,946,315)	(66,578)	-	(3,012,893)
Software	(91,411)	-	-	(91,411)
Debt issue costs intangible Assets	(16,757)	(1,596)	-	(18,353)
Total accumulated depreciation	(14,804,714)	(857,220)	-	(15,661,934)
Total capital assets being depreciated, net	20,865,744	(857,220)	-	20,008,524
Total governmental activities capital assets, net	\$ 21,145,744	\$ (857,220)	\$ -	\$ 20,288,524

Depreciation expense was not charged to functions of the School District, but was recorded as unallocated in the Statement of Activities in the amount of \$857,220

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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NOTE 6 – CAPITAL LEASE

The District has entered into a lease agreement as lessee for financing the acquisition of a 2016 six passenger wheel chair van. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The asset acquired through the capital lease is as follows:

	Governmental Activities
Asset:	
Vehicle	\$ 34,606
Less: Accumulated depreciation	(10,382)
	\$ 24,224

The future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2017, are as follows:

Year Ending June 30		Governmental Activities
	2018	8,495
	2019	8,494
	2020	8,494
Total minimum lease payments		25,483
Less: amount representing interest		(4,719)
Present value of minimum lease payments		\$ 20,764

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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NOTE 7 – INTERFUND TRANSFERS

Interfund transfers for the fiscal year ended June 30, 2017, are summarized as follows:

Operating Transfers Out:	Operating Transfers In		Total
	General Fund	Capital Improvement Fund	
Nonmajor Governmental Funds			
Misc Revolving	\$ 2,242	\$ -	\$ 2,242 (2)
Medicaid Assistance	17,117	-	17,117 (2)
Medicaid Assistance	60,000	-	60,000 (1)
Athletic Revolving	48,750	-	48,750 (1)
Music Revolving	16,250	-	16,250 (1)
General Fund	-	216,334	216,334 (2)
Total	\$ 144,359	\$ 216,334	\$ 360,693

- (1) Represents budgeted transfers to supplement the operating budget.
- (2) Represents other transfers.

NOTE 8 – SHORT-TERM FINANCING

Under state law, and with the appropriate authorization, the District is authorized to borrow funds on a temporary basis as follows:

- To fund current operations prior to the collection of revenues by issuing revenue anticipation notes (RANS).
- To fund grants prior to reimbursement by issuing grant anticipation notes (GANS).
- To fund Capital project costs incurred prior to selling permanent debt by issuing bond anticipation notes (BANS).
- To fund current project costs and other approved expenditures incurred, that are anticipated to be reimbursed by the Commonwealth through the issuance of State Aid anticipation notes (SAANS).

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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Short-term loans are general obligations of the District and maturity dates are governed by statute. Interest expenditures for short term borrowings are accounted for in the General Fund.

The following is a summary of changes in short-term debt for the year ended June 30, 2017:

Type	Purpose	Rate (%)	Due Date	Balance at June 30, 2016	Renewed/ Issued	Retired/ Redeemed	Balance at June 30, 2017
<u>Governmental Funds</u>							
BAN	School Roof	0.75%	7/15/2016	\$ 946,857	\$ -	\$ (946,857)	\$ -
BAN	School Roof	0.85%	7/14/2017	-	104,090	-	104,090
Total Governmental Funds				<u>\$ 946,857</u>	<u>\$ 104,090</u>	<u>\$ (946,857)</u>	<u>\$ 104,090</u>

NOTE 9 – LONG-TERM DEBT

Municipal law permits the District, under the provision of Chapter 71, Section 16, to authorize indebtedness not to exceed an amount approved by the Emergency Finance Board. Furthermore, written notice of the amount of debt authorized and general purpose of the debt must be given to the Board of Selectmen in each of the Towns comprising the District. Details related to the outstanding indebtedness and other long-term obligations payable at June 30, 2017, and the debt service requirements are as follows:

Bonds and Notes Payable Schedule -Governmental Funds

Project	Interest Rate (%)	Date Issued	Maturity Date	Outstanding at June 30, 2016	Issued	Redeemed	Outstanding at June 30, 2017
General Obligation Bonds:							
School Buildings	4.17	7/1/2005	8/1/2024	\$ 1,485,000	\$ -	\$ 165,000	\$ 1,320,000
School Buildings	3.50	5/1/2015	5/1/2030	2,725,000	-	205,000	2,520,000
Note Payable							
School Improvements	3.20	7/20/2011	7/20/2018	392,321	-	130,774	261,547
Total General Obligation Bonds and Note Payable				<u>\$ 4,602,321</u>	<u>\$ -</u>	<u>\$ 500,774</u>	<u>\$ 4,101,547</u>

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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The annual debt service requirements for principal and interest for Governmental bonds and notes outstanding at June 30, 2017 are as follows:

Fiscal Year	Principal	Interest	Total
2018	\$ 500,774	\$ 119,626	\$ 620,400
2019	500,773	104,741	605,514
2020	365,000	89,866	454,866
2021	360,000	79,163	439,163
2022	360,000	68,344	428,344
2023-2027	1,445,000	187,356	1,632,356
2028-2030	570,000	34,200	604,200
Total	<u>\$ 4,101,547</u>	<u>\$ 683,296</u>	<u>\$ 4,784,843</u>

Loans Authorized and Unissued

As of June 30, 2017, the District has loans authorized and unissued as follows:

Description	Date Authorized	Amount
High School Roof Replacement	1/17/2013	\$ 2,232,690
JFK Roof Replacement	1/17/2013	1,486,944
Maloney Roof Replacement	1/17/2013	907,334
Total		<u>\$ 4,626,968</u>

Changes in Long-term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2017:

Governmental Activities:	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Bonds and notes payable	\$ 4,602,321	\$ -	\$ (500,774)	\$ 4,101,547	\$ 500,774
Capital lease payable	27,685	-	(6,921)	20,764	6,921
Compensated Absences	212,026	83,761	-	295,787	87,920
Early retirement incentive	19,950	-	(9,975)	9,975	9,975
Postemployment benefits	8,168,020	1,531,223	-	9,699,243	-
Net pension liability	6,634,857	1,026,476	-	7,661,333	-
Total governmental activities long-term liabilities	<u>\$ 19,664,859</u>	<u>\$ 2,641,460</u>	<u>\$ (517,670)</u>	<u>\$ 21,788,649</u>	<u>\$ 605,590</u>

The governmental activities long-term liabilities are generally liquidated by the general fund.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10 – GOVERNMENTAL FUND BALANCE CLASSIFICATIONS

The District has classified its governmental fund balances with the following hierarchy.

