

TOWN OF NARRAGANSETT, RHODE ISLAND
Annual Financial Statements
For the Fiscal Year Ended
June 30, 2020

Christine Spagnoli
Finance Director

Prepared by: Finance Department

INTRODUCTORY SECTION

**THIS SECTION CONTAINS
THE FOLLOWING:**

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- **Town of Narragansett Organizational Chart**
- **List of Elected and Appointed Town Officials**

TOWN OF NARRAGANSETT, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2020

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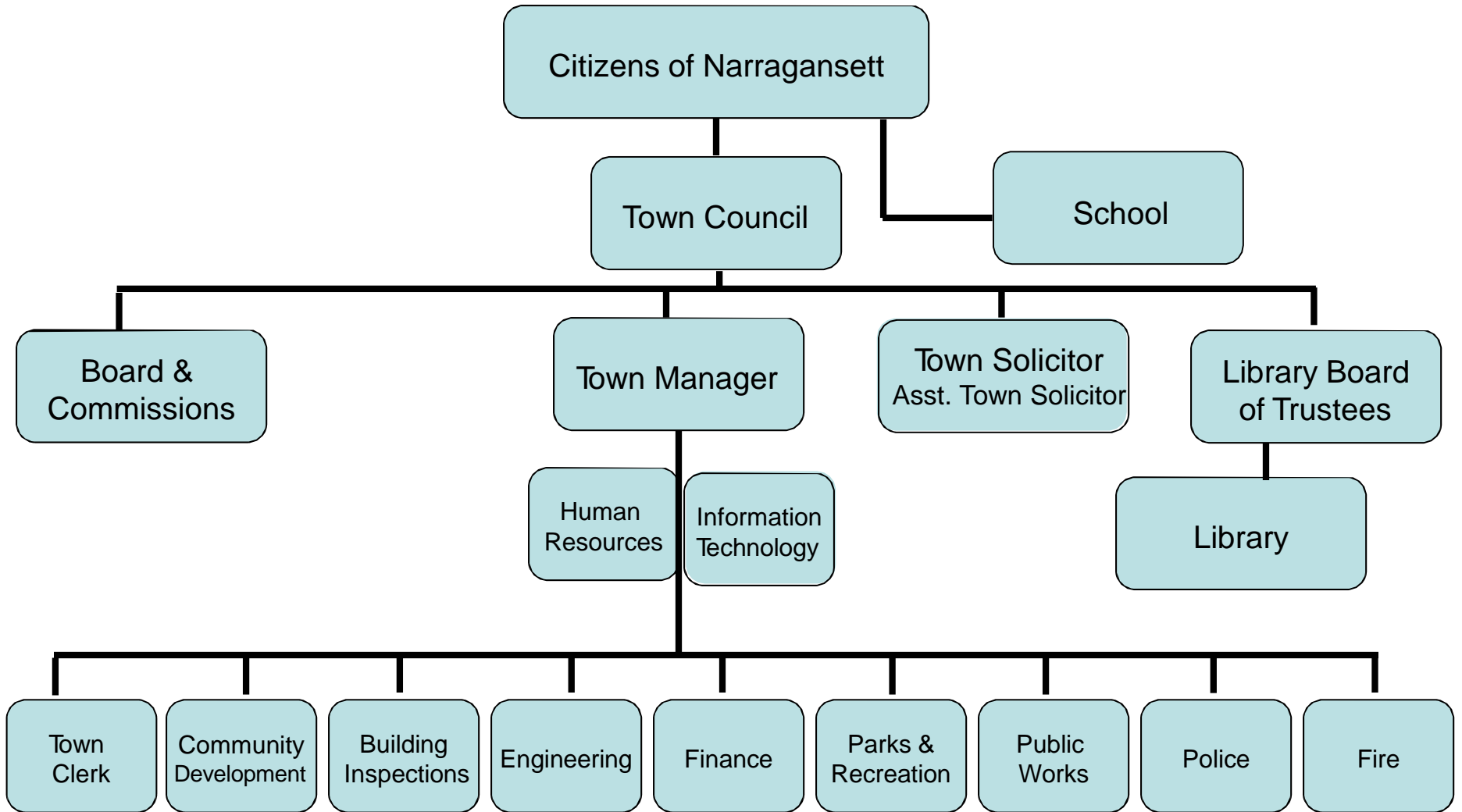
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Governmental Organization



TOWN OF NARRAGANSETT, RHODE ISLAND
LIST OF ELECTED AND APPOINTED OFFICIALS

JUNE 30, 2020

Elected Officials

Council President	Matthew M. Mannix
President Pro Tempore	Jill Lawler
Council Member	Richard M. Lema
Council Member	Patrick W. Murray
Council Member	Jesse Pugh
School Committee, Chairperson	Tammy McNeiece
School Committee, Vice-Chairperson	Diane S. Nobles
School Committee, Member	Frank White
School Committee, Member	Rebecca Durkin
School Committee, Member	Justin Skenyon

Appointed Officials

Town Manager	James Tierney
Town Solicitor	Mark Davis
Assistant Town Solicitor	Stephen Marsella
	Andy Berg
Finance Director	Christine A. Spagnoli
Town Clerk	Theresa C. Donovan
Town Engineer	Jonathan S. Gerhard
Police Chief	Sean P. Corrigan
Fire Chief	Scott M. Partington
Public Works Director	Michael P. DiCicco
Parks & Recreation Director	Steven T. Wright
Community Development Director	Michael J. DeLuca
Inspectional Services Director	Vacant
Human Resources Manager	Susan E. Healy
Town Controller	Matthew C. LeValley
Tax Assessor	David E. Dolce
Tax Collector	Christine A. Beck
Purchasing Agent	Susan W. Gallagher
Library Director	Patti A. Arkwright
Superintendent of Schools	Peter J. Cummings, Ed.D
Director of Finance, School Department	Karen M. Hagan

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

- **Independent Auditor's Report**
- **Management Discussion and Analysis**
- **Basic Financial Statements**
- **Required Supplementary Information**
- **Other Supplementary Information**



CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

To the Honorable President and
Members of the Town Council
Town of Narragansett, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Narragansett, Rhode Island'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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension and other postemployment benefit information on pages 4 through 13 and pages 81 through 97 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Narragansett, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, Annual Supplemental Transparency Report (MTP2), and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, Annual Supplementary Transparency Report (MTP2), and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 9, 2021 on our consideration of the Town of Narragansett, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Narragansett, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Narragansett, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
February 9, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Finance Director for the Town of Narragansett (the Town), the following narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2020 (FY 2020) has been prepared.

Financial Highlights

At the end of the current fiscal year, the total fund balance for the General Fund was \$19,496,655 or 32 % of the total 2020 budgeted revenues. This is an increase of \$1,164,744 from the prior year fund balance.

The total unassigned fund balance of the General Fund is \$8,788,376 or 14.4% of the total 2020 budgeted revenues. This is an increase of \$1,442,904 from the prior year unassigned fund balance.

The total assigned, committed, restricted or nonspendable fund balance of the General Fund is \$10,708,279. This this is a decrease of \$278,160 from the prior year total assigned, committed, restricted or nonspendable fund balance.

The Town General Fund ended the fiscal year 2020 with a budgetary operating surplus of \$797,475 with zero use of Unassigned Fund Balance.

As reported in the government wide financial statements, the assets and deferred outflows of resources of the Town of Narragansett exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$34,705,594. The Town's capital asset base has been developed from both the current operations and debt. The Town has recorded its property and equipment at original values in order to insure proper asset management.

The Town's total net position increased by \$1,431,936 for the fiscal year ended June 30, 2020.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components:

1. Government-wide financial statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.
 - a. *Statement of Net Position*: This statement presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Increases or decreases in net position may serve as a useful indicator of an improving or deteriorating financial position.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

- b. *Statement of Activities*: This statement presents information showing how the government's net position changed during the reporting period. 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 (such as uncollected taxes and earned but unused personnel leaves).
- c. Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, education, public safety, public works and highway, community development and recreation. The business-type activities of the Town include Water, Sewer, Beach and the Middlebridge Recreation Fund operations.

The government-wide financial statements can be found on pages 14 and 15 of this report.

2. Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town may be divided into three categories: governmental funds, proprietary funds and fiduciary funds.
 - a. *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. This information may be helpful in evaluating the Town'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. Thus, the long-term impact of the government's near-term financing decisions becomes apparent. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Funds are classified as "major" and "nonmajor." Data from major governmental funds is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances. Data from the nonmajor funds is combined into a single, aggregated presentation. Individual fund data

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

for each of these nonmajor governmental funds is provided in the form of *combining statements* and can be found on pages 98-105 of this report.

The Town adopted annual budgets for its General Fund, Water Fund, Sewer Fund, Beach Fund, and Middlebridge Recreation Fund. The School Committee adopts a budget for the operation of the Town's three schools. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found on pages 16-19 of this report.

- b. *Proprietary Funds*: The Town maintains two types of proprietary funds.

Enterprise Funds are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its Water, Wastewater, Middlebridge Recreation and Beach operations.

Internal Service Funds are used to report activities that provide supplies and services for the Town's other programs and activities. The Town uses the Internal Service Fund to account for the self insured healthcare program.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Wastewater, Middlebridge Recreation and Beach operations, all of which are considered to be major funds of the Town.

The proprietary fund financial statements can be found on pages 20-23 of this report.

- c. *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 Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on pages 24-25 of this report.

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

The notes to the financial statements can be found on pages 26-80 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information comparing budget to actual revenues and expenditures for the General Fund, and concerning the Town's progress in funding its obligations to provide pension and other postemployment benefits to its enrolled employees. Required supplementary information can be found on pages 81-97 of this report.

Government-wide Financial Analysis

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, the government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$34,705,594 at the close of this reporting period.

The Town's net position consist principally of its investment in capital assets (that is, land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its 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.

Town of Narragansett's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 29,705,400	\$ 29,405,134	\$ 12,857,900	\$ 12,692,845	\$ 42,563,300	\$ 42,097,979
Capital assets	\$ 101,064,721	\$ 101,314,547	\$ 33,893,159	\$ 35,119,642	\$ 134,957,880	\$ 136,434,189
Total assets	<u>\$ 130,770,121</u>	<u>\$ 130,719,681</u>	<u>\$ 46,751,059</u>	<u>\$ 47,812,487</u>	<u>\$ 177,521,180</u>	<u>\$ 178,532,168</u>
Deferred outflows of resources	\$ 18,216,574	\$ 10,086,709	\$ -	\$ -	\$ 18,216,574	\$ 10,086,709
Current liabilities	\$ 5,635,230	\$ 5,358,337	\$ 698,116	\$ 1,019,465	\$ 6,333,346	\$ 6,377,802
Noncurrent liabilities	\$ 144,067,987	\$ 137,471,687	\$ 982,053	\$ 1,088,074	\$ 145,050,040	\$ 138,559,761
Total liabilities	<u>\$ 149,703,217</u>	<u>\$ 142,830,024</u>	<u>\$ 1,680,169</u>	<u>\$ 2,107,539</u>	<u>\$ 151,383,386</u>	<u>\$ 144,937,563</u>
Deferred inflows of resources	\$ 8,619,156	\$ 9,159,458	\$ 1,029,618	\$ 1,248,198	\$ 9,648,774	\$ 10,407,656
Net position:						
Net investment in capital assets	\$ 76,687,158	\$ 76,033,001	\$ 33,044,852	\$ 33,691,799	\$ 109,732,010	\$ 109,724,800
Restricted	\$ 7,184,721	\$ 6,006,722	\$ -	\$ -	\$ 7,184,721	\$ 6,006,722
Unrestricted	\$ (93,207,557)	\$ (93,222,815)	\$ 10,996,420	\$ 10,764,951	\$ (82,211,137)	\$ (82,457,864)
Total net position	<u>\$ (9,335,678)</u>	<u>\$ (11,183,092)</u>	<u>\$ 44,041,272</u>	<u>\$ 44,456,750</u>	<u>\$ 34,705,594</u>	<u>\$ 33,273,658</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

At June 30, 2020, the Town is able to report positive balances in both categories of net position for its business-type activities. For governmental activities, the deficit in the Town's unrestricted net position decreased, due principally to the impact of fiscal 2020 capital asset and long-term liability transactions and the resulting effect on unrestricted net position.

Governmental Activities: Governmental activities increased the Town's net position by \$1,847,414.

Town of Narragansett's Changes in Net Position.

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 6,098,437	\$ 5,731,965	\$ 9,077,272	\$ 8,785,414	\$ 15,175,709	\$ 14,517,379
Operating grants and contributions	5,620,873	5,731,228	-	-	5,620,873	5,731,228
Capital grants and contributions	714,903	560,813	-	-	714,903	560,813
General revenues:						
Property taxes	53,775,607	51,898,135	-	-	53,775,607	51,898,135
State aid and in lieu of taxes	2,145,219	2,147,564	-	-	2,145,219	2,147,564
Miscellaneous and interest	584,935	571,793	150,958	124,446	735,893	696,239
Total revenues	68,939,974	66,641,498	9,228,230	8,909,860	78,168,204	75,551,358
Expenses:						
General government	2,846,519	2,850,749	-	-	2,846,519	2,850,749
Financial administration	1,822,041	1,696,829	-	-	1,822,041	1,696,829
Public safety	17,814,969	16,575,459	-	-	17,814,969	16,575,459
Public works	5,294,571	4,896,441	-	-	5,294,571	4,896,441
Social Services	34,588	84,173	-	-	34,588	84,173
Parks and recreation	2,328,988	2,269,787	-	-	2,328,988	2,269,787
Plan, engineer & inspection	1,287,273	1,327,790	-	-	1,287,273	1,327,790
Library	995,575	1,050,354	-	-	995,575	1,050,354
Education	33,787,089	32,546,660	-	-	33,787,089	32,546,660
Interest on Long term debt	806,122	771,128	-	-	806,122	771,128
Water Fund	-	-	2,305,648	2,274,164	2,305,648	2,274,164
Sewer Fund	-	-	5,322,640	4,246,453	5,322,640	4,246,453
Beach Fund	-	-	2,064,437	1,971,060	2,064,437	1,971,060
Middlebridge Recreation	-	-	25,808	22,582	25,808	22,582
Total expenses	67,017,735	64,069,370	9,718,533	8,514,259	76,736,268	72,583,629
Transfers	(74,825)	(74,825)	74,825	74,825	-	-
Change in net position	1,847,414	2,497,303	(415,478)	470,426	1,431,936	2,967,729
Net position, beginning of year	(11,183,092)	(13,680,395)	44,456,750	43,986,324	33,273,658	30,305,929
Net position, end of year	\$ (9,335,678)	\$ (11,183,092)	\$ 44,041,272	\$ 44,456,750	\$ 34,705,594	\$ 33,273,658

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

Property taxes levied for FY 2019-2020 based on the December 31, 2018 grand list increased by \$1,967,407 to \$53,631,508 from the amount levied for 2018-2019 of \$51,664,101. This was an increase of 3.81%, below the State mandated cap increase of 4%, which is the maximum allowable increase permitted under state law. Chapter 253 of the Public Laws of 2006 (known as Senate 3050) entitled "Relating to Taxation – Property Taxes" modified the calculation of the property tax cap beginning in fiscal year 2008, changed the criteria for exemptions from the property tax cap, limited the increase that School Committees could request from municipal funds in their annual budget proposal and amended the definition of "state mandates." The statewide property tax cap became effective on July 1, 2007. This cap limited the property tax levy increase to 5.25% in fiscal year 2008 and set in place a .25% reduction for each successive fiscal year until fiscal year 2013, when the cap will be set at 4.0%. The amount of current year taxes to be collected for FY 2020 was \$52,771,855 which was based on a rate of collection of 98.6%. Current year collections were \$53,371,012 compared to the budgeted amount of \$52,771,855, an increase of \$599,157 or 1.1%.

