

RHODE ISLAND COLLEGE
**(a Component Unit of the State of Rhode Island and
Providence Plantations)**

SCHEDULE OF NET POSITION
SCHEDULE OF EXPENSES, REVENUES AND
CHANGES IN NET POSITION
SCHEDULE OF MATURITIES OF LONG-TERM DEBT
SCHEDULE OF CHANGES IN LONG-TERM DEBT

JUNE 30, 2018

RHODE ISLAND COLLEGE
(a Component Unit of the State of Rhode Island and Providence Plantations)

Schedule of Net Position
Schedule of Expenses, Revenues and Changes in Net Position
Schedule of Maturities of Long-Term Debt
Schedule of Changes in Long-Term Debt

June 30, 2018

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Board of Education of
State of Rhode Island and Providence Plantations
Providence, Rhode Island

We have audited the accompanying schedules of net position, expenses, revenues and changes in net position, maturities of long-term debt, and changes in long-term debt of the Rhode Island College (the "College"), a component unit of the State of Rhode Island and Providence Plantations, as of and for the year ended June 30, 2018, and the related notes to the schedules.

Management's Responsibility for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 the schedules that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedules based on our audit. The financial statements of Rhode Island Foundation (the "Foundation") as of and for the year ended June 30, 2018 were audited by other auditors for which an unmodified opinion was expressed. Our opinion on the accompanying schedules, insofar as it relates to the discretely presented amounts for the Foundation for fiscal year ended June 30, 2018, is based solely upon the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedules. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the schedules, 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 schedules 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 schedules.

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

Opinion

In our opinion, the schedules of net position, expenses, revenues and changes in net position, maturities of long-term debt, and changes in long-term debt referred to above present fairly, in all material respects, the net position, expenses, revenues and changes in net position, maturities of long-term debt and changes in long-term debt of the Rhode Island College as of and for the year ended June 30, 2018, in accordance with the reporting requirements of the State of Rhode Island and Providence Plantations.

Emphasis of Matter

We draw attention to Note 1 to the schedules, which describes that the accompanying schedules were prepared for the purpose of complying with specific requirements of the State of Rhode Island and Providence Plantations and are not intended to be a complete presentation of Rhode Island College's financial statements. Our opinion is not modified with respect to this matter.

As discussed in Note 3 to the schedules, the College restated prior balances with regards to the adoption of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to that matter.

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Rhode Island College as of and for the year ended June 30, 2018, and our report thereon dated September 30, 2018, expressed an unmodified opinion on those financial statements.

O'Connor and Drew, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

September 30, 2018

RHODE ISLAND COLLEGE
(a Component Unit of the State of Rhode Island and Providence Plantations)
Schedule of Net Position