	General Fund	Capital Improvements Major Fund	Nonmajor Governmental Funds	Total
Fund Balances				
Restricted For:				
Federal and state grants	\$ -	\$ -	\$ 47,901	\$ 47,901
Revolving funds	-	-	515,892	515,892
Gifts and Other	-	-	54,383	54,383
Capital Projects	-	72,449	-	72,449
	<u>-</u>	<u>72,449</u>	<u>618,176</u>	<u>690,625</u>
Assigned To:				
Encumbrances	15,729	-	-	15,729
Subsequent Years Expenditures	140,000	-	-	140,000
	<u>155,729</u>	<u>-</u>	<u>-</u>	<u>155,729</u>
Unassigned				
General Fund	409,542	-	-	409,542
Nonmajor governmental funds	-	-	(20,041)	(20,041)
Capital improvements major fund	-	(57,062)	-	(57,062)
	<u>409,542</u>	<u>(57,062)</u>	<u>(20,041)</u>	<u>332,439</u>
Total Governmental Fund Balances	<u>\$ 565,271</u>	<u>\$ 15,387</u>	<u>\$ 598,135</u>	<u>\$ 1,178,793</u>

NOTE 11 – RISK FINANCING

The District is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; injuries to employees; employee’s health, and natural disasters.

Buildings are fully insured against fire, theft, and natural disaster to the extent that losses exceed \$2,500 per incident. The fully insurable value of District buildings is \$37,004,519.

The District is insured for general liability; however, Chapter 258 of the Massachusetts General Laws limits the District’s liability to a maximum of \$100,000 per claim in all matters except in actions relating to federal civil rights, eminent domain and breach of contract. Such claims are charged to the general fund. There were no such claims in 2016.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12 – POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS

GASB standards for *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, requires the following disclosures in the financial statements related to the retiree medical and life insurance benefits:

Plan Description. The School District provides medical and life insurance benefits to eligible retirees and their spouses. District meeting vote is the authority to establish and amend benefit provisions to the District. The District has accepted various sections of Massachusetts General Laws Chapter 32B to provide 50% of the premium cost of retirees’ health and life insurance costs.

Funding Policy. The contribution requirements of plan members and the District are established and may be amended through school district ordinances. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2017, the total District’s premiums plus implicit costs for the retiree medical program are \$676,906.

Annual OPEB Cost and Net OPEB Obligation. The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the plan:

	Governmental Activities
Annual required contribution	\$ 1,531,035
Interest on net OPEB obligation	326,722
Amortization of Acturial (Gains)/Losses	804,561
Adjustment to annual required contribution (ARC)	(454,189)
Annual OPEB cost (expense)	2,208,129
Contributions made	(676,906)
Increase in net OPEB obligation	1,531,223
Net OPEB obligation - beginning of year	8,168,020
Net OPEB obligation - end of year	\$ 9,699,243

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
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The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 and the seven previous years were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB Cost</u> <u>Contributed</u>	<u>Increase in</u> <u>Net OPEB</u> <u>Obligation</u>	<u>Net OPEB</u> <u>Obligation</u>
6/30/2010	\$ 1,248,757	42.6%	\$ 717,435	\$ 1,411,754
6/30/2011	\$ 1,992,711	33.4%	\$ 1,327,412	\$ 2,739,166
6/30/2012	\$ 2,084,441	32.2%	\$ 1,414,140	\$ 4,153,306
6/30/2013	\$ 1,647,428	34.8%	\$ 1,074,504	\$ 5,227,810
6/30/2014	\$ 1,705,145	26.9%	\$ 1,120,824	\$ 6,348,634
6/30/2015	\$ 1,447,785	38.7%	\$ 887,971	\$ 7,236,605
6/30/2016	\$ 1,514,647	38.5%	\$ 931,415	\$ 8,168,020
6/30/2017	\$ 2,208,129	30.7%	\$ 1,531,223	\$ 9,699,243

Funded Status and Funding Progress. As of July 1, 2016, the most recent actuarial valuation date, the plan was 0.0% funded. The actuarial accrued liability for benefits was \$24.110 million, and the actuarial value of assets was \$0.0 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$24.110 million. The covered payroll (annual payroll of active employees covered by the plan) was \$14.230 million, and the ratio of the UAAL to the covered payroll was 169.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contribution of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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In the July 1, 2016, actuarial valuation, the individual entry age normal actuarial cost method was used. Under this method, the normal cost and actuarial accrued liability are both based on an accrual of projected benefits over the period for which benefits are accrued. The normal cost is the actuarial present value of one year's benefit accrual on this basis. The actuarial accrued liability is the actuarial present value of the projected benefit times the ratio of past service to expected total service. The actuarial assumptions included a 4.00% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 5.00% per year. The actuarial value of assets was determined using market value. The UAAL is being amortized as a level dollar amount over 30 years at transition. The remaining amortization period at July 1, 2017, was 21 years.

NOTE 13 – PENSION PLANS

A. Plan Descriptions

The District is a member of the Worcester Regional Retirement System (The System), a cost-sharing multiple-employer, contributory defined benefit pension plan covering eligible employees of the 96 member units deemed eligible by the system. Chapter 32 of the Massachusetts General Law assigns authority to establish and amend benefit provisions of the system. Substantially all employees are members of the system except for public school teachers and certain school administrators.

The System issues a publically available audited financial report that may be obtained by contacting the system at 23 Midstate Drive, Suite 106 Midstate Office Park, Auburn, Massachusetts 01501. The report can also be obtained online at <http://worcesterregionalretirement.org/>.

The District is a member of the Massachusetts Teachers' Retirement System (MTRS), a cost-sharing multi-employer defined benefit plan. MTRS is managed by the Commonwealth of Massachusetts (Commonwealth) on behalf of municipal teachers and municipal teacher retirees. The Commonwealth is a nonemployer contributor and is responsible for 100% of the contributions and future benefit requirements of the MTRS. The MTRS covers certified teachers in cities (except Boston), towns, regional school districts, charter schools, educational collaboratives, and Quincy College. The MTRS is part of the Commonwealth's reporting entity and the audited financial report may be obtained by visiting <http://www.mass.gov/osc/publications-and-reports/financial-reports/>. The MTRS report may also be obtained by contacting MTRS at One Charles Park, Cambridge, Massachusetts 02142-1206.

Special Funding Situation

The Commonwealth is a nonemployer contributor and is required by statute to make 100% of all actuarially determined employer contributions on behalf of the District to the MTRS. Therefore, the District is considered to be in a special funding situation as defined by GASB Statement No.68, *Accounting and Financial Reporting for Pensions* and the Commonwealth is a nonemployer contributor in MTRS. Since the District does not contribute directly to MTRS, there is no net pension liability to recognize. The total of the Commonwealth provided contributions have been allocated based on each employer's covered payroll to the total covered payroll of employers in MTRS as of the measurement date of June 30, 2017. The District's portion of the collective pension expense, contributed by the Commonwealth, of \$3,223,559 is reported in the general fund as intergovernmental revenue and pension expense in the current fiscal year. The portion of the Commonwealth's collective net pension liability associated with the District is \$31,601,492 as of the measurement date.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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The “System” and the MTRS are contributory defined benefit plans and membership in both the “System” and the MTRS is mandatory upon commencement of employment for all permanent, full-time employees.