Business-type activities: Business-type activities decreased the Town's net position by \$490,303. Key elements of the increase are as follows:

- a. Water Fund: The net position of the Water enterprise is up \$71,777 or 1.2%.
- b. Sewer Fund: The net position for the Sewer enterprise is down \$1,278,027 or 4.5%.
- c. Beach Fund: The net position for the Beach enterprise is up \$645,638 or 7.0%.
- d. Middlebridge: The net position for the Middlebridge Fund is up \$145,134 or 11.7%.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds: The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the reporting period, the Town governmental funds reported combined ending fund balances of \$23,789,637. Approximately 25% of this total amount or \$5,937,360 constitutes *unassigned fund balance*, which is available for spending at the Town's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$8,788,376, while total fund balance was \$19,496,655. As a measure of the General Fund's liquidity, it may be useful to compare both *unassigned* fund balance and total fund balance to total fund expenditures and transfers. Unassigned fund balance of \$8,788,376 represents 13.5% of total General Fund expenditures and transfers of \$65,019,750, while total fund balance represents 30% of the same amount.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Town’s Funds (Continued)

The Town’s General Fund – Fund Balance increased by \$1,164,744 due mainly to the net between the lower expenditures in the operating budget of \$1,389,789 and lower revenues than budgeted of \$592,314, with \$0 use of of fund balance in the Town general fund. There is a school operating surplus of \$1,099,087.

Proprietary funds: The Town’s proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- a. Water Fund: The unrestricted net position of the Water Fund at June 30, 2020 was \$2,796,154.
- b. Sewer Fund: The unrestricted net position of the Sewer Fund at June 30, 2020 was \$3,478,805.
- c. Beach Fund: The unrestricted net position of the Beach Fund at June 30, 2020 was \$4,646,966.
- d. Middlebridge Fund: The unrestricted net position of the Middlebridge Recreation Fund at June 30, 2020 was \$74,495.

General Fund Budgetary Highlights

The general fund operating budget shows an operating surplus of \$797,475. This represents 1.3% of the \$60,989,908 budget as approved by the Town Council. The largest surplus in revenue above budget was from tax revenue for \$574,568, an increase in emergency medical services revenue of \$130,004 and a decrease in expenditures of \$1,389,789.

Capital Assets and Debt Administration

1. Capital assets: The Town’s investment in capital assets for its governmental and business-type activities as of June 30, 2020 amounted to \$134,957,880 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and bridges. The total decrease in the Town’s investment in capital assets, net of accumulated depreciation, for FY2020 was \$1,476,309, or 1.08% (a .02% decrease for governmental activities and a 3.5% decrease for business-type activities).

Town of Narragansett’s Capital Assets (Net of accumulated depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$44,751,624	\$44,751,624	\$3,186,280	\$3,186,280	\$47,937,904	\$47,937,904
Construction in progress	883,572	367,723	100,885	713,114	984,457	1,080,837
Buildings and improvements	26,235,700	27,121,220	11,411,294	12,127,500	37,646,994	39,248,720
Machinery and equipment	3,119,956	3,169,344	1,452,559	747,898	4,572,515	3,917,242
Vehicles	2,590,297	2,676,506	240,110	228,640	2,830,407	2,905,146
Infrastructure	23,483,572	23,228,130	17,502,031	18,116,210	40,985,603	41,344,340
Total	\$101,064,721	\$101,314,547	\$33,893,159	\$35,119,642	\$134,957,880	\$136,434,189

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration (Continued)

2. Debt administration: At the end of the fiscal year, the Town’s governmental activities had total bonds, notes and capital leases outstanding of \$24,988,336, all of which is backed by the full faith and credit of the Town. Total debt increased from a \$40,048 capital lease addition and decreased from retirements of \$2,022,881 during FY 2020.

The Town was upgraded from an “AA” rating to “AA+” from Standard & Poor’s and an “Aa2” from Moody’s for general obligation debt.

Town of Narragansett’s Outstanding Debt
 Bonds, Notes and Capital Leases
 (In thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$24,040	\$25,799	\$ -	\$ 150	\$24,040	\$25,949
Notes and loans	824	991	848	1,278	1,672	2,269
Capital leases	124	182	-	-	124	182
Total	\$24,988	\$26,972	\$848	\$1,428	\$25,836	\$28,400

Except as provided below, under Rhode Island general laws, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town is \$150,586,728 based on net assessed valuations of \$5,019,557,596 as of December 31, 2018. As of June 30, 2020, the Town had \$150,138,728 of debt that could be issued under the 3% debt limit provision.

The Town is guided by a Debt Policy, adopted by a prior Town Council, which places internal limits on the amount of General Fund debt the Town may undertake. These restrictions are:

Debt Issuance Ratios	Limitation
Debt Service as a Percentage of Operating Budget	7% of Operating Budget Expenses
Outstanding Debt as a Percentage of Assessed Valuation	2.5% of assessed valuations
Debt Service as a Percentage of Maximum Allowable Tax Levy	8% of Maximum Allowable Tax Levy
Outstanding Debt Per Capita	\$2,500 per capita

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration (Continued)

Current general obligation debt for Governmental Activities of \$24,864,139 and debt service of \$2,892,781 for FY 2020 equates to the following (excludes capital leases, compensated absences, pollution remediation obligations and pension and OPEB obligations):

4.7% Debt service as a Percent of the Operating Budget (FY 2020 budget was \$60,989,908 while debt service was \$2,892,781).

.50% Outstanding general obligation debt as a percentage of Net Assessed valuation \$5,019,557,596

5.39% Debt service as a percent of net tax levy of \$53,631,508

\$1,567 Outstanding general obligation debt per capita of 15,868

As can be seen, the Town is well within the Debt Policy Guidelines.

MAXIMUM TO STAY WITHIN DEBT LIMITS

	LIMITS	CURRENT	
Debt service at 7% of operating budget	\$ 4,269,294	\$ 2,892,781	67.8%
Debt at 2.5% of assessed value	\$125,488,940	\$ 24,864,139	19.8%
Debt service at 8% of the tax levy	\$ 4,290,521	\$ 2,892,781	67.4%
Debt per capita at \$2,500	\$ 2,500	\$ 1,567	62.7%

The Town Council approved a bond authorization for a new library in the amount of \$5.8 million and an authorization of \$400,000 for the financing of a building adjacent unit if it is deemed not to be used for a library purpose. This bond authorization is not realized as of June 30, 2020.

Subsequent Fiscal Year 2020-2021 Budget and Tax Rates

The Town of Narragansett’s total general fund budget for fiscal year 2020/2021 is \$61,176,312, which reflects a minimal increase of \$186,404 from the fiscal year 2019/2020 budget. The Town’s tax rates for fiscal year 2020/2021 are residential real estate \$10.48 per thousand of valuation, commercial real estate and property \$14.15 per thousand of valuation, and motor vehicles \$16.46 per thousand of valuation over \$6,000 with the State 5 year phase out planned for the motor vehicle tax.

Other subsequent events. COVID-19 (Coronavirus Disease 2019) is a new respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 9, 2020, the Governor of the State declared a state of emergency to support the State’s response to the outbreak of the virus and on April 8, 2020, the Governor extended the state of emergency until May 8, 2020. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic. The Town, in consultation with the Rhode Island Department of Health, is actively monitoring the spread of the virus. The Town Manager/Commissioner of Public Safety, effective March 16, 2020, required all Town buildings to be closed to the public and offer options such as, appointments to conduct business, drop box and enhanced on-line access. The Town is adhering to these actions by strictly following the public health recommendations of social distancing guidelines and limiting public gatherings. The Town implemented restrictions and closures at Town recreational facilities and parks. As

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

the State restrictions were lifted the Town slowly opened some recreational facilities, i.e. beaches and the Senior Center. In doing so, the Town made every effort to open in a safe manner by following the recommendations by the State on safely reopening. On July 27, 2020, the Town opened all public buildings with enhanced cleaning and safety protocols to protect the Town staff and residents. In addition, the Town hired a “Safety Greeter” to meet all visitors with a temperature check, contact information and health-screening checklist to monitor access to Town Hall. Currently, only visitors with an appointment may enter the building. The Town continues to and expects to operate and provide all necessary and essential services, including public safety, public works, release of public information and all necessary financial transactions, among others. The Town Manager/Commissioner of Public Safety has issued numerous communications to both Town staff and residents regarding protocols that should be used to try to keep everyone as safe as possible to stop the spread of the virus. The Town does not expect that Town services will be materially impacted. Through the challenges the Town has faced during this pandemic, FY2020 finished in a surplus condition of, \$797,475. This was accomplished by executing a freeze on all hiring and non-essential purchases on April 24, 2020, submission of grants for COVID-19 related expenses, and the persistent monitoring of the budget. In addition, the Town’s Tax Collection rate remained well above 98%.

The prior Town Council approved a bond authorization for a new library in the amount of \$5.8 million and an authorization of \$400,000 for the financing of the adjacent unit to the proposed library building if it is deemed not to be used for a library purpose. The Pier Market building has been purchased for a total of \$2,800,000. The prior Town Council approved a motion to sell the new building. The newly elected Town Council (Nov 2020) is proceeding with the redesign of the new library structure at the proposed Pier Market building. At this juncture, all pending litigation associated with this project has been discharged.

The State of Rhode Island passed a new tax law phasing out the local authority to tax motor vehicles R.I Gen. Laws 44-34.1 Article 11 of 2017-H 5175 Sub A. This is a five-year phase out with FY 2017/2018 as the first year of implementation of this law. The State will reimburse the reduction of the revenue to the Town.

Requests for Information

This financial report is designed to provide a general overview of the Town’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Director of Finance
Town of Narragansett
25 Fifth Avenue
Narragansett, RI 02882

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

- **Governmental Funds**
- **Proprietary Funds**
- **Fiduciary Funds**

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 18,310,548	\$11,171,628	\$ 29,482,176
Investments	6,031,938	-	6,031,938
Accrued interest receivable	-	13,041	13,041
Real estate and personal property tax receivable, net	460,794	-	460,794
Water and sewer use and assessments receivable	-	565,306	565,306
Due from federal and state government	710,764	-	710,764
Other receivables	863,765	16,303	880,068
Inventories	12,792	-	12,792
Prepaid expenses	446,003	-	446,003
Total current assets	26,836,604	11,766,278	38,602,882
Noncurrent assets:			
Sewer assessments receivable	-	1,091,622	1,091,622
Capital assets: (Note 2)			
Land and land easements	44,751,624	3,186,280	47,937,904
Depreciable buildings, property, equipment, infrastructure, net	55,429,525	30,605,994	86,035,519
Construction in progress	883,572	100,885	984,457
Other assets	2,868,796	-	2,868,796
Total noncurrent assets	103,933,517	34,984,781	138,918,298
Total assets	130,770,121	46,751,059	177,521,180
Deferred outflows of resources:			
Deferred amounts on refunding	265,978	-	265,978
Deferred pension amounts	15,347,987	-	15,347,987
Deferred other post-employment benefit amounts	2,602,609	-	2,602,609
Total deferred outflows of resources	18,216,574	-	18,216,574
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	2,466,610	445,310	2,911,920
Accrued interest payable	156,550	2,914	159,464
Customer deposits payable	-	30,175	30,175
Capital lease payable	92,493	-	92,493
Compensated absences payable	873,132	56,717	929,849
Pollution remediation obligations	85,574	-	85,574
Long-term debt - due within one year (Note 7)	1,960,871	163,000	2,123,871
Total current liabilities	5,635,230	698,116	6,333,346
Noncurrent Liabilities:			
Long-term debt - due in more than one year (Note 7)	24,981,087	685,307	25,666,394
Capital lease payable	31,704	-	31,704
Compensated absences payable	3,150,893	296,746	3,447,639
Pollution remediation obligations	1,422,040	-	1,422,040
Net pension liabilities	84,175,272	-	84,175,272
Net other post-employment benefit liabilities	30,306,991	-	30,306,991
Total noncurrent liabilities	144,067,987	982,053	145,050,040
Total liabilities	149,703,217	1,680,169	151,383,386
Deferred Inflows of Resources:			
Deferred property taxes	331,441	-	331,441
Deferred pension amounts	3,326,898	-	3,326,898
Deferred other post-employment benefit amounts	4,913,203	-	4,913,203
Deferred sewer assessments	-	1,013,903	1,013,903
Other deferred infows	47,614	15,715	63,329
Total deferred inflows of resources	8,619,156	1,029,618	9,648,774
Net Position:			
Net investment in capital assets	76,687,158	33,044,852	109,732,010
Restricted for:			
Capital	105,506	-	105,506
Education programs	6,249,592	-	6,249,592
Public safety programs	73,240	-	73,240
Historical records preservation	213,574	-	213,574
Community service programs	356,495	-	356,495
Parks and recreation programs	84,465	-	84,465
Other programs	101,849	-	101,849
Unrestricted	(93,207,557)	10,996,420	(82,211,137)
Total net position	\$ (9,335,678)	\$44,041,272	\$ 34,705,594

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended June 30, 2020

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Position</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Governmental Activities:							
General government	\$ 2,846,519	\$ 1,693,910	\$ -	\$ -	\$ (1,152,609)	\$ -	\$ (1,152,609)
Financial administration	1,822,041	700,491	-	-	(1,121,550)	-	(1,121,550)
Public safety	17,814,969	904,653	88,047	32,147	(16,790,122)	-	(16,790,122)
Public works	5,294,571	50,824	16,085	-	(5,227,662)	-	(5,227,662)
Social services	34,588	-	22,783	-	(11,805)	-	(11,805)
Parks and recreation	2,328,988	436,315	106,045	519,132	(1,267,496)	-	(1,267,496)
Planning, engineering and inspection	1,287,273	416,413	-	-	(870,860)	-	(870,860)
Library	995,575	58,371	6,138	-	(931,066)	-	(931,066)
Education	33,787,089	1,837,460	4,927,025	163,624	(26,858,980)	-	(26,858,980)
Interest on long-term debt	806,122	-	454,750	-	(351,372)	-	(351,372)
Total governmental activities	67,017,735	6,098,437	5,620,873	714,903	(54,583,522)	-	(54,583,522)
Business-Type Activities:							
Water	2,305,648	2,341,252	-	-	-	35,604	35,604
Sewer	5,322,640	3,993,499	-	-	-	(1,329,141)	(1,329,141)
Beach	2,064,437	2,647,096	-	-	-	582,659	582,659
Middlebridge Recreation	25,808	95,425	-	-	-	69,617	69,617
Total business-type activities	9,718,533	9,077,272	-	-	-	(641,261)	(641,261)
Total	\$ 76,736,268	\$ 15,175,709	\$ 5,620,873	\$ 714,903	(54,583,522)	(641,261)	(55,224,783)
General Revenues:							
Taxes:							
Property taxes					53,775,607	-	53,775,607
State aid and in lieu of taxes, not restricted for a specific purpose					2,145,219	-	2,145,219
Investment earnings					421,096	150,958	572,054
Miscellaneous					163,839	-	163,839
Transfers					(74,825)	74,825	-
					56,430,936	225,783	56,656,719
					Change in net position	(415,478)	1,431,936
					Net position - beginning of year	44,456,750	33,273,658
					\$ (9,335,678)	\$ 44,041,272	\$ 34,705,594