June 30, 2018

Assets and Deferred Outflows of Resources

	College	Foundation	Total
Current Assets:			
Cash and equivalents	\$ 23,472,913	\$ 7,136,433	\$ 30,609,346
Investments	-	-	-
Receivables (net)	6,549,639	619,293	7,168,932
Restricted assets:			
Cash and equivalents	-	-	-
Investments	-	-	-
Receivables (net)	-	-	-
Other assets	-	-	-
Due from primary government	2,713,789	-	2,713,789
Due from other component units	-	-	-
Due from other governments	-	-	-
Inventories	-	-	-
Other assets	84,268	19,681	103,949
Total Current Assets	32,820,609	7,775,407	40,596,016
Noncurrent Assets:			
Investments	-	27,655,198	27,655,198
Receivables (net)	2,398,373	268,921	2,667,294
Restricted assets:			
Cash and equivalents	560,814	-	560,814
Investments	-	-	-
Receivables (net)	-	-	-
Other assets	-	1,054,671	1,054,671
Due from other component units	-	-	-
Capital assets - nondepreciable	30,019,013	-	30,019,013
Capital assets - depreciable (net)	154,257,421	1,405	154,258,826
Other assets, net of amortization	-	-	-
Total Noncurrent Assets	187,235,621	28,980,195	216,215,816
Total Assets	220,056,230	36,755,602	256,811,832
Deferred Outflows of Resources:			
Deferred pension amounts	7,998,550	-	7,998,550
Deferred OPEB amounts	4,700,851	-	4,700,851
Other deferred outflows of resources	-	-	-
Total Deferred Outflows of Resources	12,699,401	-	12,699,401
	Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities:			
Cash overdraft	-	-	-
Accounts payable	9,620,423	1,937	9,622,360
Due to primary government	2,619,374	-	2,619,374
Due to other component units	-	-	-
Due to other governments	-	-	-
Unearned revenue	2,407,617	-	2,407,617
Other current liabilities	5,903,401	336,426	6,239,827
Current portion of long-term debt	1,040,400	445	1,040,845
Total Current Liabilities	21,591,215	338,808	21,930,023
Noncurrent Liabilities:			
Due to primary government	16,212,544	-	16,212,544
Due to other component units	-	-	-
Due to other governments	-	-	-
Net pension liability	43,865,941	-	43,865,941
Net OPEB liability	26,762,551	-	26,762,551
Unearned revenue	-	-	-
Notes payable	757,194	-	757,194
Loans payable	-	-	-
Obligations under capital leases	-	-	-
Compensated absences	770,241	-	770,241
Bonds payable	14,819,542	-	14,819,542
Other liabilities	2,465,021	695,471	3,160,492
Total Noncurrent Liabilities	105,653,034	695,471	106,348,505
Total Liabilities	127,244,249	1,034,279	128,278,528
Deferred Inflows of Resources:			
Deferred pension amounts	1,949,506	-	1,949,506
Deferred OPEB amounts	2,913,027	-	2,913,027
Other deferred outflows of resources	-	-	-
Total Deferred Inflows of Resources	4,862,533	-	4,862,533
Net Position:			
Net invested in capital assets	149,940,438	960	149,941,398
Restricted for:			
Debt	-	-	-
Other	3,490,352	12,037,745	15,528,097
Nonexpendable	-	19,277,607	19,277,607
Unrestricted	(52,781,941)	4,405,011	(48,376,930)
Total Net Position	\$ 100,648,849	\$ 35,721,323	\$ 136,370,172

See notes to schedules.

RHODE ISLAND COLLEGE
(a Component Unit of the State of Rhode Island and Providence Plantations)

Schedule of Expenses, Revenues and Changes in Net Position

June 30, 2018

	College	Foundation	Total
Expenses	\$ 154,927,595	\$ 2,334,786	\$ 157,262,381
Program Revenues:			
Charges for services	67,749,605	-	\$ 67,749,605
Operating grants and contributions	75,726,018	3,135,195	78,861,213
Capital grants and contributions	23,690,310	-	23,690,310
Total Program Revenues	167,165,933	3,135,195	170,301,128
Net (Expenses) Revenues	12,238,338	800,409	13,038,747
General Revenues			
Interest and investment earnings	271,496	3,192,706	3,464,202
Miscellaneous revenue	525,868	62,558	588,426
Total General Revenue	797,364	3,255,264	4,052,628
Special items	-	-	-
Extraordinary items	-	-	-
 Change in Net Position	 13,035,702	 4,055,673	 17,091,375
 Total Net Position, Beginning of Year (as restated)	 87,613,147	 31,665,650	 119,278,797
Total Net Position, End of Year	\$ 100,648,849	\$35,721,323	\$ 136,370,172

See notes to schedules.

RHODE ISLAND COLLEGE

(a Component Unit of the State of Rhode Island and Providence Plantations)

Schedule of Maturities of Long-Term Debt

June 30, 2018

Bonds Payable

Fiscal Years Ending June 30,	<u>Principal</u>	<u>Interest</u>
2019	\$ 791,644	\$ 646,487
2020	814,277	616,976
2021	850,188	583,569
2022	888,965	548,439
2023	923,351	510,945
2024 - 2028	3,018,993	2,117,192
2029 - 2033	2,720,000	1,488,525
2034 - 2038	2,735,000	853,875
2039 - 2043	1,995,000	153,125
2044 - 2048	-	-
2049 - 2053	-	-
2054 - 2058	-	-
2059 - 2063	-	-
	<u>\$ 14,737,418</u>	<u>\$ 7,519,133</u>

Due to Primary Government

Fiscal Years Ending June 30,	<u>Principal</u>	<u>Interest</u>
2019	\$ 1,506,316	\$ 750,568
2020	1,594,649	682,748
2021	1,686,316	613,561
2022	1,774,649	542,261
2023	1,876,316	464,191
2024 - 2028	7,630,614	1,022,960
2029 - 2033	1,650,000	53,926
2034 - 2038	-	-
2039 - 2043	-	-
2044 - 2048	-	-
2049 - 2053	-	-
2054 - 2058	-	-
2059 - 2063	-	-
	<u>\$ 17,718,860</u>	<u>\$ 4,130,215</u>

See notes to schedules.