B. Benefits Provided

The System and MTRS provide retirement, disability, survivor and death benefits to plan members and beneficiaries. Massachusetts Contributory Retirement System benefits are with certain minor exceptions, uniform from system to system. For persons who become members prior to April 2, 2012, the annual amount of retirement allowance is based on the member’s final three-year average salary multiplied by (1) the number of years and full months of creditable service at the time of retirement and (2) a percentage based on age at retirement in accordance with a schedule provided by state law. Assuming normal retirement at age 65, this percentage is 2.5%, which is reduced for individuals who retire prior to age 65 to reflect the longer pay out period. The persons final three-year average salary is defined as the greater of the highest consecutive three-year average annual rate of regular complementation and the average annual rate of regular compensation received during the last three years of creditable service prior to retirement. For persons who become members on or after April 2, 2012, the annual amount of the retirement allowance is based on the member’s final five-year average salary multiplied by (1) the number of years and full months of creditable service at the time of retirement and (2) a percentage based on age at retirement in accordance with a schedule provided by the state law. Assuming normal retirement at age 67, this percentage is 2.5%. A person’s final five-year average salary is defined as the greater of the highest consecutive five-year average annual rate of regular compensation and the average annual rate of regular compensation received during the last five-years of creditable service prior to retirement. Members become vested after ten years of creditable service.

Members who become permanently and totally disabled for further duty may be eligible to receive a disability retirement allowance. The amount of benefits to be received depends on several factors, including whether or not disability is work related, the employees’ age, years of creditable service, level of compensation, and veterans’ status.

Employees who resign from service and who are not eligible to receive a retirement allowance or are under the age of 55 are entitled to request a refund of their accumulated total deductions. Survivor benefits are extended to eligible beneficiaries of members whose death occurs prior to or following retirement.

Cost-of living adjustments granted between 1981 and 1997, and any increase in other benefits imposed by the Commonwealth’s state law during those years are borne by the Commonwealth and are deposited in to the pension fund. Cost-of-living adjustments granted after 1997 must be approved by the system and all costs are borne by the system.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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C. Contributions

Worcester Regional Retirement System

Chapter 32 of MGL governs the contributions of plan members and member employees. Active plan members are required to contribute to the system at rates ranging from 5 to 9% of their gross regular compensation. Members joining the system after December 31, 1978 must contribute an additional 2% of regular compensation in excess of \$30,000. The rate is keyed to the date upon which an employee's membership commences. The member units are required to pay into the system, a legislatively mandated actuarial determined contribution that is apportioned among the employers based on active current payroll. The District's proportionate share of the required contribution equaled its actual contribution for the year ended December 31, 2016 which was \$444,306 and 17.42% of covered payroll, actuarially determined as an amount that when combined with plan member contributions, is expected to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability.

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Pension Liabilities

At June 30, 2017 the District reported a liability of \$7,661,333 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2016. Accordingly, updated procedures were used to roll forward the total pension liability to the measurement date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members actuarially determined. At December 31, 2016, the District's proportion was 0.91% which had a minor decrease from its proportion measured as of December 31, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended June 30, 2017 the District recognized pension expense of \$941,783. At June 30, 2017 the District reported deferred outflows and inflows of resources related to pensions of \$1,332,383 and \$107,878 respectively.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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The balances of deferred outflows and inflows as June 30, 2017 consist of the following:

Deferred Category	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Differences between expected and actual experience	\$ 62,472	\$ -	\$ 62,472
Changes of Assumptions	906,204	-	906,204
Net difference between projected and actual earnings	265,852	-	265,852
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>97,855</u>	<u>(107,878)</u>	<u>(10,023)</u>
Total Deferred Outflows (Inflows) of Resources	<u>\$ 1,332,383</u>	<u>\$ (107,878)</u>	<u>\$ 1,224,505</u>

The deferred outflows/inflows of resources related to pensions will be recognized in future pension expense is as follows:

Year ended June 30	Amount
2017	\$ 297,549
2018	297,549
2019	296,730
2020	214,269
2021	<u>118,408</u>
Totals	<u>\$ 1,224,505</u>

E. Actuarial assumptions

The total pension liability in the January 1, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement that was updated to December 31, 2016.

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Amortization method	Payment increases 4.0% per year, except for early retirement incentive (ERI) programs for 2002 and 2003 (4.5%) and 2010 (level dollar).
Remaining amortization period	19 years, except for ERI for 2002 and 2003 (12 years) and 2010 (6 years)

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
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Asset valuation method	5 year smoothed market value
Inflation rate	3.0% per year
Salary increases	Group 1: 6% - 4.25% based on service Group 4: 7% - 4.75% based on service
Mortality rates:	Based on the RP-2000 mortality table (base year 2009) with full generational mortality improvement using scale BB. For disabled lives, the mortality rates were based on the RP – 2000 mortality table (base year 2012) with full generational mortality improvement using scale BB.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

F. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of December 31, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	22%	2.29%
Global equity	40%	4.97%
Private equity	11%	6.50%
Real estate	10%	3.50%
Timber/Natural Resources	4%	3.00%
Hedge funds	13%	3.48%
Total	<u>100%</u>	

For the year ended December 31, 2016 the System’s annual money-weighted rate of return on pension plan investments net of pension plan investment expense was 7.06%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

G. Discount Rate

The discount rate used to measure the total pension liability as of December 31, 2016 was 7.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rates and that employer contributions will be made in accordance with sections 22D and 22F of Chapter 32 of Massachusetts General Laws. Employers are required to make the necessary contributions such that the plan reaches full funding status by 2040. 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.

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

The following presents the net pension liability of the system, as of December 31, 2016 calculated using the discount rate of 7.75%, as well as what the system's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.75%) or 1 percentage point higher (8.75%) than the current rate:

	1% Decrease (6.75%)	Current Discount Rate (7.75%)	1% Increase (8.75%)
The Districts proportionate share of the net pension liability	\$ 9,228,165	\$ 7,661,333	\$ 6,338,666

Detailed information about the pension plan's fiduciary net position is available in a separately issued Worcester Regional Retirement System financial report.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

The District participates in a number of federal award programs. Although the grant programs have been audited in accordance with the provisions of the Single Audit Act Amendments of 1996 through June 30, 2017, these programs are still subject to financial and compliance audits. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although it is believed the amount, if any, would not be material.

Litigation is subject to many uncertainties, and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, at June 30, 2017, cannot be ascertained, management believes any resulting liability should not materially affect the financial position at June 30, 2017.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15 – IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

During fiscal year 2017, the following GASB pronouncements were implemented:

The GASB issued **Statement #73**, *Accounting and Financial Reporting for Pension and Related Assets that are not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68*. The provisions of this Statement are effective for 2016 – except those provisions that address employers and governmental non-employer contributing entities for pensions that are not within the scope of Statements 68, which are effective for 2017. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #74**, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, which was implemented in 2017. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #77**, *Tax Abatement Disclosures* which was implemented in 2017. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #78**, *Pension Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, which was implemented in 2017. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #80**, *Blending Requirements for Certain Component Units – an amendment of GASB Statement #14*, which was implemented in 2017. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #82**, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, which was implemented in 2017. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

Future GASB Pronouncements:

The GASB issued **Statement #75**, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, this is required to be implemented in 2018. Management’s current assessment is that this pronouncement will have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #81**, *Irrevocable Split-Interest Agreements*, which is required to be implemented in 2018. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #83**, *Certain Asset Retirement Obligations*, which is required to be implemented in 2019. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #84**, *Fiduciary Activities*, which is required to be implemented in 2020. Management’s current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

The GASB issued **Statement #85**, *Omnibus 2017*, which is required to be implemented in 2018. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #86**, *Certain Debt Extinguishment Issues*, which is required to be implemented in 2018. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

The GASB issued **Statement #87**, *Leases*, which is required to be implemented in 2021. Management's current assessment is that this pronouncement will not have a significant impact on the Basic Financial Statements.