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2020*

	<u>General Fund</u>	<u>Library Building Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$12,460,672	\$ -	\$ 5,887,002	\$18,347,674
Investments	6,031,938	-	-	6,031,938
Real estate and personal property				
tax receivable, net	460,794	-	-	460,794
Due from federal and state governments	241,129	-	469,635	710,764
Due from other funds	492,277	-	1,464,150	1,956,427
Other receivables	405,547	2,409	241,144	649,100
Inventory	12,792	-	-	12,792
Prepaid expenditures	446,003	-	-	446,003
Other assets	72,718	-	-	72,718
Advance to other funds	2,813,820	-	-	2,813,820
Total assets	<u>\$23,437,690</u>	<u>\$ 2,409</u>	<u>\$ 8,061,931</u>	<u>\$31,502,030</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)				
Liabilities:				
Cash overdraft	\$ -	\$ 37,082	\$ 44	\$ 37,126
Accounts payable and accrued expenditures	1,327,258	2,479	398,056	1,727,793
Due to other funds	1,771,016	-	277,612	2,048,628
Other liabilities	137,652	-	-	137,652
Advance from other funds	-	2,813,820	-	2,813,820
Total liabilities	<u>3,235,926</u>	<u>2,853,381</u>	<u>675,712</u>	<u>6,765,019</u>
Deferred Inflows of Resources:				
Unavailable-property taxes	602,351	-	-	602,351
Unavailable revenue-loans	-	-	224,691	224,691
Unavailable -other revenue	102,758	-	17,574	120,332
Total deferred inflows of resources	<u>705,109</u>	<u>-</u>	<u>242,265</u>	<u>947,374</u>
Fund Balances (Deficits):				
Nonspendable:				
Inventory	12,792	-	-	12,792
Prepaid expenditures	446,003	-	-	446,003
Long-term interfund advances	2,813,820	-	-	2,813,820
Restricted for:				
Education programs	6,046,416	-	203,176	6,249,592
Public safety programs	-	-	73,240	73,240
Historical records preservation	-	-	213,574	213,574
Community service programs	-	-	131,804	131,804
Parks and recreation programs	-	-	84,465	84,465
Library programs	48,297	-	-	48,297
Capital projects	98,962	-	1,934,019	2,032,981
Other programs	-	-	53,552	53,552
Committed for:				
Capital projects	50,000	-	2,978,524	3,028,524
Debt service	-	-	186,102	186,102
Assigned to:				
Parks and recreation programs	236,428	-	-	236,428
Towers	356,893	-	-	356,893
Kinney Bungalow	144,369	-	-	144,369
Sunset Farm	11,676	-	-	11,676
Capital projects	-	-	1,285,542	1,285,542
Other	1,520	-	-	1,520
2021 budget-library	441,103	-	-	441,103
Unassigned	8,788,376	(2,850,972)	(44)	5,937,360
Total fund balances (deficits)	<u>19,496,655</u>	<u>(2,850,972)</u>	<u>7,143,954</u>	<u>23,789,637</u>
Total liabilities, deferred inflows of resources, and fund balances(deficits)	<u>\$23,437,690</u>	<u>\$ 2,409</u>	<u>\$ 8,061,931</u>	<u>\$31,502,030</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2020

Total Fund Balances - Total Governmental Funds \$ 23,789,637

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 2 to the financial statements. 101,064,721

Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the Governmental Funds financial statements. 297,409

Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred inflows of resources in the Governmental Funds financial statements. 270,910

Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet. (156,550)

Deferred pension and other post-employment benefit amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:

Deferred outflows of resources	17,950,596
Deferred inflows of resources	(8,240,101)

Long-term liabilities (including bonds, notes, loans, and capital leases payable, compensated absences, pollution remediation obligations, net pension liabilities and net other post employment benefit liabilities) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. See note 7 to the financial statements. (147,080,057)

Deferred amounts on refunding are not reported in the Governmental Fund financial statements, but are reported net of accumulated amortization as deferred outflows of resources in the Government-Wide financial statements. 265,978

The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Government-Wide Statement of Net Position. 2,501,779

Net Position of Governmental Activities \$ (9,335,678)

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<u>General Fund</u>	<u>Library Building Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General property taxes and payments in lieu of taxes	\$ 54,209,130	\$ -	\$ -	\$ 54,209,130
State and federal aid	5,611,459	-	-	5,611,459
Charges for services	5,914,401	51,263	299,223	6,264,887
Operating grants and contributions	85,725	-	1,204,671	1,290,396
Capital grants and contributions	-	-	714,903	714,903
Investment and interest income	268,284	-	152,812	421,096
Other revenues	55,447	-	13,026	68,473
Total revenues	<u>66,144,446</u>	<u>51,263</u>	<u>2,384,635</u>	<u>68,580,344</u>
Expenditures:				
<i>Current:</i>				
General government	2,242,649	63,145	8,665	2,314,459
Financial administration	1,581,199	-	-	1,581,199
Public safety	14,710,730	-	65,308	14,776,038
Public works	2,849,640	-	24,542	2,874,182
Social services	-	-	34,588	34,588
Parks and recreation	1,722,685	-	127,775	1,850,460
Planning, engineering and inspection	1,200,658	-	-	1,200,658
Library	925,453	-	-	925,453
Food service	-	-	282,961	282,961
Education	29,507,279	-	907,291	30,414,570
Town-wide	619,470	-	-	619,470
Other	3,279,726	-	-	3,279,726
Debt Service	-	-	2,977,399	2,977,399
Capital outlay	-	-	5,234,617	5,234,617
Total expenditures	<u>58,639,489</u>	<u>63,145</u>	<u>9,663,146</u>	<u>68,365,780</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>7,504,957</u>	<u>(11,882)</u>	<u>(7,278,511)</u>	<u>214,564</u>
Other financing sources (uses):				
Capital lease issued	40,048	-	-	40,048
Transfers from other funds	-	-	6,305,436	6,305,436
Transfers to other funds	(6,380,261)	-	-	(6,380,261)
Total other financing sources (uses)	<u>(6,340,213)</u>	<u>-</u>	<u>6,305,436</u>	<u>(34,777)</u>
Net change in fund balances	1,164,744	(11,882)	(973,075)	179,787
Fund balances (deficits)- beginning of year	<u>18,331,911</u>	<u>(2,839,090)</u>	<u>8,117,029</u>	<u>23,609,850</u>
Fund balances (deficits) - end of year	<u>\$ 19,496,655</u>	<u>\$ (2,850,972)</u>	<u>\$ 7,143,954</u>	<u>\$ 23,789,637</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended June 30, 2020

Net Changes in Fund Balances - Total Governmental Funds	\$ 179,787
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital asset additions recorded in the current period.	4,577,804
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements.	(4,783,027)
Loss on disposal of capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, the loss on disposal of capital assets is not reported as an expenditure in the Governmental Funds financial statements.	(44,604)
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period.	(61,448)
Debt and capital lease proceeds provide current financial resources to Governmental Funds, but issuing debt and capital leases increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt and capital lease principal is an expenditure in the Government Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position.	
This amount represents capital lease issued during the current period.	(40,048)
This amount represents debt and capital lease principal payments during the current period.	2,022,881
Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year.	11,116
Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.	
This amount represents amortization of premium on debt during the current period.	182,709
This amount represents amortization of deferred amounts on refunding during the current period.	(30,111)
Other long-term liabilities are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, other long-term liabilities are not reported as expenditures in Governmental Funds financial statements.	
This amount represents the change in pollution remediation obligations during the current period.	85,574
This amount represents the change in the net pension liabilities and related deferred pension amounts during the current period.	(2,869,913)
This amount represents the change in the net OPEB liabilities and related deferred OPEB amounts during the current period.	2,854,882
The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide financial statements.	(249,692)
Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds.	11,504
Change in Net Position of Governmental Activities	<u>\$ 1,847,414</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2020

	<i>Business-Type Activities</i>					<i>Governmental</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
Assets						
Current assets:						
Cash and cash equivalents	\$ 2,899,084	\$ 3,400,455	\$ 4,795,517	\$ 76,572	\$ 11,171,628	\$ -
Accounts receivable:						
Water and sewer use fees	241,132	286,627	-	-	527,759	-
Sewer assessment	-	37,547	-	-	37,547	-
Accrued interest	-	13,041	-	-	13,041	-
Other	-	11,969	4,334	-	16,303	-
Total current assets	3,140,216	3,749,639	4,799,851	76,572	11,766,278	-
Noncurrent assets:						
Sewer assessments receivable	-	1,091,622	-	-	1,091,622	-
Health insurance deposits	-	-	-	-	-	2,796,078
Capital assets:						
Non-depreciable assets	92,700	300,345	1,841,620	1,052,500	3,287,165	-
Depreciable assets - net	3,015,124	23,917,768	3,418,314	254,788	30,605,994	-
Total noncurrent assets	3,107,824	25,309,735	5,259,934	1,307,288	34,984,781	2,796,078
Total assets	6,248,040	29,059,374	10,059,785	1,383,860	46,751,059	2,796,078
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	161,234	167,731	115,543	802	445,310	-
Accrued interest payable	-	2,914	-	-	2,914	-
Claims payable	-	-	-	-	-	294,299
Accrued compensated absences	25,433	25,346	5,938	-	56,717	-
Customer and security deposits payable	-	-	28,900	1,275	30,175	-
Current portion of bonds, notes and loans payable	-	163,000	-	-	163,000	-
Total current liabilities	186,667	358,991	150,381	2,077	698,116	294,299
Noncurrent liabilities:						
Accrued compensated absences	157,395	136,847	2,504	-	296,746	-
Bonds, notes and loans payable	-	685,307	-	-	685,307	-
Total noncurrent liabilities	157,395	822,154	2,504	-	982,053	-
Total liabilities	344,062	1,181,145	152,885	2,077	1,680,169	294,299
Deferred Inflows of Resources						
Deferred sewer assessments	-	1,013,903	-	-	1,013,903	-
Other deferred inflows	-	15,715	-	-	15,715	-
Total deferred inflows of resources	-	1,029,618	-	-	1,029,618	-
Net Position						
Net investment in capital assets	3,107,824	23,369,806	5,259,934	1,307,288	33,044,852	-
Unrestricted	2,796,154	3,478,805	4,646,966	74,495	10,996,420	2,501,779
Total net position	\$ 5,903,978	\$ 26,848,611	\$ 9,906,900	\$ 1,381,783	\$ 44,041,272	\$ 2,501,779

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	<i>Business-Type Activities</i>					<i>Governmental Activities</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
Operating revenues						
Assessments and user fees	\$ 2,244,500	\$ 3,959,585	\$ -	\$ -	\$ 6,204,085	\$ -
Admittance and rental fees	-	-	2,636,031	94,775	2,730,806	-
Charges for insurance	-	-	-	-	-	2,879,366
Other revenues	96,752	33,914	11,065	650	142,381	-
Total operating revenues	<u>2,341,252</u>	<u>3,993,499</u>	<u>2,647,096</u>	<u>95,425</u>	<u>9,077,272</u>	<u>2,879,366</u>
Operating expenses						
Salaries and benefits	741,787	1,336,835	1,001,587	-	3,080,209	-
Materials, supplies and maintenance	718,387	1,941,548	231,248	6,440	2,897,623	-
Utilities	19,885	366,696	55,949	2,301	444,831	-
Health and dental claims	-	-	-	-	-	2,829,032
Administrative and miscellaneous	421,744	719,990	508,483	7,498	1,657,715	300,026
Depreciation expense	403,845	941,493	267,170	8,461	1,620,969	-
Total operating expenses	<u>2,305,648</u>	<u>5,306,562</u>	<u>2,064,437</u>	<u>24,700</u>	<u>9,701,347</u>	<u>3,129,058</u>
Operating income (loss)	<u>35,604</u>	<u>(1,313,063)</u>	<u>582,659</u>	<u>70,725</u>	<u>(624,075)</u>	<u>(249,692)</u>
Nonoperating revenues (expenses)						
Investment income	36,173	51,114	62,979	692	150,958	-
Interest expense	-	(16,078)	-	(1,108)	(17,186)	-
Total nonoperating revenues (expenses)	<u>36,173</u>	<u>35,036</u>	<u>62,979</u>	<u>(416)</u>	<u>133,772</u>	<u>-</u>
Income before transfers	<u>71,777</u>	<u>(1,278,027)</u>	<u>645,638</u>	<u>70,309</u>	<u>(490,303)</u>	<u>(249,692)</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,825</u>	<u>74,825</u>	<u>-</u>
Change in net position	<u>71,777</u>	<u>(1,278,027)</u>	<u>645,638</u>	<u>145,134</u>	<u>(415,478)</u>	<u>(249,692)</u>
Total net position - beginning of year	<u>5,832,201</u>	<u>28,126,638</u>	<u>9,261,262</u>	<u>1,236,649</u>	<u>44,456,750</u>	<u>2,751,471</u>
Total net position - end of year	<u>\$ 5,903,978</u>	<u>\$ 26,848,611</u>	<u>\$ 9,906,900</u>	<u>\$ 1,381,783</u>	<u>\$ 44,041,272</u>	<u>\$ 2,501,779</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	<i>Business-Type Activities</i>					<i>Governmental</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Activities Internal Service Fund Healthcare Fund</i>
<i>Cash flows from operating activities</i>						
Receipts from customers	\$ 2,189,282	\$ 3,914,241	\$ 2,631,653	\$ 94,775	\$ 8,829,951	\$ -
Receipts from interfund charges for insurance	-	-	-	-	-	2,879,366
Other operating receipts	96,752	33,914	11,065	650	142,381	-
Receipts of customer deposits	-	-	57,777	-	57,777	-
Receipt of health insurance deposits	-	-	-	-	-	32,939
Payments to suppliers for goods and services	(915,570)	(2,420,766)	(476,313)	(16,217)	(3,828,866)	(300,026)
Payments to employees for services	(720,772)	(1,274,680)	(978,397)	-	(2,973,849)	-
Payments to other funds for services provided	(171,104)	(571,052)	(340,789)	-	(1,082,945)	-
Payments for health and dental claims	-	-	-	-	-	(2,612,279)
Return of customer deposits	-	-	(45,405)	-	(45,405)	-
<i>Net cash provided by (used for) operating activities</i>	<u>478,588</u>	<u>(318,343)</u>	<u>859,591</u>	<u>79,208</u>	<u>1,099,044</u>	<u>-</u>
<i>Cash flows from non-capital financing activities</i>						
Transfer from other funds	-	-	-	74,825	74,825	-
<i>Net cash provided by non-capital related financing activities</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>74,825</u>	<u>74,825</u>	<u>-</u>
<i>Cash flows from capital and related financing activities</i>						
Acquisition and construction of capital assets	(175,300)	(150,926)	(99,127)	-	(425,353)	-
Payment of interest on bonds and loans	-	(22,687)	-	(1,837)	(24,524)	-
Payment of principal on bonds and loans	-	(429,536)	-	(150,000)	(579,536)	-
<i>Net cash used for capital and related financing activities</i>	<u>(175,300)</u>	<u>(603,149)</u>	<u>(99,127)</u>	<u>(151,837)</u>	<u>(1,029,413)</u>	<u>-</u>
<i>Cash flows from investing activities</i>						
Interest on investments	36,173	51,114	62,979	692	150,958	-
<i>Net cash provided by investing activities</i>	<u>36,173</u>	<u>51,114</u>	<u>62,979</u>	<u>692</u>	<u>150,958</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	339,461	(870,378)	823,443	2,888	295,414	-
<i>Cash and cash equivalents - beginning of year</i>	<u>2,559,623</u>	<u>4,270,833</u>	<u>3,972,074</u>	<u>73,684</u>	<u>10,876,214</u>	<u>-</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 2,899,084</u>	<u>\$ 3,400,455</u>	<u>\$ 4,795,517</u>	<u>\$ 76,572</u>	<u>\$ 11,171,628</u>	<u>\$ -</u>