RHODE ISLAND COLLEGE

(a Component Unit of the State of Rhode Island and Providence Plantations)

Schedule of Maturities of Long-Term Debt - Continued

June 30, 2018

Notes Payable

Fiscal Years <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 128,757	\$ 46,963
2020	135,467	39,808
2021	143,020	32,255
2022	150,994	24,281
2023	159,412	15,862
2024 - 2028	168,301	6,974
2029 - 2033	-	-
2034 - 2038	-	-
2039 - 2043	-	-
2044 - 2048	-	-
2049 - 2053	-	-
2054 - 2058	-	-
2059 - 2063	-	-
	\$ 885,951	\$ 166,143

Net Unamortized Premium

Fiscal Years <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 120,444	\$ -
2020	120,444	-
2021	120,444	-
2022	120,444	-
2023	120,444	-
2024 - 2028	351,764	-
2029 - 2033	40,228	-
2034 - 2038	-	-
2039 - 2043	-	-
2044 - 2048	-	-
2049 - 2053	-	-
2054 - 2058	-	-
2059 - 2063	-	-
	\$ 994,212	\$ -

See notes to schedules.

RHODE ISLAND COLLEGE
(a Component Unit of the State of Rhode Island and Providence Plantations)

Schedule of Changes in Long-Term Debt

June 30, 2018

	(Restated) Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year	Amounts Due Thereafter
Bonds payable	\$ 15,497,688	\$ -	\$ 760,270	\$ 14,737,418	\$ 791,644	\$ 13,945,774
Net unamortized premium/discount	<u>1,114,659</u>	<u>-</u>	<u>120,447</u>	<u>994,212</u>	<u>120,444</u>	<u>873,768</u>
Bonds payable	16,612,347	-	880,717	15,731,630	912,088	14,819,542
Notes payable	1,010,309	-	124,358	885,951	128,757	757,194
Loans payable	-	-	-	-	-	-
Obligations under capital leases	-	-	-	-	-	-
Net pension liability	42,473,879	1,392,062	-	43,865,941	-	43,865,941
Net OPEB liability	27,601,372	-	838,821	26,762,551	-	26,762,551
Due to primary government	19,141,842	-	1,422,982	17,718,860	1,506,316	16,212,544
Due to component units	-	-	-	-	-	-
Due to other governments and agencies	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Compensated absences	5,196,643	-	90,648	5,105,995	4,335,754	770,241
Arbitrage rebate	-	-	-	-	-	-
Pollution remediation	-	-	-	-	-	-
Funds held for others	-	-	-	-	-	-
Other liabilities:						
Grant refundable	3,363,575	-	898,554	2,465,021	-	2,465,021
Grants payable	943,233	-	122,208	821,025	160,000	661,025
Annuities payable	<u>41,064</u>	<u>-</u>	<u>86</u>	<u>40,978</u>	<u>6,532</u>	<u>34,446</u>
Other liabilities	<u>4,347,872</u>	<u>-</u>	<u>1,020,848</u>	<u>3,327,024</u>	<u>166,532</u>	<u>3,160,492</u>
	<u>\$ 116,384,264</u>	<u>\$ 1,392,062</u>	<u>\$ 4,378,374</u>	<u>\$ 113,397,952</u>	<u>\$ 7,049,447</u>	<u>\$106,348,505</u>

See notes to schedules.

RHODE ISLAND COLLEGE
(a Component Unit of the State of Rhode Island and Providence Plantations)

Notes to Schedules

June 30, 2018

Note 1 - **Basis of Presentation**

The accompanying Schedule of Net Position, Schedule of Expenses, Revenues and Changes in Net Position, Schedule of Maturities of Long-Term Debt, and Schedule of Changes in Long-Term Debt have been prepared in a manner prescribed by the State of Rhode Island Office of Accounts & Control.

Note 2 - **Reclassification to Conform with Current Presentation**

Certain amounts in these financial schedules have been reclassified from the College's audited general purpose financial statements to conform with this requested presentation.

Note 3 - **Implementation of Newly Effective Accounting Standard**

As a result of implementing GASB Statement No. 75 ("GASB 75"), *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the College has restated net position in the schedule of net position by \$25,527,769 as of June 30, 2017. The prior period restatement of net position reflects the recognition of an OPEB liability as of June 30, 2017, as required by the application of GASB 75.