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
WORCESTER REGIONAL RETIREMENT SYSTEM
JUNE 30, 2017**

The following schedules are presented in accordance with GASB Statement No. 68

Schedule of the District's Proportionate Share of the Net Pension Liability

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
District's proportion of the net pension liability	0.91%	0.93%	0.91%
District's proportionate share of the net pension liability	\$ 7,661,333	\$ 6,634,857	\$ 5,414,978
District's covered-employee payroll	\$ 2,550,094	\$ 2,640,174	\$ 2,538,629
District's proportionate share of the net pension liability as a percentage of it's covered-employee payroll	300.43%	251.30%	213.30%
Plan fiduciary net position as a percentage of the total pension liability	42.00%	44.52%	47.94%

Note: This schedule is intended to present information for 10 years. Until a 10 year trend is compiled, information is presented for those years for which the information is available.

See notes to Required Supplementary Information

**BLACKSTONE-MILLVILLE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
WORCESTER REGIONAL RETIREMENT SYSTEM
JUNE 30, 2017**

SCHEDULE OF THE DISTRICTS CONTRIBUTION

	<u>December 31, 2016</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Actuarilly determined contribution	\$ 444,306	\$ 420,503	\$ 359,614
Contribution in relation to the actuarilly determined contribution	<u>(444,306)</u>	<u>(420,503)</u>	<u>(359,614)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 2,550,094	\$ 2,640,174	\$ 2,538,629
Contribution as a percentage of covered - employee payroll	17.42%	15.93%	14.17%

Note: This District schedule is intended to present information for 10 years. Until a 10 year trend is compiled, information is presented for those years for which the information is available.

See notes to Required Supplementary Information

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 MASSACHUSETTS TEACHERS RETIREMENT SYSTEM
 JUNE 30, 2017**

The following schedule is presented in accordance with GASB Statement No. 74

Schedule of the Commonwealth's Collective amounts of the Net Pension Liability

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the District does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the District; the portion of the collective pension expense as both revenue and pension expense recognized by the District; and the Plan's fiduciary net position as a percentage of total liability.

<u>Fiscal Year</u>	Commonwealth's 100% Share of the Net Pension Liability Associated with the District	District's Expense and Revenue Recognized for the Commonwealth's Support	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2017	\$ 31,601,492	\$ 3,223,559	52.73%
2016	35,185,027	2,853,818	55.38%
2015	27,087,642	1,881,909	61.64%

Note: This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.

See notes to required supplementary information.

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POSTEMPLOYMENT BENEFITS
JUNE 30, 2017**

The following schedules are presented in accordance with GASB Statement No. 45:

Schedules of Funding Progress and Employer Contributions

Projected Schedule of Funding Progress:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b - a)/c]
7/1/2009	\$ -	\$ 11,413,803	\$ 11,413,803	0.0%	N/A	N/A
7/1/2010	\$ -	\$ 19,982,022	\$ 19,982,022	0.0%	N/A	N/A
7/1/2011	\$ -	\$ 20,772,679	\$ 20,772,679	0.0%	N/A	N/A
7/1/2012	\$ -	\$ 16,795,154	\$ 16,795,154	0.0%	\$ 12,962,566	129.6%
7/1/2014	\$ -	\$ 14,651,091	\$ 14,651,091	0.0%	\$ 13,282,246	110.3%
7/1/2016	\$ -	\$ 24,109,751	\$ 24,109,751	0.0%	\$ 14,230,267	169.4%

Schedule of Employer Contributions:

Fiscal Year Ended	Annual OPEB Cost	Actual Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 1,248,757	\$ 531,322	42.55%	\$ 1,411,754
6/30/2011	\$ 1,992,711	\$ 665,299	33.39%	\$ 2,739,166
6/30/2012	\$ 2,084,441	\$ 670,301	32.16%	\$ 4,153,306
6/30/2013	\$ 1,647,428	\$ 572,924	34.78%	\$ 5,227,810
6/30/2014	\$ 1,705,145	\$ 584,321	34.27%	\$ 6,348,634
6/30/2015	\$ 1,447,785	\$ 559,814	38.67%	\$ 7,236,605
6/30/2016	\$ 1,514,647	\$ 583,232	38.51%	\$ 8,168,020
6/30/2017	\$ 2,208,129	\$ 676,906	30.66%	\$ 9,699,243

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 OTHER POSTEMPLOYMENT BENEFITS
 JUNE 30, 2017**

Actuarial Methods and Assumptions

The required information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	January 1, 2016
Actuarial cost method	Entry age normal
Amortization method	Payment increases 4.0% per year, except for early retirement incentive (ERI) programs for 2002 and 2003 (4.5%) and 2010 (level dollar).
Remaining amortization period	19 years, except for ERI for 2002 and 2003 (12 years) and 2010 (6 years)
Asset valuation method	5 year smoothed market value
Inflation rate	3.0% per year
Salary increases	Group 1: 6% - 4.25% based on service Group 4: 7% - 4.75% based on service
Mortality rates:	Based on the RP-2000 mortality table (base year 2009) with full generational mortality improvement using scale BB. For disabled lives, the mortality rates were based on the RP – 2000 mortality table (base year 2012) with full generational mortality improvement using scale BB.
Investment rate of return	7.75%, net of pension plan investment expense, including inflation

Plan Membeship:

Current retirees, beneficiaries, and dependents	174
Current active members	<u>288</u>
	<u><u>462</u></u>

**BLACKSTONE - MILLVILLE REGIONAL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2017**

Pension Plan Schedules

A. Schedule of the District's Proportionate Share of the Net Pension Liability

The Schedule of District's Proportionate Share of the Net Pension Liability details the allocated percentage of the net pension liability; the proportionate share of the net pension liability, and the covered employee payroll. It also demonstrates the net position as a percentage of the pension liability and the net pension liability as a percentage of covered payroll.

B. Schedule of District's Contribution

Governmental employees are required to pay an annual appropriation as established by PERAC. The appropriation includes the amounts to pay the pension portion of each member's retirement allowance, an amount to amortize the actuarially determined unfunded liability to zero in accordance with the System's funding schedule, and additional appropriations in accordance with adopted early retirement incentive programs. The appropriations are payable on July 1, and January 1. The District may choose to pay the entire appropriation in July at a discounted rate. Accordingly, actual contributions may be less than the "total appropriation". The pension fund appropriation is allocated to the District based on covered payroll.