(Continued)

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	<u>Business-Type Activities</u>					<u>Governmental</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Beach Fund</u>	<u>Middlebridge Recreation Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund Healthcare Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 35,604	\$ (1,313,063)	\$ 582,659	\$ 70,725	\$ (624,075)	\$ (249,692)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	403,845	941,493	267,170	8,461	1,620,969	-
Changes in assets, liabilities and deferred inflows of resources:						
(Increase) decrease in accounts receivable	(38,542)	173,236	(4,334)	-	130,360	-
(Increase) decrease in health insurance deposits	-	-	-	-	-	32,939
Increase (decrease) in accounts payable and accrued expenses	58,117	43,954	(1,563)	22	100,530	-
Increase (decrease) in accrued compensated absences	19,564	54,617	3,287	-	77,468	-
Increase (decrease) in claims payable	-	-	-	-	-	216,753
Increase (decrease) in deposits payable	-	-	12,372	-	12,372	-
Increase (decrease) in deferred revenue	-	(218,580)	-	-	(218,580)	-
Net cash provided by (used for) operating activities	<u>\$ 478,588</u>	<u>\$ (318,343)</u>	<u>\$ 859,591</u>	<u>\$ 79,208</u>	<u>\$ 1,099,044</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	<u>Pension Trust Funds</u>	<u>Other Post- Employment Benefit Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Agency Funds</u>
Assets				
Cash and cash equivalents	\$ 8,212,913	\$ 4,447,462	\$ 72,456	\$ -
Investments at fair value:				
U.S. government obligations	5,759,819	-	-	-
Corporate bonds	5,031,949	-	-	-
Mortgage backed securities	502,427	-	-	-
Common stock	21,749,167	3,055,482	-	-
Mutual and exchange traded funds - equities	36,342,900	591,373	8,343	-
Mutual and exchange traded funds - fixed income	20,467,829	2,613,455	-	-
Hedge fund	3,839,431	-	-	-
Pooled investments	-	1,759,716	-	-
Total investments	<u>93,693,522</u>	<u>8,020,026</u>	<u>8,343</u>	<u>-</u>
Contribution receivable	150,370	-	-	-
Due from other funds	-	67,586	-	239,280
Accrued interest receivable	57,672	-	-	-
Total assets	<u>102,114,477</u>	<u>12,535,074</u>	<u>80,799</u>	<u>239,280</u>
Liabilities				
Accounts payable and accrued expenses	62,768	140,455	-	820
Due to other funds	214,665	-	-	-
Deposits held in custody for others	-	-	-	238,460
Total liabilities	<u>277,433</u>	<u>140,455</u>	<u>-</u>	<u>239,280</u>
Net Position				
Restricted for pension benefits, post-employment benefits and other purposes	<u>\$ 101,837,044</u>	<u>\$ 12,394,619</u>	<u>\$ 80,799</u>	<u>\$ -</u>

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2020

	<i>Pension Trust Funds</i>	<i>Other Post- Employment Benefit Trust Funds</i>	<i>Private- Purpose Trust Funds</i>
Additions			
Contributions:			
Employer	\$ 6,443,556	\$ 4,736,345	\$ -
Plan member	1,588,541	-	-
Total contributions	8,032,097	4,736,345	-
Investment income:			
Net increase (decrease) in fair value of investments	87,945	166,843	(1,102)
Interest and dividends	2,118,795	165,341	1,511
Less: investment expense	(306,091)	(21,074)	-
Net investment income	1,900,649	311,110	409
Total additions	9,932,746	5,047,455	409
Deductions			
Benefits	6,801,980	2,898,799	-
Refunds of contributions	212,526	-	-
Administrative expenses	38,311	17,033	-
Scholarship	-	-	500
Total deductions	7,052,817	2,915,832	500
Change in net position	2,879,929	2,131,623	(91)
Net position - beginning of year	98,957,115	10,262,996	80,890
Net position - end of year	\$ 101,837,044	\$ 12,394,619	\$ 80,799

The accompanying notes are an integral part of the basic financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Town of Narragansett was founded in 1888. The Town is governed largely under the 1966 Narragansett Home Rule Charter. In some matters, including the issuance of short and long-term debt, the Town is governed by the general laws of the State of Rhode Island. The Town operates under a Town Council/Town Manager form of government and provides the following services as authorized by its charter: public safety (police, fire, and emergency services); public works (highways, streets, and facilities management); parks and recreation; planning, engineering and inspection; education; social services; and general administrative services.

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

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

The Town’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column. In the Statement of Activities, internal service fund transactions have been eliminated; however those transactions between governmental and business-type activities have not been eliminated.

Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Major Governmental Funds:

General Fund – The General Fund is used to account for resources devoted to financing the general services that the Town performs for its citizens and is always classified as a major fund. It is used to account for all financial resources except those required to be accounted or reported in another fund.

Library Building Fund – The Library Building Fund accounts for the purchase of a new library building.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows. A column representing Internal Service Funds is also presented in these statements. However, Internal Service balances and activities have been combined with the Governmental Activities in the Government-Wide Financial Statements.

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

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

The Town has four Enterprise Funds. The Town considers all Enterprise Funds to be major funds for financial statement purposes. The Town’s Enterprise Funds are as follows:

Water Fund – The Water Fund is used to account for the water use fees and the expenses associated with providing water services to Town residents and businesses.

Sewer Fund – The Sewer Fund is used to account for the sewer use fees, the assessments, and the expenses associated with providing sewer services to Town residents and businesses.

Beach Fund – The Beach Fund is used to account for the fees and the expenses associated with the operation of the Town beach.

Middlebridge Recreation Fund – The Middlebridge Recreation Fund is used to account for rental fees and expenses associated with the operations of Middlebridge Recreation Area.

TOWN OF NARRAGANSETT, RHODE ISLAND
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The Town has one Internal Service Fund as follows:

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

Fiduciary Fund Financial Statements

Fiduciary Fund Financial Statements include a Statement of Net Position and a Statement of Changes in Net Position. The Town’s Fiduciary Funds include the Pension Trust Funds, the Other Post-Employment Benefits Trust Funds, the Private Purpose Trust Funds, and the Agency Funds. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations or other governments. The Fiduciary Funds are accounted for on a spending or “*economic resources*” measurement focus and the accrual basis of accounting. Agency funds are purely custodial and do not involve measurement of results of operations.

Pension Trust Funds – The Pension Trust Funds account for contributions made by the Town and its participating employees to provide pension benefits to these employees at retirement.

Other Post-Employment Benefits Trust Funds – The Other Post-Employment Benefits (OPEB) Trust Funds were established to account for contributions to finance other post-employment benefits paid by the Town and the payment of these benefits as they come due. The Town OPEB Fund was established by Town Ordinance effective August 1, 2011 and the School OPEB Fund was established by School Committee Resolution effective May 17, 2017.

Private Purpose Trust Funds – The Private Purpose Trust Funds account for funds held in trust for use by an outside committee to provide awards and scholarships in accordance with a donor’s instructions. All resources of the funds, including any earnings on investments, may be used. There is no requirement that any portion that these resources be considered nonexpendable.

Agency Funds – These funds account for assets held by the Town as agent for various student groups. The Agency Funds include the Student Activity Funds.

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 95 – *Postponement of the Effective Dates of Certain Authoritative Guidance*, effective for the Town’s fiscal year ending June 30, 2020.

The adoption of GASB Statement Number 95 did not have an impact on the Town’s financial position or results of operations.

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

- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Town’s fiscal year ending June 30, 2021.
- GASB Statement No. 87 – *Leases*, effective for the Town’s fiscal year ending June 30, 2022.

TOWN OF NARRAGANSETT, RHODE ISLAND
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- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for the Town’s fiscal year ending June 30, 2021.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Town’s fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which are effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, effective for the Town’s fiscal year ending June 30, 2021, except for paragraphs 11b, 13 and 14 which are effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Town’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which are effective upon issuance.

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

D. CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value, except for investments in money market funds, the Trust OPEB Funding Program and the hedge fund which are reported at net asset value per share (which approximates fair value).

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

Accounts receivable and taxes receivable are shown net of an allowance for uncollectible accounts. The allowances are calculated based on the age of the individual receivables.

G. UNBILLED SERVICES RECEIVABLE

Water and sewer revenue is recorded when earned. Customers are billed quarterly. The estimated

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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value of services provided but unbilled at year-end has been included in the accompanying financial statements.

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. INVENTORY

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

J. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported in the Government-Wide Statement of Net Position.

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

All capital assets are recorded at cost (or estimated historical cost). Donated capital assets are recorded at acquisition value as of the date received. The Town follows the policy of not capitalizing assets with a cost of less than \$10,000 and a useful life of less than 1 year.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Land improvements	5 – 65 years
Buildings and improvements	25 – 65 years
Machinery and equipment	5 – 30 years
Vehicles	6 – 12 years
Infrastructure	15 – 65 years

K. DEBT PREMIUMS

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

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available or amounts received before the period for which property taxes are levied. In the Government-Wide Financial Statements, deferred inflows of resources are reported for amounts received before the period for which property taxes are levied and deferred amounts related to refunding debt issues which will be amortized as a component of interest expense in future years. Deferred outflows of resources and deferred inflows of resources are also reported for amounts related to the Town's pension plans and other post-employment benefit plans that will be amortized as a component of pension and other post-employment benefit expense in future years.

M. PROPERTY TAXES

The Town is permitted by Rhode Island General Law to levy property taxes. Current tax collections for the Town were approximately 99.33% of the total 2019 levy. The tax rate of the Town is established in accordance with Town Ordinance.

The Town's fiscal 2019-2020 property taxes were levied on June 11, 2019, on assessed valuation as of December 31, 2018. Upon levy, taxes are due and payable between July 1 and July 31 or may be paid quarterly on July 31, October 31, January 31 and April 30. Failure to mail payments by due dates will result in a lien on the taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at 100% of the full and fair value for real estate and tangible personal property and the value, as determined by the RI Vehicle Valuation Commission, for motor vehicles. A full revaluation of all property was completed as of December 31, 2014.

Rhode Island General Law restricts the Town's ability to increase its total tax levy by more than 4% over that of the preceding fiscal year for 2020.

N. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2020.

The entire compensated absence liability is reported on the Government-Wide Financial Statements. For Governmental Fund Financial Statements, the amount of accumulated vacation and sick leave has been recorded as a current liability to the extent that the amounts are due to employees who have resigned or retired.

O. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

P. PENSIONS

For the purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees' Retirement System of the State of Rhode Island, the Town Pension, and 1666 Pension plans and the additions to/deductions from each plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, the plans 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. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For the purposes of measuring the net OPEB liabilities, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town OPEB and School OPEB plans and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, the plans recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

R. ESTIMATES

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 2 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land and land easements	\$ 44,751,624	\$ -	\$ -	\$ 44,751,624
Construction in progress	367,723	1,285,531	769,682	883,572
	<u>45,119,347</u>	<u>1,285,531</u>	<u>769,682</u>	<u>45,635,196</u>
Depreciable assets:				
Land improvements and infrastructure	55,323,606	1,805,367	-	57,128,973
Buildings and improvements	57,419,153	1,228,276	-	58,647,429
Machinery and equipment	8,291,159	418,755	63,498	8,646,416
Vehicles	8,456,748	600,112	164,261	8,892,599
	<u>129,490,666</u>	<u>4,052,510</u>	<u>227,759</u>	<u>133,315,417</u>
Total capital assets	<u>174,610,013</u>	<u>5,338,041</u>	<u>997,441</u>	<u>178,950,613</u>
Less accumulated depreciation for:				
Land improvements and infrastructure	32,095,476	1,549,925	-	33,645,401
Buildings and improvements	30,297,933	2,113,796	-	32,411,729
Machinery and equipment	5,121,815	468,143	63,498	5,526,460
Vehicles	5,780,242	651,163	129,103	6,302,302
Total accumulated depreciation	<u>73,295,466</u>	<u>4,783,027</u>	<u>192,601</u>	<u>77,885,892</u>
Governmental activities capital assets, net	<u>\$ 101,314,547</u>	<u>\$ 555,014</u>	<u>\$ 804,840</u>	<u>\$ 101,064,721</u>
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 3,186,280	\$ -	\$ -	\$ 3,186,280
Construction in progress	713,114	89,338	701,567	100,885
	<u>3,899,394</u>	<u>89,338</u>	<u>701,567</u>	<u>3,287,165</u>
Depreciable assets:				
System improvements and infrastructure	38,281,571	49,750	-	38,331,321
Buildings and improvements	23,135,670	89,152	-	23,224,822
Machinery and equipment	2,967,462	798,780	-	3,766,242
Vehicles	659,159	69,033	-	728,192
	<u>65,043,862</u>	<u>1,006,715</u>	<u>-</u>	<u>66,050,577</u>
Total capital assets	<u>68,943,256</u>	<u>1,096,053</u>	<u>701,567</u>	<u>69,337,742</u>
Less accumulated depreciation for:				
System improvements and infrastructure	20,165,361	663,929	-	20,829,290
Buildings and improvements	11,008,170	805,358	-	11,813,528
Machinery and equipment	2,219,564	94,119	-	2,313,683
Vehicles	430,519	57,563	-	488,082
Total accumulated depreciation	<u>33,823,614</u>	<u>1,620,969</u>	<u>-</u>	<u>35,444,583</u>
Business-type activities capital assets, net	<u>\$ 35,119,642</u>	<u>\$ (524,916)</u>	<u>\$ 701,567</u>	<u>\$ 33,893,159</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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Depreciation expense was charged to governmental functions as follows:

General government	\$ 223,679
Public safety	434,051
Public works	1,696,084
Parks and recreation	336,039
Public libraries	11,776
Education	2,081,398
Total Depreciation Expense	<u><u>\$ 4,783,027</u></u>

Depreciation expense was charged to the business-type functions as follows:

Water	\$ 403,845
Sewer	941,493
Beach	267,170
Middlebridge Recreation	8,461
Total Depreciation Expense	<u><u>\$ 1,620,969</u></u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value which approximates \$150,586,728. As of June 30, 2020, the Town's debt subject to the legal debt margin is \$448,000 and the Town is under the debt limit by \$150,138,728. The debt subject to the debt limitation is based on the type of debt that is issued.

B. DEFICIT FUND BALANCES/NET POSITION

The following governmental funds had a deficit in unassigned fund balance as of June 30, 2020:

- Library Building - \$(2,850,972)
- RI EMA MEDS Grant - \$(44)

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 4 – CASH DEPOSITS

DEPOSITS – are in several financial institutions and are carried at cost. The carrying amount of deposits are separately displayed on the Balance Sheet of the Fund Financial Statements as “Cash and Cash Equivalents” and “Cash Overdraft” and on the Statement of Net Position as “Cash and Cash Equivalents”.