C. Schedule of the Commonwealth's Collective amounts of the Net Pension Liability

The Commonwealth of Massachusetts is a nonemployer contributor and is required by statute to make all actuarially determined employer contributions on behalf of the member employers which creates a special funding situation. Since the District does not contribute directly to MTRS, there is no net pension liability to recognize. This schedule discloses the Commonwealth's 100% share of the collective net pension liability that is associated with the District; the portion of the collective pension expense as both a revenue and pension expense recognized by the District; and the Plan's fiduciary net position as a percentage of the total liability.

Other Postemployment Benefits Schedules

A. Schedules of Funding Progress and Employer Contributions

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarial accrued liability for benefits with the actuarial value of accumulated assets and the Schedule of Employer Contributions presents multi-year trend information for the District's required and actual contributions relating to the plan.

B. Actuarial Methods and Assumptions

The actuarial methods and assumptions presents factors that significantly affect the identification of trends in the amount reported.

Salary Summaries 11/2

Salary Expenditures by Classification	FY'19 Budget	Spent to Date	Encumbered	Balance	% Budget Spent (Act.)
Administrative	\$1,076,338.00	\$337,641.61	\$763,061.99	(\$24,365.60)	31.37%
Technology	\$208,617.00	\$71,316.06	\$108,020.44	\$29,280.50	34.19%
Clerical	\$609,518.24	\$209,937.25	\$403,550.59	(\$3,969.60)	34.44%
Custodial	\$572,161.46	\$213,249.16	\$370,974.00	(\$12,061.70)	37.27%
Custodial Overtime (Inc. Snow)	\$24,000.00	\$18,712.26	\$0.00	\$5,287.74	77.97%
Bus/Bus Monitors	\$78,531.02	\$9,165.00	\$31,044.00	\$38,322.02	11.67%
Teachers (General Ed)	\$6,903,633.36	\$1,346,447.48	\$5,474,798.39	\$82,387.49	19.50%
Teachers (Special Ed)	\$1,755,696.76	\$367,509.05	\$1,398,835.70	(\$10,647.99)	20.93%
Teacher Aides	\$938,226.35	\$192,809.75	\$719,312.53	\$26,104.07	20.55%
Substitutes	\$201,908.00	\$30,311.76	\$65,098.20	\$106,498.04	15.01%
Librarians	\$52,657.58	\$10,827.48	\$42,034.24	(\$204.14)	20.56%
Nurses	\$298,084.87	\$57,744.63	\$240,761.40	(\$421.16)	19.37%
School Psychologists	\$173,339.84	\$32,615.00	\$136,983.00	\$3,741.84	18.82%
School Counselors	\$521,189.37	\$93,314.02	\$413,556.64	\$14,318.71	17.90%
Speech Therapists	\$496,892.22	\$103,585.39	\$424,425.25	(\$31,118.42)	20.85%
Stipends/Dept. Heads	\$74,863.00	\$1,169.40	\$69,567.60	\$4,126.00	1.56%
Athletic Coaches	\$117,868.00	\$0.00	\$35,833.00	\$82,035.00	0.00%
Music Directors	\$52,071.01	\$6,416.48	\$33,686.52	\$11,968.01	12.32%
School Committee	\$12,300.00	\$0.00	\$12,300.00	\$0.00	0.00%
Early Retirement	\$58,862.00	\$0.00	\$0.00	\$58,862.00	0.00%
	\$14,226,758.08	\$3,102,771.78	\$10,743,843.49	\$380,142.81	21.81%

MARS Presentation

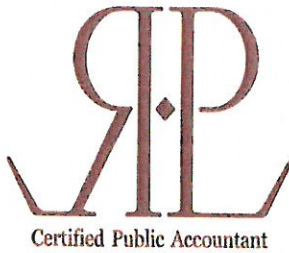
Expectations for Treasurer

Treasurer Expectations

- ALL BANK RECONCILIATION SHOULD BE DONE BY DISTRICT TREASURER AND NOT BUSINESS OFFICE!!!
- No less than once a month, the District Treasurer should be providing to the School Committee a reconciliation report which lists all warrants paid that month, resulting reconciled balances on all bank accounts, and any outstanding liabilities which are pending. (note: this report is typically one or two months delayed, so you would receive July in September, etc.).
- The Treasurer is responsible (after School Committee approval) for obtaining Revenue Anticipation Notes (RAN), which some districts require to ensure enough cash is on hand in between state and local assessment payments to meet payroll and other payment obligations.

Treasurer Expectations

- The Treasurer is responsible for developing upon request a cash flow statement, which is a projection of anticipated monthly warrant payments and cash availability for the entire fiscal year. The creation of a cash flow sheet is a requirement of bond counsel to obtain approval for RAN purchasing. We highly recommend you request of copy of the latest one completed for your district to familiarize yourself to cash fluctuations the district encounters throughout the year, which is information you should be knowledgeable about to be in position to approve warrants.
- The Treasurer should provide warrant signing training to any members of the School Committee upon request.
- The Treasurer is required to complete a year end cash statement which is filed with paperwork to DOR for E&D certification. This documentation is due by 10/31 of every year. Failure to file can result in withholding of Chapter 70 payments. The School Committee should receive a copy of this documentation every year.



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Website: www.rpl-cpa.com

October 31, 2018

Blackstone-Millville Regional School District
175 Lincoln Street
Blackstone, MA 01504

I appreciate the opportunity of providing accounting services as the Assistant Treasurer for the Blackstone-Millville Regional School District (the District). To ensure a complete understanding between us, this letter will describe the scope and limitations of the services Ronald Pierre-Louis, CPA, will provide for the District.

This engagement is designed to perform the following services in the capacity of Assistant Treasurer/CPA:

Monthly Services:

- Prepare all bank reconciliation by matching the balances in the District's accounting records for each cash account to the corresponding information on a bank statement, ascertain the differences between the two. The bank and book amounts will be agreed to the bank statement and general ledger, respectively. Deposits in transit will be traced to the subsequent bank information. Outstanding checks greater than 60 days will be reviewed for reasonableness. All checks, noted on the bank statement, will be examined to determine proper authorizing signature(s) and agreed to the general ledger noting payee name, amount and date. Electronic debits will be reviewed and agreed to supporting documentation;
- Provide ongoing consultation to the business office.

Quarterly Services:

- Prepare bank reconciliation and charge back reports for the school committee meetings; attend meeting as deemed necessary by management.

Yearly Services:

- Provide support for the annual external audit;
- Provide support during the DOR closeout/submission process
- Aide in the preparation/draft the of the End-Of-the-Year and Excess & Deficiency reporting

You are responsible for the safeguarding of assets, the proper recording of transactions in the books of account, the substantial accuracy of the financial records, and the full and accurate disclosure of all relevant facts affecting the above services. You are responsible for assuming all management responsibilities and overseeing any services I provide by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience. In addition, you are responsible for evaluating the adequacy and results of the services performed and accepting responsibility for the results of such services.