	<u><i>Carrying Amount</i></u>
Total Deposits	\$41,293,610
Add: Petty Cash and Cash on Hand	616,607
Add: Investments classified as cash equivalents	2,619,020
Less: Cash and cash equivalents classified as investments	<u>(2,314,230)</u>
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	<u><u>\$42,215,007</u></u>

CUSTODIAL CREDIT RISK – custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State Laws as described below. As of June 30, 2020 \$18,717,828 of the Town’s bank balance of \$41,845,503 was exposed to custodial credit risk as follows:

	<u><i>Bank Balance</i></u>
Insured (federal depository insurance funds)	<u>\$23,127,675</u>
Collateralized with securities held by pledging financial institution or its agent, in the Town’s name	11,308,211
Collateralized with securities held by pledging financial institution or its agent, but not in the Town’s name	2,324,464
Uninsured and uncollateralized	<u>5,085,153</u>
<i>Total</i>	<u><u>\$41,845,503</u></u>

Under Rhode Island General Laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2020, the Town's uncollateralized deposits with institutions were \$5,085,153. These deposits are held by institutions that meet the minimum capital standards prescribed by the federal regulators.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 5 – INVESTMENTS

The Town has investment policies for the Pension Trust Funds:

- Equities (including convertible securities) may represent up to 70% of the account's market value with a minimum requirement of 25%.
- International Securities should not exceed 20% of the total plan assets.
- Fixed income (including preferred stocks) is not to exceed 75% of the account's market value with a minimum requirement of 30%.
- Cash equivalents (including all senior debt securities with under 1 year to maturity) may be held to a maximum of 30% of the account's market value.
- No manager shall hold greater than 15% of the total pension plan assets, calculated on an annual basis.
- Manager's investments in any one equity security (except mutual funds, exchange traded funds (ETFs), and U.S. Government and Agency securities) should not exceed 5% at cost of the total market value of the respective manager's portfolio, and should not exceed 10% of the portfolio at any time.
- No more than 25% of the equity portfolio should be invested in any one of the following S&P 500 sectors: consumer cyclical, consumer staple, basic industrial, transportation, energy, capital goods and construction, utilities, finance, health care, and technology.
- Fixed income investments will be diversified by industry and by maturity. Not more than 5% of the portfolio value will be invested in any one issuer with the exception of the U.S. Government or its agencies.
- Average effective duration for the fixed income portfolio will not exceed six (6) years.
- At the time of purchase, all holdings must have a rating of A or higher from Moody's or a comparable established rating agency.
- Fixed income investments must be rated at least Baa2 or its equivalent by at least one recognized bond rating service. At least 80% of the fixed income portfolio must carry a rating of A or its equivalent by one rating agency.
- Current holdings that are not rated at least Baa2 or its equivalent by one rating agency must be sold within a reasonable period of time, not to exceed six (6) months.
- The Manager is prohibited from investing in private placements and from speculating in fixed income or interest rate futures.
- The Managers may invest in commercial paper, repurchase agreements, Treasury Bills, certificate of deposits, and money market funds. All such assets must represent maturities of one year or less at time of purchase. Commercial paper must be rated P-1 or A-1 by Standards & Poor's or Moody's respectively.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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As of June 30, 2020 the Town had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Rating (Moody's/S&P)</u>
Corporate Bonds	\$ 211,545	Aaa
Corporate Bonds	78,623	Aa1
Corporate Bonds	149,160	Aa2
Corporate Bonds	166,139	Aa3
Corporate Bonds	758,875	A1
Corporate Bonds	866,113	A2
Corporate Bonds	1,154,666	A3
Corporate Bonds	1,069,572	Baa1
Corporate Bonds	939,964	Baa2
Corporate Bonds	39,054	Baa3
Corporate Bonds	51,779	Ba1
Corporate Bonds	74,777	Not rated
US Government Obligations	5,759,819	Aaa
Mortgage-Backed Securities	496,223	Aaa
Mortgage-Backed Securities	20,088	Not rated
Mutual Funds & ETFs - Fixed Income	801,389	AAA
Mutual Funds & ETFs - Fixed Income	7,818,628	AA
Mutual Funds & ETFs - Fixed Income	2,987,225	A
Mutual Funds & ETFs - Fixed Income	7,521,827	BBB
Mutual Funds & ETFs - Fixed Income	5,299,239	BB
Mutual Funds & ETFs - Fixed Income	556,284	B
Mutual Funds & ETFs - Fixed Income	1,272,198	Not rated
Mutual Funds & ETFs - Equities	36,942,616	Not applicable
Common Stock	24,804,649	Not applicable
Money Market Funds	90	Not rated
Money Market Funds	2,618,930	Aaa-mf
Trust OPEB Funding Program	1,759,716	Not rated
Hedge Fund	3,839,431	Not rated
	<hr/>	
	108,058,619	
Add: Cash classified as investments	2,314,230	
Less: Investment classified as cash and cash equivalents	(2,619,020)	
	<hr/>	
<i>Total investments reported in the financial statements</i>	<u><u>\$ 107,753,829</u></u>	

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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Interest Rate Risk – Except as discussed above for the Pension Trust Funds, the Town 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. Information about the exposure of the Town’s securities to this risk is presented below:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>				
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-15 Years</u>	<u>16-20 Years</u>
Corporate Bonds	\$ 5,560,267	\$ 615,454	\$ 2,577,094	\$ 2,261,094	\$ 106,625	\$ -
US Government Obligations	5,759,819	-	4,652,821	1,106,998	-	-
Mortgage-Backed Securities	516,311	-	388,590	113,907	1,265	12,549
Mutual Funds & ETFs -						
Fixed Income	25,700,506	1,022,781	5,678,632	14,326,096	4,672,997	-
Money Market Funds	2,619,020	2,619,020	-	-	-	-
Total	\$40,155,923	\$ 4,257,255	\$ 13,297,137	\$17,808,095	\$4,780,887	\$ 12,549

Mutual fund and exchange traded fund maturity is based on average maturity of the fund. \$556,284 of the Town’s mutual funds and exchange traded funds do not have an average maturity.

Credit Risk – The Town is governed by State Laws that limit investment choices to short-term investments for its public deposits (General Fund). Except as discussed above for the Pension Trust Funds, the Town has no investment policy that would further limit its investment choices. The ratings for the Town’s investments are presented above.

Concentration of Credit Risk – Except as discussed above for the Pension Trust Funds, the Town does not have any policies that limit the amount that can be invested with one issuer.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy related to custodial credit risk. The Town’s investments are held by the Town’s counterparty not in the Town’s name.

Foreign Currency Risk – Except as discussed above for the Pension Trust Funds, the Town does not have any policies related to foreign currency risk. Information about exposure of the Town’s securities to this risk is presented below:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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<i>Currency</i>	<i>Fair Value</i>	
	<i>Equities</i>	<i>Fixed Income Securities</i>
Bermudian dollar	\$ 24,324	\$ -
Canadian dollar	-	355,014
Cayman Islands dollar	36,669	-
Euro	434,212	167,891
Mexican peso	-	31,170
Pound sterling	91,700	110,152
Swiss franc	143,572	-
	\$ 730,477	\$ 664,227

The Town's investment in mutual funds and ETFs includes \$3,394,456 in international fixed income funds and \$13,190,499 in international equity funds.

NOTE 6 – FAIR VALUE MEASUREMENTS

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

The Town has the following recurring fair value measurements as of June 30, 2020:

<i><u>Investments by fair value level:</u></i>	<i><u>June 30, 2020</u></i>	<i>Fair Value Measurements Using:</i>		
		<i><u>Level 1</u></i>	<i><u>Level 2</u></i>	<i><u>Level 3</u></i>
Common Stock	\$ 24,804,649	\$ 24,804,649	\$ -	\$ -
Mutual Funds & ETFs - Equities	36,942,616	36,942,616	-	-
Mutual Funds & ETFs - Fixed Income	26,256,790	26,256,790	-	-
Corporate Bonds - Domestic Investment Grade	4,896,040	-	4,896,040	-
Fixed Income - Global/Foreign	664,227	-	664,227	-
Fixed Income - US Government	5,759,819	-	5,759,819	-
Mortgage-Backed Securities	516,311	-	516,311	-
<i>Total investments measured by fair value level</i>	99,840,452	\$ 88,004,055	\$ 11,836,397	\$ -
<i>Investments measured at net asset value (NAV):</i>				
Money Market Funds	2,619,020			
Trust OPEB Funding Program	1,759,716			
Hedge Fund	3,839,431			
<i>Total investments measured at fair value</i>	\$ 108,058,619			

TOWN OF NARRAGANSETT, RHODE ISLAND
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Equity and debt securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 are valued using rules based pricing applications that consider benchmark yields, reported trades, broker/dealer quotes, issuer spreads, two-sided markets, benchmark securities, bids, offers and reference data.

All money market investments have a maturity of less than one year. The fair value of these money market funds reflects the net asset value reported by the fund administrator which is a stable \$1 per unit. The underlining investments, which are short-term cash equivalent type investments are generally carried at amortized cost which approximates fair value. There are no participant's withdrawal limitations.

The Town's investment in the Trust OPEB Funding Program is valued using net asset value (NAV) per share (or its equivalent). The redemption frequency of the Trust OPEB Funding Program is daily and there is no redemption notice period. The Trust OPEB Funding Program investment utilizes a balanced strategy seeking both a reasonable level of income and long-term growth of capital and income. The Program invests in seven index and mutual funds: total stock market index fund, total international stock index fund, total bond market index fund, intermediate-term investment grade fund, short-term investment grade fund, inflation protected securities fund, and REIT index fund. The fair values of the underlying investments are used to determine NAV per share (or its equivalent) of the Trust OPEB Funding Program investment.

The Town's investment in the Hedge Fund is valued using the net asset value (NAV) per share (or its equivalent). The redemption frequency of the Hedge Fund is quarterly with redemption notice by the 25th calendar day of the second month of the quarter.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 7 – LONG TERM LIABILITIES
A. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes, and loans payable:					
General obligation bonds	\$ 25,799,000	\$ -	\$ 1,759,000	\$ 24,040,000	\$ 1,790,000
Notes and loans from direct borrowings	990,631	-	166,492	824,139	170,871
	<u>26,789,631</u>	<u>-</u>	<u>1,925,492</u>	<u>24,864,139</u>	<u>1,960,871</u>
Plus amortized premium on bonds	2,260,528	-	182,709	2,077,819	-
Total bonds, notes and loans payable	<u>29,050,159</u>	<u>-</u>	<u>2,108,201</u>	<u>26,941,958</u>	<u>1,960,871</u>
Other liabilities:					
Capital leases payable	181,538	40,048	97,389	124,197	92,493
Compensated absences	3,962,577	186,695	125,247	4,024,025	873,132
Pollution remediation obligations	1,593,188	-	85,574	1,507,614	85,574
Net pension liabilities	72,523,996	11,651,276	-	84,175,272	-
Net other post-employment benefit liabilities	33,025,158	-	2,718,167	30,306,991	-
Total Governmental Activities	<u>140,336,616</u>	<u>\$ 11,878,019</u>	<u>\$ 5,134,578</u>	<u>\$ 147,080,057</u>	<u>\$ 3,012,070</u>
Long-Term Liabilities	<u>\$ 140,336,616</u>	<u>\$ 11,878,019</u>	<u>\$ 5,134,578</u>	<u>\$ 147,080,057</u>	<u>\$ 3,012,070</u>
Business Type Activities:					
Bonds, notes and loans payable:					
Bonds from direct placements	\$ 150,000	\$ -	\$ 150,000	\$ -	\$ -
Notes and loans from direct borrowings	1,277,843	-	429,536	848,307	163,000
Total bonds, notes and loans payable	<u>1,427,843</u>	<u>-</u>	<u>579,536</u>	<u>848,307</u>	<u>163,000</u>
Other liabilities:					
Compensated absences	275,993	77,470	-	353,463	56,717
Business-Type Activities	<u>275,993</u>	<u>77,470</u>	<u>-</u>	<u>353,463</u>	<u>56,717</u>
Long-Term Liabilities	<u>\$ 1,703,836</u>	<u>\$ 77,470</u>	<u>\$ 579,536</u>	<u>\$ 1,201,770</u>	<u>\$ 219,717</u>

All debt of the Governmental Activities is general obligation debt. The payments on the bonds, notes and loans are made from the Debt Service Fund. The capital leases are paid from the General Fund and Debt Service Fund. The compensated absences from Governmental Activities are paid from the General Fund. The net pension liabilities and other post-employment benefit liabilities will be paid from the General Fund. All debt and compensated absences of the Business-Type Activities are paid from the Water, Sewer, Beach and Middlebridge Recreation Enterprise Funds.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

B. BONDS PAYABLE DEBT SERVICE REQUIREMENTS

The debt service requirements at June 30, 2020, were as follows:

<u>Fiscal Year Ended June 30,</u>	<i>Governmental Activities</i> <i>General Obligation Bonds</i>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,790,000	\$ 906,205
2022	1,830,000	839,255
2023	1,870,000	772,577
2024	1,920,000	702,568
2025	1,970,000	619,274
2026-2030	9,250,000	1,773,006
2031-2035	3,800,000	522,505
2036-2039	1,610,000	89,564
	<u>\$ 24,040,000</u>	<u>\$ 6,224,954</u>

C. NOTES AND LOANS PAYABLE DEBT SERVICE REQUIREMENTS

The debt service requirements at June 30, 2020, were as follows:

<u>Fiscal Year Ended June 30,</u>	<i>Governmental Activities</i> <i>Notes and Loans</i> <i>from Direct Borrowings</i>		<i>Business-Type Activities</i> <i>Notes and Loans</i> <i>from Direct Borrowings</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 170,871	\$ 11,607	\$ 163,000	\$ 15,931
2022	175,347	8,562	166,000	12,588
2023	179,922	5,471	169,000	9,137
2024	52,000	3,346	173,000	5,571
2025	52,000	2,342	177,307	1,879
2026-2030	193,999	1,801	-	-
	<u>\$ 824,139</u>	<u>\$ 33,129</u>	<u>\$ 848,307</u>	<u>\$ 45,106</u>

D. CAPITAL LEASE COMMITMENTS

The Town acquired equipment valued at \$85,268 and vehicles valued at \$410,450 that were financed with lease purchase agreements. Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2020.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Obligations of governmental activities under capital leases at June 30, 2020 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Lease Payment Requirements</i>
2021	\$ 93,824
2022	6,675
2023	6,674
2024	6,675
2025	6,674
2026	5,006
Total minimum lease payments	125,528
Less: Amount representing interest cost	(1,331)
Present value of minimum lease payments	\$ 124,197

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

E. BONDS, NOTES AND LOANS PAYABLE								
<i>Purpose</i>	<i>Date Issued</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Authorized and Issued</i>	<i>Outstanding June 30, 2019</i>	<i>New Issues</i>	<i>Refundings/ Maturities During Year</i>	<i>Outstanding June 30, 2020</i>
Governmental Activities:								
General Obligation Bonds:								
Road Bond	07/02/2014	2.00-4.00%	07/15/2034	\$ 4,100,000	\$ 3,280,000	\$ -	\$ 205,000	\$ 3,075,000
General Obligation Bond	11/08/2016	2.00-3.00%	11/01/2036	6,100,000	5,490,000	-	305,000	5,185,000
School Refunding	04/11/2017	3.00-5.00%	05/15/2029	12,029,000	12,029,000	-	999,000	11,030,000
Road Bond	05/08/2019	3.00-5.00%	05/15/2039	5,000,000	5,000,000	-	250,000	4,750,000
Total Governmental Bonds					25,799,000	-	1,759,000	24,040,000
Notes and Loans from Direct Borrowings:								
Rose Hill Closing and Capping	09/03/2002	1.68%	09/01/2022	2,000,000	494,631	-	118,492	376,139
Narrow River	12/12/2007	1.64-2.04%	09/01/2029	600,000	358,000	-	29,000	329,000
Landfill Closure	12/15/2005	1.59-2.00%	09/01/2025	350,000	138,000	-	19,000	119,000
Total Governmental Notes and Loans					990,631	-	166,492	824,139
Total Governmental Activities					26,789,631	-	1,925,492	24,864,139
Business-Type Activities:								
Bonds from Direct Placements:								
Middlebridge	10/18/2012	2.45%	10/18/2019	974,000	150,000	-	150,000	-
Total Business-Type Bonds					150,000	-	150,000	-
Notes and Loans from Direct Borrowings:								
Sewer Projects	08/25/1999	3.25%	09/01/2019	780,000	49,853	-	49,853	-
Sewer Projects	02/04/1999	3.00%	09/01/2019	3,500,000	219,683	-	219,683	-
Briggs Farm Sewer Project	11/13/2003	0.97-2.12%	09/01/2024	4,200,000	1,008,307	-	160,000	848,307
Total Business-Type Notes and Loans					1,277,843	-	429,536	848,307
Total Business-Type Activities					1,427,843	-	579,536	848,307
Total Bonds, Notes and Loans Payable					\$ 28,217,474	\$ -	\$ 2,505,028	\$ 25,712,446

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

F. POLLUTION REMEDIATION OBLIGATIONS

The United States Environmental Protection Agency (US EPA) has notified the Town that two former landfills used by the Town, Rose Hill Regional Landfill (Rose Hill) and West Kingston/URI Disposal Area Landfill, have been placed on the Superfund list.