I will make no audit or other verification of the data the District submits. I may provide reports that contain portions of financial information; these reports are for internal management use only. I will not perform any compilation, review or audit of any of the financial information. I do not at any time provide legal services of any type. While the District agrees that I have no responsibility to do so, should I discover or suspect errors, misrepresentations, fraud, illegal acts, or theft, I will bring my discoveries or suspicions to the attention of the management and/or school committee (governance) of the District.

To complete my service, I will need to obtain information on a timely basis from the District. These items include all the input such as a trial balances, check registers, bank statements, general ledger, and cash receipts, cash disbursements, and any other information that I may require to complete the work of this engagement.

These items and any other items that I obtain from the District will be based on information provided by the District and will be used without any further verification or investigation on our part.

The District may request that I perform additional services at a future date not contemplated by this engagement letter. If this occurs, I will communicate with the Client regarding the scope and estimated cost of these additional services. Engagements for additional services will necessitate that I issue a separate engagement letter to reflect the obligations of both parties.

All confidential information that is communicated to us by the Client in connection with performing the above-mentioned accounting services shall be held by Ronald Pierre-Louis, CPA, in full trust for the District's benefit. I will not communicate or permit anyone else to communicate any of the Client's information that is acquired while performing the accounting/Assistant Treasurer services during or after the fulfilling of this contract.

I am pleased to have the District as a client and hope this will begin a long and pleasant association. Please date and sign a copy of this letter and return it to me to acknowledge the District's agreement with the terms of this engagement.

Very truly yours,

Ronald Pierre-Louis, CPA

Acknowledged:

This letter correctly sets forth the understanding of Blackstone-Millville Regional School District.

Signature: _____

Date: _____

Signature: _____

Date: _____

RECONCILIATION OF GENERAL FUND UNDESIGNATED FUND BALANCE FROM JULY 1 2017 THRU JUNE 30 2018

BLACKSTONE MILLVILLE RSD 622

JUNE 30 2018

YEAR END CHECKLIST TO YEAR END UNAPPROP. E&D

JUNE 30, 2018

Reported at end of '17

ACTUAL RESULTS FOR 2018

585,270.62
(140,000.00)
(15,728.77)
(30,017.00)

FUND BALANCE AT JUNE 30, 2017 AS REPORTED TO DOR
SUBTRACT FY 2018 ASSESSMENT REDUCTION ENCUMBRANCES

DOR ADJUSTMENTS IN JUNE 30, 2017 E&D CERTIFICATION

E& D CERTIFIED BY DOR AT JUNE 30, 2017

DOR ADJUSTMENTS IN JUNE 30, 2017 E&D CERTIFICATION--REVERSE IN 2018
SUBTRACT FY 2019 ASSESSMENT REDUCTION

379,524.85
30,017.00

BALANCE OF UNAPPROPRIATED E&D CERT AT JUNE 30, 2018

LINE 10

409,541.85

Actual Start of '18 (\$140,000 used in '18 to offset assessments)

REVENUES FOR FY 2018--COMPONENTS OF LINE 11

OP ASSESSMENTS 11,187,949.00
CHAPTER 70 10,880,269.00
CHAPTER 71 579,948.00
CHARTER SCHOOL AND SCHOOL CHOICE NET EXPENSE (320,445.00)
EST RECEIPTS--REVOLVING FUNDS 131,319.81
USE OF EXCESS AND DEFICIENCY 140,000.00
TRANSFER IN OF INTEREST ON BORROWED FUNDS FROM CAP PROJECTS 809.24
INTEREST INCOME 4,116.22
NON CASH REVENUE 20,874.00
TOTAL PER GENERAL FUND 01 22,624,840.27
CAPITAL ASSESSMENTS FUND 85 620,399.00
PRIOR YR RESERVED FOR OPS-- SHOWN BELOW (140,000.00)

TOTAL REVENUES 23,105,239.27
ADD BACK 140000 SHOWN SEPARATELY ON UNDESIGNATED FB ROLL-FORWARD 140,000.00

23,101,063.00

*See Chart to Right - This is an excess of revenues

144,176.27

TOTAL FOR LINE 11

EXPENDITURES FOR 2018--COMPONENTS FOR LINE 13

EXPENDITURES GENERAL FUND 01 (22,360,781.25)
CAPITAL EXPENDITURES FUND 85 (620,399.00)
ENCUMBRANCES SHOWN SEPARATELY ON ROLL-FORWARD OF AND CAPITAL EXP 41,000.67
(22,940,179.59)
6/30/2018 ENCUMBRANCES (41,000.67)

This is a savings on our expenses- There were positives and negatives all over. This is the net savings.

118,882.75

TOTAL EXPENDITURES

LINE 13

(22,981,180.25)

UNDESIGNATED FUND BALANCE PER GENERAL BOOKS AT JUNE 30, 2018

673,650.87

Actual start of year (after assessment offset) + extra revenue + savings on expenses

Revenues Received	BUDGET	ACTUAL	Variance
Operating Assessment	\$11,187,949.00	\$11,187,949.00	\$0.00
Capital Assessment	\$642,592.00	\$620,399.00	-\$22,193.00
Chapter 70	\$10,862,439.00	\$10,880,269.00	\$17,830.00
Transportation Reimb.	\$450,000.00	\$579,948.00	\$129,948.00
Medicaid	\$60,000.00	\$127,273.00	\$67,273.00
School Choice	-\$245,917.00	-\$320,445.00	-\$74,528.00
Interest	\$4,000.00	\$4,925.00	\$925.00
Other	\$4,000.00	\$24,921.00	\$24,921.00
TOTALS	\$22,961,063.00	\$11,892,389.00	\$144,176.00

FY19 Budget Summary
July 1, 2018 - November 2, 2018

Func. Code	Description	FY19 Budget	Expended YTD	Encumbered YTD	Current Available Balance	% Expended YTD	Current Projection	Delta
1110	School Committee	\$77,200	\$55,327	\$30,508	(\$8,634)	72%	\$77,200	\$0
1210	Superintendent's Office	\$302,740	\$123,472	\$153,188	\$26,079	41%	\$302,740	\$0
1220	Assistant Superintendent	\$0	\$18,343	\$77,957	(\$96,300)	-	\$0	\$0
1410	Business Office	\$249,499	\$57,958	\$108,855	\$82,686	23%	\$249,499	\$0
1430	Legal Service	\$27,000	\$2,061	\$24,939	\$0	8%	\$27,000	\$0
1450	Information Management	\$343,531	\$102,310	\$136,002	\$105,219	30%	\$343,531	\$0
2110	Leadership-Student Service	\$153,674	\$18,296	\$34,224	\$101,155	12%	\$153,674	\$0
2210	School Leadership - Building	\$980,635	\$335,843	\$650,614	(\$5,822)	34%	\$980,635	\$0
2220	School Curriculum Leaders	\$13,550	\$0	\$6,500	\$7,050	0%	\$13,550	\$0
2320	Medical/Therapeutic Services	\$604,972	\$116,261	\$469,463	\$19,248	19%	\$604,972	\$0
2325	Substitute Teachers	\$198,158	\$28,883	\$65,098	\$104,177	15%	\$198,158	\$0
2340	Library/Media Center	\$104,123	\$20,725	\$83,602	(\$204)	20%	\$104,123	\$0
2357	Professional Development	\$131,400	\$16,006	\$82,283	\$33,111	12%	\$131,400	\$0
2410	Textbooks	\$111,413	\$43,160	\$55,151	\$13,103	39%	\$111,413	\$0
2415	Other Instructional Materials	\$4,508	\$303	\$3,679	\$526	7%	\$4,508	\$0
2420	Instructional Equipment	\$21,040	\$4,979	\$2,174	\$13,887	24%	\$21,040	\$0
2430	General Supplies	\$61,684	\$25,673	\$21,770	\$14,240	42%	\$61,684	\$0
2440	Other Instructional Services	\$35,000	\$2,328	\$1,229	\$31,443	7%	\$35,000	\$0
2451	Classroom Technology	\$60,500	\$186	\$259,886	(\$199,572)	0%	\$60,500	\$0
2455	Instructional Software	\$17,400	\$13,997	\$3,444	(\$41)	80%	\$17,400	\$0
2710	Guidance	\$567,643	\$109,414	\$441,885	\$16,345	19%	\$567,643	\$0
2720	Testing and Assessment	\$20,100	\$18,792	\$37,583	(\$36,275)	93%	\$20,100	\$0
2800	Psychological Services	\$174,240	\$32,615	\$136,983	\$4,642	19%	\$174,240	\$0
3200	Medical/Health Services	\$316,857	\$63,610	\$245,895	\$7,351	20%	\$316,857	\$0
3300	Transportation Services	\$1,812,821	\$89,878	\$1,755,122	(\$32,179)	5%	\$1,812,821	\$0
3510	Athletics	\$180,000	\$15,517	\$103,572	\$60,911	9%	\$180,000	\$0
3515	Music	\$95,759	\$15,075	\$64,952	\$15,732	16%	\$95,759	\$0

FY19 Budget Summary
July 1, 2018 - November 2, 2018

Func. Code	Description	FY19 Budget	Expended YTD	Encumbered YTD	Current Available Balance	% Expended YTD	Current Projection	Delta
4110	Custodial Services	\$634,094	\$251,276	\$386,154	(\$3,336)	40%	\$634,094	\$0
4120	Heating of Building	\$359,511	\$8,683	\$334,365	\$16,463	2%	\$359,511	\$0
4130	Utility Services	\$396,920	\$70,099	\$326,821	\$0	18%	\$396,920	\$0
4210	Maintenance of Grounds	\$49,610	\$4,321	\$19,323	\$25,966	9%	\$49,610	\$0
4220	Maintenance of Buildings	\$152,347	\$56,385	\$41,333	\$54,629	37%	\$152,347	\$0
4225	Maint. of Building Security	\$5,020	\$2,010	\$690	\$2,320	40%	\$5,020	\$0
4230	Maintenance of Equipment	\$21,200	\$4,919	\$2,116	\$14,165	23%	\$21,200	\$0
4300	Equipment Custodial Dept	\$0	\$0	\$0	\$0	-	\$0	\$0
4400	Networking & Telecom	\$75,000	\$5,497	\$48,481	\$21,022	7%	\$75,000	\$0
5100	Retirement	\$580,647	\$498,738	\$31,621	\$63,204	86%	\$580,647	\$0
5200	Benefits & Insurance	\$3,170,442	\$1,143,042	\$1,979,752	\$50,933	36%	\$3,170,442	\$0
5300	Rental/Lease of Equipment	\$80,240	\$22,952	\$57,288	\$0	29%	\$80,240	\$0
5260	Other Insurance	\$9,000	\$8,437	\$0	\$563	94%	\$9,000	\$0
7400	Equipment	\$0	\$0	\$0	\$0	-	\$0	\$0
7500	Capital Vehicle	\$13,068	\$3,365	\$6,712	\$2,991	26%	\$13,068	\$0
9200	Tuition to Other States	\$223,000	\$21,914	\$121,430	\$79,657	10%	\$223,000	\$0
9300	Non-Public Programs	\$315,000	\$140,347	\$514,510	(\$339,857)	45%	\$315,000	\$0
9400	Tuition to Collaboratives	\$452,000	\$57,334	\$178,355	\$216,310	13%	\$452,000	\$0
Total		\$13,202,545	\$3,630,327	\$9,105,508	\$482,911		\$13,202,545	

Total Budget \$22,623,706.53
Salaries \$9,421,161.56

IDEA 240 - \$439,843

Revenue Report

11/2

<u>Description</u>	<u>GL Budget</u>	<u>YTD</u>	<u>Balance</u>	<u>% Bud</u>
ASSESSMENT BLACKSTONE	\$ (8,562,533.00)	\$ (2,848,326.68)	\$ (5,214,898.49)	39.10%
ASSESSMENT MILLVILLE	\$ (2,919,338.00)	\$ (1,079,076.47)	\$ (1,766,308.63)	39.50%
STATE AID CHAPTER 70	\$ (10,915,189.00)	\$ (3,418,132.00)	\$ (7,497,057.00)	31.32%
STATE AID TRANSPORTATION	\$ (472,648.00)	\$ -	\$ (472,648.00)	0.00%
SCHOOL CHOICE REIMBURSEM	\$ (299,910.00)	\$ (108,367.00)	\$ (191,543.00)	36.13%
INTEREST UNIBANK VENDOR	\$ -	\$ (414.23)	\$ 414.23	N/A
INTEREST UNIBANK PAYROLL	\$ -	\$ (211.11)	\$ 211.11	N/A
INTEREST UNIBANK MONEY M	\$ -	\$ (870.23)	\$ 870.23	N/A
Interest UniBank Online Paymen	\$ -	\$ (21.68)	\$ 21.68	N/A
Interest UniBank Express Depos	\$ -	\$ (845.78)	\$ 845.78	N/A
Interest UniBank Cafeteria Acc	\$ -	\$ (260.37)	\$ 260.37	N/A
SCHOOL LUNCH LOCAL CAFETERIA	\$ -	\$ (53,257.94)	\$ 53,257.94	N/A
SCHOOL LUNCH STATE CAFETERIA	\$ -	\$ (1,385.46)	\$ 1,385.46	N/A
SCHOOL LUNCH FEDERAL CAFETERIA	\$ -	\$ (38,755.43)	\$ 38,755.43	N/A
PROGRAM REVENUE ATHLETICS	\$ -	\$ (2,505.00)	\$ 2,505.00	N/A
PROGRAM REVENUE STUSERV PREK	\$ -	\$ (11,260.00)	\$ 11,260.00	N/A
PROGRAM REV STUSERV PREK FY19	\$ -	\$ 180.00	\$ (180.00)	N/A
REV. RENTAL OF CLASSROOM - MES	\$ -	\$ (3,970.00)	\$ 3,970.00	N/A
REV. RENTAL OF CLASSROOM - BMRH	\$ -	\$ (6,917.50)	\$ 6,917.50	N/A
PROGRAM REVENUE MISC REVOLVING	\$ -	\$ (6,459.53)	\$ 6,459.53	N/A
Revenue Circuit Breaker	\$ (372,832.00)	\$ (93,208.00)	\$ (279,624.00)	25.00%
PROGRAM REVENUE MEDICAID	\$ -	\$ (32,180.32)	\$ 32,180.32	N/A
PROGRAM REVENUE SUMMER SCHOOL	\$ -	\$ (1,650.00)	\$ 1,650.00	N/A
REVENUE ATHLETIC USER FE	\$ -	\$ (31,442.50)	\$ 31,442.50	N/A
REVENUE MUSIC USER FEES	\$ -	\$ (5,730.00)	\$ 5,730.00	N/A
REVENUE CABLE FUNDS	\$ -	\$ (7,500.00)	\$ 7,500.00	N/A
Revenue Title I FY19	\$ (174,644.00)	\$ (17,464.00)	\$ (157,180.00)	10.00%