Rose Hill Regional Landfill – Rose Hill was previously operated by the Towns of South Kingstown and Narragansett. In September 2002, the US EPA, the Rhode Island Department of Environmental Management (RIDEM) and the Towns of Narragansett and South Kingstown entered into a Final Consent Decree for remediation of Rose Hill. Since then, the site has been capped and long-term groundwater and air monitoring has commenced to determine the effectiveness of the cap and what, if any, additional remediation actions may be necessary in the future. The current estimated total cost of completing the clean-up of Rose Hill is \$21,557,956. The Town's share of this obligation is estimated to be \$4,516,664. In prior years, the Town paid \$2,000,000 to the Federal Government to settle all past liabilities associated with Rose Hill and \$504,931 for its share of natural resource damages. The Final Consent Decree also requires reimbursement to the State of 30% of the costs associated with remediation of this landfill and ongoing operation and maintenance costs. These costs will be shared equally by the two towns. The Town has paid \$694,119 to date for its share of remediation of the landfill and operation and maintenance costs. The Town's remaining share of the estimated cost, totaling \$1,317,614 at June 30, 2020, will be paid to the State over a 17-year period. Accordingly, \$1,317,614 has been reported as a pollution remediation obligation in the government-wide financial statements.

West Kingston/URI Disposal Area Landfills – The West Kingston/URI Disposal Area Landfills, also known as the Plains Road Landfill (Plains Road), was added to the Superfund list in 1992. The Towns of Narragansett and South Kingstown and the University of Rhode Island (URI) were named as potentially responsible parties. The Towns of Narragansett and South Kingstown and URI have agreed to participate in the remediation of the site under State landfill closure regulations. A consent decree was entered for the site as well. The current estimated cost of completing the clean-up of Plains Road is \$7,498,520. The Town's share of this obligation is estimated to be \$1,689,038. The Town has paid \$1,499,038 to date related to its obligation with an estimated \$190,000 remaining for ongoing operation and maintenance costs at June 30, 2020. Accordingly, \$190,000 has been reported as a pollution remediation obligation in the government-wide financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 8 – INTERFUND BALANCES

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

	<i>Due From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Pension Trust Funds</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 277,612	\$ 214,665	\$ 492,277
Nonmajor Governmental Funds	1,464,150	-	-	1,464,150
Other Post-Employment Benefit Trust Funds	67,586	-	-	67,586
Agency Funds	239,280	-	-	239,280
<i>Total</i>	<u>\$ 1,771,016</u>	<u>\$ 277,612</u>	<u>\$ 214,665</u>	<u>\$ 2,263,293</u>

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

NOTE 9 – INTERFUND TRANSFERS

	<i>Transfer From:</i>	
	<i>General Fund</i>	<i>Total</i>
<i>Transfer To:</i>		
Nonmajor Governmental Funds	\$ 6,305,436	\$ 6,305,436
Middlebridge Recreation Fund	74,825	74,825
<i>Total</i>	<u>\$ 6,380,261</u>	<u>\$ 6,380,261</u>

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them.

NOTE 10 – NET POSITION/FUND BALANCES

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

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

Restricted Net Position – This category represents balances limited to uses specified either externally

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

by creditors, contributors, laws and regulations of other governments or imposed through constitutional provisions or enabling legislation.

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

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

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

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

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

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

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

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

Committed fund balances are established, modified or rescinded by resolution adopted by the Town Council. The Town Council delegates to the Town Manager the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 11 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for sewer assessments, sewer lot development fees and community development loans receivable. The real estate and personal property tax receivable includes an allowance for doubtful accounts of \$260,935.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2020, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 471,406	\$ 1,084,271	\$ 510,398	\$ 2,066,075
Library Building Fund	2,479	-	-	2,479
Other Governmental Funds	390,294	7,762	-	398,056
Total	<u>\$ 864,179</u>	<u>\$ 1,092,033</u>	<u>\$ 510,398</u>	<u>\$ 2,466,610</u>
Business-Type activities:				
Water Fund	\$ 129,319	\$ 22,782	\$ 9,133	\$ 161,234
Sewer Fund	131,379	35,660	692	167,731
Beach Fund	33,851	81,192	500	115,543
Middlebridge Recreation Fund	802	-	-	802
Total	<u>\$ 295,351</u>	<u>\$ 139,634</u>	<u>\$ 10,325</u>	<u>\$ 445,310</u>

NOTE 12 – POST-EMPLOYMENT BENEFITS

A. TOWN PLAN

Plan Description

Plan Administration - The Town of Narragansett administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 15. On August 1, 2011 the Town Council authorized the creation of an OPEB Trust Fund. The Finance Director is responsible for administration of the plan in accordance with the Trust Agreement dated September 8, 2011 with Town Council oversight. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report.

Plan Membership - As of June 30, 2019, the plan membership data is as follows:

Active employees (with and without coverage)	171
Retirees and beneficiaries	151
	<u>322</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Benefits Provided - The plan provides medical, dental and life insurance for eligible retirees and their dependents through the Town's group insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions or as established by the Town Ordinance for non-union employees. The plan provides the following benefits based on employee group upon retirement:

Municipal Employees – Employees who have attained age 58 with 10 years of service or 20 years of service (whichever is earlier) are eligible for lifetime medical, dental and life insurance benefits, if hired prior to July 1, 2014. Effective July 1, 2001, those retirees eligible for lifetime benefits who are Medicare eligible are enrolled in Blue Cross Plan 65. Council 94 employees hired on/after July 1, 2014 who have attained the age of 65 with 10 years of service or 25 years of service (whichever is earlier) are eligible for medical and dental coverage until Medicare eligible. Local 1033 employees hired on/after July 1, 2014 who have attained the age of 58 with 10 years of service or 25 years of service (whichever is earlier) are eligible for medical and dental coverage until Medicare eligible. Employees retiring prior to January 1, 2010 have no employee contribution. Council 94 and Local 1033 employees retiring prior to July 1, 2018 who elect spousal coverage at retirement shall be provided with 2-person coverage and the retiree contribution requirements noted below apply to the spouse as well. Council 94 and Local 1033 employees retiring on/after July 1, 2018 who elect spousal coverage at retirement must contribute the full incremental cost of the spousal coverage. The following employee contribution requirements apply to employees retiring on/after January 1, 2010:

- Council 94 – date of retirement prior to January 1, 2012 – 2% of monthly pension; date of retirement on/after January 1, 2012 – 10% of health and dental premiums; date of retirement on/after July 1, 2012 – 12% of health and dental premiums; date of retirement on/after July 1, 2013 – 15% of health and dental premiums; date of retirement on/after July 1, 2018 – 20% of health and dental premiums
- Local 1033 – date of retirement prior to January 1, 2012 – 2% of monthly pension. For those hired prior to July 1, 1996 who: retire between July 1, 2014 and June 30, 2015 – 5% of health and dental premiums; retire between July 1, 2015 and June 30, 2016 – 10% of health and dental premiums; retire between July 1, 2016 and June 30, 2018 – 15% of health and dental premiums; retire after July 1, 2018 – 20% of health and dental premiums. For those hired on/after July 1, 1996 who retire on/after July 1, 2014 – 20% of health and dental premium.
- Non-Union – 2% of monthly pension

Council 94 and Local 1033 employees retiring on/after July 1, 2018 will receive individual health and dental benefits only until age 65 or Medicare eligible (whichever is earlier) regardless of date of hire.

Firefighters – Employees who have 20 years of service are eligible for lifetime medical, dental and life insurance benefits if hired prior to July 1, 2013. Firefighters hired on/after July 1, 2013 must have 25 years of service to be eligible for benefits. Employees retiring prior to January 1, 2011 have no employee contribution. Employees retiring on/after January 1, 2011 but prior to January 1, 2017 must contribute 20% of their health premium (for retirees and spouses). These retirees will no longer be eligible for subsidized Medicare Supplement coverage. Employees retiring on/after January 1, 2017 will receive health coverage through a Blue Solutions HDHP plan with no contribution requirement.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Police Officers – Employees who have attained age 58 with 10 years of service or 20 years of service (whichever is earlier) are eligible for lifetime medical, dental and life insurance benefits if hired prior to July 1, 2013. Officers hired on/after July 1, 2013 must have 25 years of service to be eligible for medical and dental coverage until Medicare eligibility and lifetime life insurance benefits. Employees retiring prior to January 1, 2010 have no employee contribution. Employees retiring on/after January 1, 2010 but prior to January 1, 2011 must contribute 2% of their monthly pension and employees retiring on/after January 1, 2011 but prior to July 1, 2013 must contribute 5% of their monthly pension towards health, dental and life insurance costs. Employees who retire on/after July 1, 2013 but prior to July 1, 2017 must contribute 15% of health and dental premiums. Employees who retire on/after July 1, 2017 but prior to July 1, 2018 must contribute 17% of health and dental premiums. Employees who retire on/after July 1, 2018 must contribute 20% of health and dental premiums.

Current and future Town retirees who waive coverage from the Town due to equivalent coverage elsewhere shall be reimbursed a percentage of the Town's cost of group health and dental depending on their coverage level (municipal employees and firefighters – 50%; police officers – 60% for retirements prior to July 1, 2017 and 50% for retirements on/after July 1, 2017). Council 94 and Local 1033 employees retiring on/after July 1, 2018 will receive this benefit until Medicare eligible. Firefighters retiring on/after January 1, 2011 will receive this benefit until Medicare eligible. Police officers hired on/after July 1, 2013 will receive this benefit until Medicare eligible.

Contributions - Contribution requirements are negotiated between the Town and the respective unions or are established by Town Ordinance for non-union employees. The Town is required to contribute the cost of medical, dental and life benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2020, the Town's contribution was based on the adopted budget which was more than the actuarially determined contribution. For the fiscal year ended June 30, 2020, the Town contributed \$3,801,999 to the plan. Administrative costs are paid from plan assets.

Summary of Significant Accounting Policies

Basis of Accounting – The Other Post-Employment Benefits Trust Fund's financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

Investments

Investment Policy – The Finance Director may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law in the following types of investments: common or preferred stocks, bonds, notes, debentures, mortgages, equipment or investment trust certificates, mutual funds or other pooled investment vehicles, and other evidences of indebtedness.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 2.36%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Town Plan

The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB Liability	\$38,421,444
OPEB Plan Fiduciary Net Position	<u>(10,567,317)</u>
Net OPEB Liability	<u><u>\$27,854,127</u></u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	27.5%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	Age 20-29 - 6%; Age 30-34 - 5.5%; Age 35-39 – 5.0%; Age 40-44 – 4.5%; Age 45+ - 4%
Inflation	2%
Investment Rate of Return	7.2%
Mortality	Police and Fire - SOA RPH-2019 Blue Collar Total Dataset Mortality Table fully generational using Scale MP-2019; Other – SOA RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Health Care Trend Rates	<u>FYE</u>	<u>Medical</u>	<u>Dental</u>	<u>Part B</u>
	2021	7.50%	3.50%	3.50%
	2022	7.00%	3.00%	3.75%
	2023	6.50%	3.00%	4.00%
	2024	6.00%	3.00%	4.25%
	2025	5.50%	3.00%	4.25%
	2026	5.00%	3.00%	4.25%
	2027+	4.50%	3.00%	4.25%

The long-term expected rate of return on OPEB 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 OPEB 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	26.4%	1.5%
Domestic Equity	55.2%	6.0%
International Equity	7.4%	5.0%
Cash & Cash Equivalents	11.0%	0.8%
	<hr style="width: 50%; margin: 0 auto;"/>	
	100.0%	
	<hr style="width: 50%; margin: 0 auto;"/>	

Discount Rate – The discount rate used to measure the OPEB liability was 7.2% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the greater of \$3,000,000 or the expected benefit payments. Based on those assumptions, the Town Plan’s net fiduciary 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 plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Town Plan - Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2019	\$39,017,484	\$8,982,643	\$30,034,841
Changes for the Year:			
Service cost	537,366	-	537,366
Interest on the total OPEB liability	2,761,917	-	2,761,917
Changes in benefits	-	-	-
Difference between expected and actual experience	(1,463,284)	-	(1,463,284)
Changes in assumptions	-	-	-
Employer contributions	-	3,801,999	(3,801,999)
Plan member contributions	-	-	-
Net investment income	-	231,747	(231,747)
Benefit payments, including employee refunds	(2,432,039)	(2,432,039)	-
Administrative expense	-	(17,033)	17,033
Other changes	-	-	-
Net changes	(596,040)	1,584,674	(2,180,714)
Balances as of June 30, 2020	\$38,421,444	\$10,567,317	\$27,854,127

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease <u>(6.2%)</u>	Current Discount Rate <u>(7.2%)</u>	1% Increase <u>(8.2%)</u>
Net OPEB Liability	\$32,360,417	\$27,854,127	\$24,103,339

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6.5% decreasing to 3.5%) and 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease <u>(6.5% decreasing to 3.5%)</u>	Current Healthcare Cost Trend Rates <u>(7.5% decreasing to 4.5%)</u>	1% Increase <u>(8.5% decreasing to 5.5%)</u>
Net OPEB Liability	\$23,943,632	\$27,854,127	\$32,574,114

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

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

For the year ended June 30, 2020, the Town recognized OPEB expense of \$1,468,670. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$219,627	\$2,960,496
Changes in assumptions	431,330	1,520,177
Net difference between projected and actual earnings on OPEB plan investments	<u>562,721</u>	<u>-</u>
Total	<u>\$1,213,678</u>	<u>\$4,480,673</u>

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

Year ended June 30:

2021	\$(1,153,039)
2022	(1,149,619)
2023	(569,151)
2024	(151,307)
2025	(243,879)

B. SCHOOL PLAN

Plan Description

Plan Administration - The Narragansett School System administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 15. On May 17, 2017 the School Committee authorized the creation of an OPEB Trust Fund. The Director of Finance and Administration is responsible for administration of the plan in accordance with the Trust Agreement effective May 17, 2017 with School Committee oversight. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report.

Plan Membership - As of June 30, 2019 the plan membership data is as follows:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Active employees (with and without coverage)	231
Retirees and beneficiaries	194
	425

Benefits Provided - The plan provides medical, dental and life insurance for eligible retirees and their dependents through the School System’s group insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the School System and the respective unions or as established by employee contract for non-union employees. The plan provides the following benefits based on employee group:

Certified Teachers – Employees who have 10 years of service are eligible for health and dental benefits until Medicare eligible once they meet the retirement eligibility requirements of the Employees Retirement System. Retirees are responsible for 100% of the premium cost plus a 2% administrative fee once any accrued sick leave balance which is converted to pay for health and dental insurance has been exhausted.

Other School Employees – Employees with 10 years of service, upon retirement, are eligible for health and dental benefits until Medicare eligible. Retirees are responsible for 100% of the premium cost plus a 2% administrative fee once any accrued sick leave balance which is converted to pay for health and dental insurance has been exhausted.

School System employees may convert accumulated vacation and sick pay, as applicable, to be used to purchase health and dental insurance based on requirements applicable to their employee group. If the employee has a spouse covered at retirement, the spouse may remain in the group health plan while the retiree is living.

All employees may continue their life insurance policies at retirement as a lifetime benefit. Certified teachers pay the annual premium amount in effect at the time of their retirement. All other employees pay the full cost of coverage.

Contributions - Contribution requirements are negotiated between the School System and the respective unions or are established by employee contract for non-union employees. The School System is required to contribute the cost of medical, dental and life insurance benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2020, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2020, the School System contributed \$934,346 to the plan.

Summary of Significant Accounting Policies

Basis of Accounting – The Other Post-Employment Benefits Trust Fund’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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Method Used to Value Investments – Investments are reported at fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates.

Investments

Investment Policy – The Director of Finance and Administration may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law. The School Plan utilizes a third-party investment advisor and has adopted a balanced strategy.

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.82%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the School Plan

The components of the net OPEB liability of the Town at June 30, 2020, were as follows:

Total OPEB Liability	\$4,280,166
OPEB Plan Fiduciary Net Position	<u>(1,827,302)</u>
Net OPEB Liability	<u>\$2,452,864</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	42.7%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	General wage inflation of 3.0% plus merit increases
Inflation	1.6%
Investment Rate of Return	5.9%
Mortality	SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2019

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Health Care Trend Rates	<u>FYE</u>	<u>Medical</u>	<u>Dental</u>
	2021	7.50%	3.50%
	2022	7.00%	3.00%
	2023	6.50%	3.00%
	2024	6.00%	3.00%
	2025	5.50%	3.00%
	2026	5.00%	3.00%
	2027+	4.50%	3.00%

The following changes in actuarial assumptions have been made since the prior measurement date:

- Inflation rate was changed from 1.8% to 1.6%.
- Investment rate of return was changed from 6.5% to 5.9%.

The long-term expected rate of return on OPEB 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 OPEB 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. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	37.1%	5.1%
Non-US Equity	15.9%	7.4%
U.S. Aggregate Bonds	12.0%	1.2%
Intermediate-Term Credit	7.2%	1.9%
Short-Term Credit	4.8%	1.7%
Intermediate-Term TIPS	15.0%	0.7%
REITs	8.0%	4.0%
	100.0%	

Discount Rate – The discount rate used to measure the OPEB liability was 5% for the School Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the School Plan’s net fiduciary position was not projected to be available to make all projected future benefit payments of current plan members. The long-term rate of return was applied to projected benefit payments through fiscal year 2050 and the municipal bond rate of 2.66% (S&P Municipal Bond 20-Year High Grade Rate Index) was applied for years thereafter. The prior measurement date used a discount rate of 5.5% and a municipal bond rate of 3.51%.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

School Plan - Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2019	\$4,270,670	\$1,280,353	\$2,990,317
Changes for the Year:			
Service cost	171,929	-	171,929
Interest on the total OPEB liability	231,679	-	231,679
Changes in benefits	-	-	-
Difference between expected and actual experience	(46,469)	-	(46,469)
Changes in assumptions	119,117	-	119,117
Employer contributions	-	934,346	(934,346)
Plan member contributions	-	-	-
Net investment income	-	79,363	(79,363)
Benefit payments, including employee refunds	(466,760)	(466,760)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	9,496	546,949	(537,453)
Balances as of June 30, 2020	\$4,280,166	\$1,827,302	\$2,452,864

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - The following presents the net OPEB liability of the School Plan, as well as what the School Plan's net OPEB liability would be if it were calculated using a discount rate 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease (4%)	Current Discount Rate (5%)	1% Increase (6%)
Net OPEB Liability	\$2,704,944	\$2,452,864	\$2,219,071

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the School Plan, as well as what the School Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6.5% decreasing to 3.5%) and 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Net OPEB Liability	\$2,164,776	\$2,452,864	\$2,785,749

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

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

For the year ended June 30, 2020, the School System recognized OPEB expense of \$412,794. At June 30, 2020, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,069,578	\$375,700
Changes in assumptions	297,561	56,830
Net difference between projected and actual earnings on OPEB plan investments	21,792	-
Total	\$1,388,931	\$432,530

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

Year ended June 30:

2021	\$107,368
2022	99,918
2023	99,797
2024	100,117
2025	96,352
Thereafter	452,849

C. AGGREGATE OPEB AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – OPEB Amounts	Deferred Inflows of Resources – OPEB Amounts	Net OPEB Liability	OPEB Expense
Town Plan	\$1,213,678	\$4,480,673	\$27,854,127	\$1,468,670
School Plan	1,388,931	432,530	2,452,864	412,794
Total	\$2,602,609	\$4,913,203	\$30,306,991	\$1,881,464

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 13 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints. The potential liability to the Town, if any, or an evaluation of the outcome of these matters cannot be made at the present time.

NOTE 14 – RISK MANAGEMENT

The Town of Narragansett is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town and School System participate in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims for the Town and School System and workers' compensation claims for the Town. Upon joining the Trust, the Town and School System signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town/School System. The agreement states that for premiums paid by the Town/School System, the Trust will assume financial responsibility for losses up to the maximum amount of insurance purchased, minus any deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. The School System has purchased commercial insurance for workers' compensation claims. Settled claims resulting from these risks have not exceeded the Trust or commercial insurance coverage in any of the past three fiscal years.

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

WBCH is a claims-servicing or account pool, which is an arrangement by which a pool manages separate accounts for each pool member from which the claims and administration costs of each member are paid. This arrangement does not result in the transfer of risk to WBCH or the pooling (sharing) of risk amongst the members of WBCH. The School System is retaining the risk and it recognizes and measures its claims liabilities and related expenses in accordance with GASB Statement No. 10 because the risk of loss has not been transferred to an unrelated third party. The

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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School System’s payments of premiums to WBCH are reported as deposits (other assets) and charges for insurance in the Internal Service Fund and the claims paid by WBCH on the School System’s behalf and the administrative costs paid to WBCH are recorded as expenses in the Internal Service Fund and a reduction of deposits in the Internal Service Fund. The premiums are based on “working rates” determined by WBCH based on available funds on deposit and claims experience.

In order to avoid catastrophic losses, the School System purchases specific stop loss re-insurance. Under the stop loss re-insurance, the School System is covered for medical claims in excess of \$200,000 per person per contract period.

The claims liability of \$294,299 reported in the Internal Service Fund at June 30, 2020 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

	<u><i>Beginning Fiscal Year Liability</i></u>	<u><i>Current Year Claims and Changes In Estimate</i></u>	<u><i>Claims Payments</i></u>	<u><i>Balance Fiscal Year End</i></u>
2018-2019	\$109,302	\$3,073,013	\$3,104,769	\$77,546
2019-2020	\$77,546	\$2,829,032	\$2,612,279	\$294,299

NOTE 15 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plan

General Information about the Pension Plan

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

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

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2020, Narragansett School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Narragansett School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Narragansett School Department; the rates were 10.49% and 14.12% of annual covered payroll for the fiscal year ended June 30, 2020 for the State and Narragansett School Department, respectively. The Narragansett School Department contributed \$1,845,961, \$1,679,749 and \$1,660,661 for the fiscal years ended June 30, 2020, 2019 and 2018, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$1,348,083 for fiscal year 2020 are reflected as on-behalf payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

At June 30, 2020, the Narragansett School Department reported a liability of \$21,128,849 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Narragansett School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

associated with the Narragansett School Department were as follows:

Narragansett School Department's proportionate share of the net pension liability	\$21,128,849
State's proportionate share of the net pension liability associated with the Narragansett School Department	<u>15,827,696</u>
Total net pension liability	<u>\$36,956,545</u>

The net pension liability was measured as of June 30, 2019, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019. The Narragansett School Department's proportion of the net pension liability was based on a projection of the Narragansett School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2019 the Narragansett School Department's proportion was 0.66218679%.

For the year ended June 30, 2020, the Narragansett School Department recognized in the Government-Wide financial statements gross pension expense of \$3,764,786 and revenue of \$1,755,881 for support provided by the State. At June 30, 2020, the Narragansett School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$1,845,961
Change of assumptions	
Differences between expected and actual experience	1,236,371 257,295
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>317,090</u>
Total	<u>\$3,656,717</u>

Deferred inflows of resources:

Differences between expected and actual experience	\$352,851
Change of assumptions	166,757
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,669,348
Net difference between projected and actual earnings on pension plan investments	<u>33,248</u>
Total	<u>\$2,222,204</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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\$1,845,961 reported as deferred outflows of resources related to pensions resulting from the Narragansett School Department contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$92,578
2022	(273,748)
2023	(71,620)
2024	(2,645)
2025	(62,694)
Thereafter	(93,319)

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

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

Mortality – Variants of the RP-2014 mortality tables – for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

The actuarial assumptions used in the June 30, 2018 valuation rolled forward to June 30, 2019 and the calculation of the total pension liability at June 30, 2019 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 34 sources. The June 30, 2019 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Asset Class	Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	22.10%	6.16%
International Developed Equity	13.20%	6.83%
Emerging Markets Equity	4.70%	8.90%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.81%
Non-Core Real Estate	2.25%	5.51%
Opportunistic Private Credit	1.50%	9.81%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.98%
REITS	1.00%	5.51%
Liquid Credit	2.80%	3.98%
Private Credit	3.20%	3.98%
Sub-total	8.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	4.00%	0.77%
Systematic Trend	4.00%	4.20%
Sub-total	8.00%	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-total	8.00%	
Volatility Protection		
IG Fixed Income	11.50%	2.15%
Absolute Return	6.50%	4.20%
Cash	3.00%	0.77%
Sub-total	21.00%	
Total	100.00%	

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease	Current Discount Rate	1.00 Increase
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$26,111,666	\$21,128,849	\$17,049,912

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

Defined Contribution Plan

Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

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

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

The Narragansett School Department recognized pension expense of \$128,465 for the fiscal year ended June 30, 2020. For financial reporting purposes, the State’s share of contributions totaling \$48,925 for fiscal year 2020 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

TOWN OF NARRAGANSETT, RHODE ISLAND
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B. POLICE PLAN

General Information about the Pension Plan

Plan Description and Administration – All police officers hired before July 1, 1978 who refused the September 1984 offer to join the Town Plan are covered by the Town of Narragansett’s Police Pension Plan which is administered by the Town of Narragansett Pension Board. The Pension Board consists of seven members nominated and appointed by the Town Council. This plan is a single-employer defined benefit pension plan that was established by the Town in accordance with Town Charter and State Statutes. The Town Council has the authority to establish and amend the benefits terms through the adoption of an ordinance. The pension plan is reported as a pension trust fund in the Town’s financial statements. The plan does not issue a separate publicly available financial report. The plan is closed to new entrants.

Plan Membership – As of July 1, 2019, membership data related to the pension plan was as follows:

Active members	-
Retired and beneficiaries	13
Terminated vested	-
	<u>13</u>

Benefit Provided – The pension plan provides retirement, disability and survivorship benefits.

A police officer may retire upon the earlier of attainment of age 65 or the completion of 20 years of credited service. The normal retirement benefit is equal to 50% of final earnings. Retirement benefits are payable in the form of a 67.5% joint and survivor annuity if the participant is married at the retirement date or a life annuity if single.

Death benefits are provided for members with 25 years of service. The surviving spouse shall receive a monthly benefit equal to 67.5% of the member’s accrued benefit continuing until his/her death or remarriage.

In the event a member becomes unable to perform active police duty by reason of a clearly proven physical or mental disability, he/she shall be entitled to a monthly pension in the amount of 50% of final earnings in the year of disability.

Benefit terms provide for a 3% compounded, annual cost-of-living adjustment (COLA) to a participant’s retirement benefit for members who retired on or after July 1, 2002. Eligible members receive the COLA beginning on July 1 of the year the member turns 52 years old or July 1 of the year that is the 5th anniversary of the member’s retirement, whichever occurs first. Participants who retired prior to July 1, 2002 do not receive COLA adjustments.

Contributions – Contribution requirements for the plan are established and may be amended by Town ordinance or union contract. Employees are not required to contribute to the Police Plan since there are no active members. The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs

TOWN OF NARRAGANSETT, RHODE ISLAND
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of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The Town contribution for the year ended June 30, 2020 was \$267,000.

Summary of Significant Accounting Policies

Basis of Accounting – The Police Pension Trust Fund’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which employees provide service to the Town. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investments

Investment Policy – The pension plan’s policy is described in Note 5 – Investments.

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total Pension Liability	\$2,227,265
Plan Fiduciary Net Position	(1,274,929)
Town’s Net Pension Liability	\$952,336
Plan fiduciary net position as a percentage of the total pension liability	57.24%

Actuarial Assumptions – The total pension liability was determined as of June 30, 2020, based on an actuarial valuation performed as of July 1, 2019 rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Method
Amortization Method	Closed amortization over average remaining expected lifetime of current retirees
Actuarial Assumptions:	
Inflation	2%
Salary Increases	Not applicable
Investment Rate of Return	7%

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Mortality	<ul style="list-style-type: none"> • Healthy – PubS-2010 Public Safety mortality table with generational improvements from 2010 based on the SOA Scale MP-2019 • Healthy Survivors - Pub-2010 Continuing Survivor mortality table with generational improvements from 2010 based on the SOA Scale MP-2019 • Disabled - PubS-2010 Disabled Public Safety mortality table with generational improvements from 2010 based on the SOA Scale MP-2019
Cost of Living Adjustment	3% for eligible retirees; 0% otherwise

The following changes in actuarial assumptions have been made since the prior measurement date:

- Investment rate of return was changed from 7.20% to 7%.
- Mortality tables were changed from RP-2014 Blue Collar and RP-2014 Disabled with generational improvements from 2006 based on the 2018 SSA Trustees’ Report to PubS-2010 Public Safety, Pub-2010 Continuing Survivor and PubS-2010 Disabled Public Safety with generational improvements from 2010 based on the SOA Scale MP-2019.

Given the size of the plan, there is not enough data available to conduct a credible experience study. The assumptions are not anticipated to produce significant cumulative actuarial gains or losses over time. The liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate of ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2020 (see the discussion of the pension plan’s investment policy in Note 5 – Investments) 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	35%	1.50%
Domestic Equity	50%	6.00%
International Equity	15%	5.00%
Alternatives	0%	2.00%
Cash	0%	0.50%
Total	100%	

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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Discount Rate – The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7.20%.