Personnel Report				
Last Name	First Name	Position	School	Comments
Retirements Unit A				
MacMillan	Maureen	Grade 1 Teacher	JFK	Retired 6/30/2018
McLean	Marianne	Science Teacher	HS	Retired 6/30/2018
Morin	Diane	Grade 5 Teacher	AFM	Retiring 6/30/2019
Powers	Patricia	Sped Ed. Teacher	JFK	Retired 6/30/2018
Sherman	Mary	Adjustment Counselor	AFM	Retired 6/30/2018
Slate	Steven	Science Teacher	HS	Retired 6/30/2018
Retirements Unit C				
Boyko	Michael	Custodian	MES	Retiring 12/31/2018
Laliberte	Jeanne	Para Professional	JFK	Retiring 01/02/2019
Latraverse	Debra	Para Professional	JFK	Retiring 6/30/2019
Retirements Other				
Brown	Carol	Principal	AFM	Retiring 6/30/2019
Himmelberger	Allen	Superintendent	District	Retired 6/30/2018
Resignations Unit A				
Anderson	Jillien	SPED Teacher Not Replaced	MES	Resigned 6/30/2018
Angelini	Stephen	ELA Teacher	HS	Resigned 6/30/2018
Borchard	Susan	Team Chair	AFM/JFK K-5	Resigned 6/30/2018
DePippo	Elizabeth	Title 1	JFK / MES / AFM	Resigned 6/30/2018
Gomes	Lynn	Foreign Lang. Teach	HS	Resigned 10/5/2018
Hughes-Paterno	Colleen	Psychologist	AFM/JFK	Resigned 11/22/2017
Menard	Kristi	SPED Teacher	FWHMS	Resigned 8/7/2018
Remillard	Erica	Spanish Teacher	HS	Resigned 6/15/2018
Shafer	Christina	Grade 4 Teacher	MES	Re-assigned 7/1/2018
Tullock	Alexandria	K SPED Teacher	JFK	Resigned 6/30/2018
Resignations Unit C				
Dutremble	Kristen	Para Professional	MES	Resigned 8/22/2018
Lanctot	Nicole	ABA	MES	Resigned 6/30/2018
Reilly	Jenna	Para Professional	MES	Resigned 6/30/2018
Schaper	Nicholas	Tech Helpdesk	District	Resigned 11/2/2018
Resignations Other				
Cobb	Wen	Business Manager	District	Resigned 7/1/2018
Haughey	Paul	Principal	MES	Resigned 6/30/2018
Sheridan	Jeanne	Director School Nutrition	District	Resigned 6/30/2018
Transfers Unit A				
Nagelschmidt	Mary	from: Teacher HMS	HMS	Transfer 10/29/2018
Eliminated HMS position		to: Teacher JFK	JFK	
Roy	Kim	from: ABA Tech	JFK	Transfer 10/12/2018
Replaced Kristi Menard		to: Teacher HMS	HMS	
New Positions Unit A				
Brienze	Denise	Guidance Counselor	HS	Effective 9/14/2018
New Positions Unit C				
DiCecco	Maura	ABA Tech	JFK	Effective 9/1/2018
Appointments Unit A				
Amylon	Philip	ELA Teacher	HS	Effective 9/1/2018
Barrette	Rae Ann	Spanish Teacher	HS	Effective 9/1/2018
Barton	Melissa	Title 1	JFK / MES / AFM	Effective 9/1/2018
Cote	Brooke	Sped Ed. Teacher	JFK	Effective 9/1/2018

Couture	Steven	Science Teacher	HS	Effective 9/1/2018
Lafortune	Lisa	Grade 4 Teacher	MES	Effective 9/1/2018
Martineau	Erin	Adjustment Counselor	AFM	Effective 9/1/2018
Nagelschmidt	Mary	SPED Teacher	FWHMS	Effective 9/1/2018
Nunes	Geneniano	Foreign Lang. Teach	HS	Effective 10/9/2018
Pelland	Michaela	Science Teacher	HS	Effective 9/1/2018
Poirier	Angela	Team Chair	AFM/JFK K-5	Effective 9/1/2018
Preece	Krystle	Psychologist	AFM/JFK	Effective 9/1/2018
Teixeira	Taylor	Grade 1 Teacher	JFK	Effective 9/1/2018
Appointments Unit C				
Barbato	Jessica	.6 to 1.0 Library	JFK	Effective 9/1/2018
Folster	Colleen	ABA	MES	Effective 9/4/2018
Appointments Other				
DeFalco	Jason	Superintendent	District	Effective 7/1/2018
Ehrenworth	Matthew	Asst. Superintendent	District	Effective 9/4/2018
Gleason	Lynnea	Food Service Director	District	Effective 7/1/2018
Pilla-Gallerani	Jill	Interim Director of Sped	District	Effective 8/20/2018
Shafer	Christina	Trans to Principal	MES	Effective 7/1/2018

FY '20 BUDGET TIMELINE

(All identified dates are windows, specific meeting/deadline dates will be identified and placed on budget calendar by 11/5)

- 11/5: - FY '20 Budget planning kickoff (using zero based budgeting)
- Distribution of budget worksheets to principals/cost center supervisors

- 11/5-11/30: - Analysis of fixed costs, prior budgets, staffing/curriculum needs
- Principals/cost center supervisors develop line item budget needs
- School Committee (SC) and School Leadership (SL) identify district budget priorities

- 12/3-12/21: - SL meets to discuss priorities/analyze requests/align spending with priorities
- SL presents requests to SC to ensure alignment with district priorities

- 1/2: - FY '20 Draft Budget completed for review at 1/9 SC Meeting

- 1/16: - Joint Budget Meeting with towns

- 1/31: - "As is" insurance renewal rates and insurance shopping
- Release of Governor's House 1 Budget

- 2/1-3/6: - Review budget with towns' BOS and administrators
- Conduct budget workshops (3)

- 3/13: - School Committee holds public hearing
- School Committee adopts FY '20 Budget

- 3/14-4/30: - Budget Book presentations to towns @ town and finance committee meetings

- 5/1-5/30: - FY '20 Final Budget approved at Annual Town Meetings