Police Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2019	\$2,160,528	\$1,141,073	\$1,019,455
Changes for the Year:			
Service cost	-	-	-
Interest on the total pension liability	146,935	-	146,935
Changes in benefits	-	-	-
Difference between expected and actual experience	16,675	-	16,675
Changes in assumptions	142,644	-	142,644
Employer contributions	-	267,000	(267,000)
Employee contributions	-	-	-
Net investment income	-	113,403	(113,403)
Benefit payments, including employee refunds	(239,517)	(239,517)	-
Administrative expense	-	(7,030)	7,030
Other changes	-	-	-
Net changes	66,737	133,856	(67,119)
Balances as of June 30, 2020	\$2,227,265	\$1,274,929	\$952,336

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$1,118,911	\$952,336	\$805,889

TOWN OF NARRAGANSETT, RHODE ISLAND
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Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the Town recognized pension expense of \$220,547. The Town reported deferred inflows of resources related to pensions from the following sources:

Deferred Inflows of Resources:	
Net difference between projected and actual investment earnings	\$47,623
Total	\$47,623

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2021	\$(21,074)
2022	(12,395)
2023	(8,053)
2024	(6,101)

C. TOWN PENSION PLAN

General Information about the Pension Plan

Plan Description and Administration – All employees who work at least 5 months of a year for at least 20 hours per week, except for school system employees eligible for membership in the Employees’ Retirement System of the State of Rhode Island and any police officers covered by the Police Plan, are covered by the Town of Narragansett’s Town Pension Plan which is administered by the Town of Narragansett Pension Board. The Pension Board consists of seven members nominated and appointed by the Town Council. This plan is a single-employer defined benefit pension plan that was established by the Town in accordance with Town Charter and State Statutes. The Town Council has the authority to establish and amend the benefits terms through the adoption of an ordinance. The pension plan is reported as a pension trust fund in the Town’s financial statements. The plan does not issue a separate publicly available financial report.

Plan Membership – As of July 1, 2019, membership data related to the pension plan was as follows:

Active members	250
Retired and beneficiaries	226
Terminated vested	22
	498

Benefit Provided – The pension plan provides retirement, disability and survivorship benefits.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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A municipal employee or school system employee hired prior to July 1, 2015 may retire upon the later of attainment of age 58 or the completion of ten years of credited service; but, in any case, the member can retire immediately after completing 20 years of credited service. Local 1033 employees hired on or after July 1, 2014 may retire upon completion of 25 years of credited service. Council 94 employees hired on or after July 1, 2014 and school employees hired after July 1, 2015 may retire upon the later of attainment of age 65 or the completion of ten year of credited service; but in any case, the member can retire immediately after completing 25 years of credited service. A police officer hired prior to July 1, 2013 may retire upon the earlier of attainment of age 58 or the completion of 20 years of credited service. A police officer hired on or after July 1, 2013 may retire upon the completion of 25 years of credited service. A firefighter hired prior to July 1, 2011 may retire upon completion of 20 years of credited service. A firefighter hired on or after July 1, 2011, may retire upon completion of 23 years from their date of hire with a minimum of 20 years of credited service. A firefighter hired on or after July 1, 2013 may retire upon completion of 25 years of credited service. For all employees hired prior to July 1, 2011, the normal retirement benefit is equal to 2.5% of final average compensation multiplied by years of credited service (subject to a maximum benefit of 75% of final average compensation). For Council 94 and Local 1033 employees hired on or after July 1, 2011, the normal retirement benefit is equal to 2% of final average compensation multiplied by years of credited service up to 20 and 2.5% of final average compensation multiplied by years of service in excess of 20, limited to 14 (subject to a maximum benefit of 75% of final average compensation). For Council 94 and Local 1033 employees hired on or after July 1, 2014 and school employees hired on or after July 1, 2015, the normal retirement benefit is equal to 2% of final average compensation multiplied by years of credited service (subject to a maximum of 75% of final average compensation). Police officers and firefighters hired on or after July 1, 2013 receive a normal retirement benefit equal to 2% of final average compensation multiplied by years of credited service. Final average compensation is the average annual basic compensation during the highest three consecutive years of service. In lieu of the normal form of benefit, any member who is married at the time of retirement may elect a pension that provides, upon the member's death, for 67.5% of the pension to continue to the dependent spouse or dependent children.

A member who has attained age 55 with 10 years of credited service, or has attained age 50 with 20 years of credited service may elect to retire early. A member who elects to retire early will receive a monthly benefit equal to the actuarial equivalent of the accrued benefit determined as of the normal retirement date.

Beneficiaries of municipal employees receiving death benefits for nonoccupational causes shall be entitled to the greater of a) a refund of employee contributions with interest plus a lump-sum death benefit equal to \$400 times the number of years of credited service (subject to a minimum of \$2,000 and maximum of \$8,000) or b) for municipal employees with 10 or more years of credited service, a refund of employee contributions with interest plus a monthly benefit of 50% of the member's accrued benefit. For occupational causes, the death benefit is a refund of the municipal employee's contributions with interest, plus a benefit equal to 50% of compensation.

Beneficiaries of firefighters or police officers who have completed 10 years of credited service may elect either a refund of employee contributions with interest or a benefit equal to 50% of the member's accrued benefit. Special rules apply for death after meeting eligibility for retirement.

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The disability benefit for nonoccupational causes for municipal employees with seven years of credited service but prior to attainment of age 58 is a monthly benefit equal to the greater of:

- a) 2.5% of final average compensation multiplied by years of credited service (subject to a minimum of 25% and a maximum of 50%).
- b) 1-2/3% of final average compensation multiplied by years of credited service (subject to a minimum of 25%).

Disability benefits for nonoccupational causes for firefighters and police officers with seven years of credited service but prior to attainment of age 58 (age 55 for firefighters) is a benefit equal to 2.5% of final average compensation multiplied by years of credited service (subject to a minimum of 25% and a maximum of 50%). Municipal employees, firefighters and police officers disabled due to occupational causes receive a disability benefit equal to 66-2/3% of the annualized rate of compensation determined as the date of disability, reduced by the monthly value of any payments provided for the member under any workers' compensation law.

Retirees receive cost of living adjustments (COLA) as follows:

- a) *Municipal Employees (excluding School System employees)* – who retire on or after July 1, 2002 shall receive annual 3% compounded COLAs beginning on the July 1 of the year that the employee turns 58 years old. Council 94 employees hired on or after July 1, 2014 shall receive annual 3% simple COLAs beginning July 1 of the year the employee turns 58 years old.
- b) *School System Employees* – hired on or after July 1, 2015 shall receive a compounded COLA on each July 1 based on the COLA given to Social Security recipients, if any.
- c) *Firefighters* – who retire on or after July 1, 2002 and before July 1, 2015 shall receive annual 3% compounded COLAs beginning on the July 1 of the year that the firefighter turns 52 years old. Firefighters who retire on or after July 1, 2015 shall receive annual 3% simple COLAs beginning July 1 of the year the firefighter turns 52 years old. The COLA has been suspended for 8 years for active members as of July 1, 2013.
- d) *Police Officers* – who retire on or after July 1, 2002 if employed before July 1, 2013, shall receive annual 3% compounded COLAs beginning on the earlier of July 1 of the year that the employee turns 52 years old or July 1 of the year that is the fifth anniversary of the police officer's retirement. Police officers hired on or after July 1, 2013 shall receive annual 3% simple COLAs at retirement and when eligible. The COLA has been suspended for 8 years for active members as of July 1, 2013.

Contributions – Contribution requirements for the plan are established and may be amended by Town ordinance or union contract.

Members are required to contribute a percentage of their pay as follows:

Police	11% of base salary, holiday, incentive and longevity
Fire	11% of base salary, holiday, incentive and longevity

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Mid-managers; laborers; clerical	10% of base salary and longevity
Non-union	10% of base salary
School	10% of base salary and longevity
Council 94; Local 1033	11% of base salary

The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The Town contribution for the year ended June 30, 2020 was \$6,176,556.

Summary of Significant Accounting Policies

Basis of Accounting – The Town Pension Trust Fund’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which employees provide service to the Town. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Investments

Investment Policy – The pension plan’s policy is described in Note 5 – Investments.

Rate of Return – For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 1.83%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town at June 30, 2020 were as follows:

Total Pension Liability	\$162,656,202
Plan Fiduciary Net Position	(100,562,115)
Town’s Net Pension Liability	<u>\$62,094,087</u>
Plan fiduciary net position as a percentage of the total pension liability	61.82%

Actuarial Assumptions – The total pension liability was determined as of June 30, 2020, based on an actuarial valuation performed as of July 1, 2019 rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

TOWN OF NARRAGANSETT, RHODE ISLAND
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Actuarial Cost Method	Entry Age Method
Amortization Method	Closed 20-year level percent of pay amortization
Actuarial Assumptions:	
Inflation	2%
Salary Increases	Age 20-29 - 6%; Age 30-34 - 5.5%; Age 35-39 - 5%; Age 40-44 - 4.5%; Age 45+ - 4%
Investment Rate of Return	7%
Mortality	<ul style="list-style-type: none"> • Healthy Public Safety – PubS-2010 Public Safety mortality table • Healthy School - PubT-2010 Teachers mortality table • Healthy All Other Non-Public Safety – PubG-2010 General mortality table • Healthy Survivors - Pub-2010 Continuing Survivor mortality table • Disabled Public Safety - PubS-2010 Disabled Public Safety mortality table • Disabled Non-Public Safety - PubNS-2010 Disabled Non-Public Safety mortality table • All tables with generational improvements from 2010 based on the SOA Scale MP-2019
Cost of Living Adjustment	<ul style="list-style-type: none"> • School Employees - 2% once eligible • Other Employees - 3% compounded or simple based on group and date of hire or retirement for eligible retirees

The following changes in actuarial assumptions have been made since the prior measurement date:

- Investment rate of return was changed from 7.20% to 7%.
- Mortality tables were changed from RP-2014 Blue Collar for public safety, RP-2014 for non-public safety and RP-2014 Disabled for disabled with generational improvements from 2006 based on the 2018 SSA Trustees' Report to variants of the Pub-2010 mortality tables with generational improvements from 2010 based on the SOA Scale MP-2019.

An experience study was performed for the experience over the July 1, 2007 to July 1, 2017 period. Assumptions with credible data to support updates have been implemented. The liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.

TOWN OF NARRAGANSETT, RHODE ISLAND
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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate of ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2020 (see the discussion of the pension plan's investment policy in Note 5 – Investments) 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	35%	1.50%
Domestic Equity	50%	6.00%
International Equity	15%	5.00%
Alternatives	0%	2.00%
Cash	0%	0.50%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7.20%.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

Town Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2019	\$147,602,876	\$97,816,042	\$49,786,834
Changes for the Year:			
Service cost	3,007,323	-	3,007,323
Interest on the total pension liability	10,600,034	-	10,600,034
Changes in benefits	-	-	-
Difference between expected and actual experience	(274,825)	-	(274,825)
Changes in assumptions	8,495,783	-	8,495,783
Employer contributions	-	6,176,556	(6,176,556)
Employee contributions	-	1,588,541	(1,588,541)
Net investment income	-	1,787,246	(1,787,246)
Benefit payments, including employee refunds	(6,774,989)	(6,774,989)	-
Administrative expense	-	(31,281)	31,281
Other changes	-	-	-
Net changes	15,053,326	2,746,073	12,307,253
Balances as of June 30, 2020	\$162,656,202	\$100,562,115	\$62,094,087

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate:

	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
Net Pension Liability	\$84,713,929	\$62,094,087	\$43,774,950

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

For the year ended June 30, 2020, the Town recognized pension expense of \$8,929,978. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF NARRAGANSETT, RHODE ISLAND
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Deferred Outflows of Resources:

Differences between expected and actual Experience	\$510,301
Changes of assumptions	6,371,837
Net difference between projected and actual investment earnings	<u>4,809,132</u>
Total	<u><u>\$11,691,270</u></u>

Deferred Inflows of Resources:

Differences between expected and actual Experience	\$478,011
Changes of assumptions	<u>579,060</u>
Total	<u><u>\$1,057,071</u></u>

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

<u>Year Ending June 30,</u>	
2021	\$2,502,535
2022	3,745,101
2023	3,328,556
2024	1,058,007

D. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	<u>Deferred Outflows of Resources – Pension Amounts</u>	<u>Deferred Inflows of Resources – Pension Amounts</u>	<u>Net Pension Liability</u>	<u>Pension Expense</u>
Employees' Retirement System of RI	\$3,656,717	\$2,222,204	\$21,128,849	\$3,764,786
Police Plan	-	47,623	952,336	220,547
Town Plan	<u>11,691,270</u>	<u>1,057,071</u>	<u>62,094,087</u>	<u>8,929,978</u>
Total	<u><u>\$15,347,987</u></u>	<u><u>\$3,326,898</u></u>	<u><u>\$84,175,272</u></u>	<u><u>\$12,915,311</u></u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2020

NOTE 16 – UNCERTAINTIES

The United States and State of Rhode Island declared a State of Emergency in March 2020 due to the global Coronavirus Disease (COVID-19) pandemic. In the weeks and months following the declaration, precautionary measures to slow the spread of the virus were ordered that have affected the Town's operations in fiscal year 2020. The length of time these measures will be in place and the extent of any future financial impact to the Town are unknown at this time.

NOTE 17 – SUBSEQUENT EVENTS

On February 4, 2021, the Town issued \$2,400,000 in General Obligation Bonds. The interest rate on the bonds is 1.58 percent and the maturity date is February 1, 2036.

On February 4, 2021, the Town issued \$400,000 in General Obligation Notes. The interest rate on the notes is 1.50 percent and the maturity date is February 1, 2031.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- **Pension Plans and Other Post-Employment Benefit Plans
Required Supplementary Information**
- **Budgetary Comparison Schedule - General Fund**

In addition, the notes to the required supplementary information are included to provide information that is essential to a user's understanding of the required supplementary information.

TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Town Other Post-Employment Benefit (OPEB) Plan
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios (1)
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 537,366	\$ 629,930	\$ 679,914	\$ 1,189,644
Interest	2,761,917	2,783,426	2,852,809	3,005,083
Changes of benefit terms	-	-	-	(6,256,712)
Differences between expected and actual experience	(1,463,284)	(1,110,915)	(2,686,363)	658,887
Changes of assumptions	-	(1,238,106)	(1,943,284)	1,293,986
Benefits payments	(2,432,039)	(2,321,036)	(2,309,807)	(2,090,025)
Net change in total OPEB liability	<u>(596,040)</u>	<u>(1,256,701)</u>	<u>(3,406,731)</u>	<u>(2,199,137)</u>
Total OPEB liability - beginning	<u>39,017,484</u>	<u>40,274,185</u>	<u>43,680,916</u>	<u>45,880,053</u>
Total OPEB liability - ending (a)	<u>\$ 38,421,444</u>	<u>\$ 39,017,484</u>	<u>\$ 40,274,185</u>	<u>\$ 43,680,916</u>
Plan fiduciary net position:				
Contributions - employer	\$ 3,801,999	\$ 4,115,135	\$ 3,547,796	\$ 3,176,785
Contributions - employee	-	-	-	-
Net investment income	231,747	299,866	327,071	338,238
Benefits payments	(2,432,039)	(2,321,036)	(2,309,807)	(2,090,025)
Administrative expense	(17,033)	(6,200)	(8,250)	(26,250)
Other	-	-	-	-
Net change in plan fiduciary net position	<u>1,584,674</u>	<u>2,087,765</u>	<u>1,556,810</u>	<u>1,398,748</u>
Plan fiduciary net position - beginning	<u>8,982,643</u>	<u>6,894,878</u>	<u>5,338,068</u>	<u>3,939,320</u>
Plan fiduciary net position - ending (b)	<u>\$ 10,567,317</u>	<u>\$ 8,982,643</u>	<u>\$ 6,894,878</u>	<u>\$ 5,338,068</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 27,854,127</u>	<u>\$ 30,034,841</u>	<u>\$ 33,379,307</u>	<u>\$ 38,342,848</u>
Plan fiduciary net position as a percentage of the total OPEB liability	27.50%	23.02%	17.12%	12.22%
Covered employee payroll	\$ 11,941,182	\$ 12,599,633	\$ 10,637,623	\$ 10,228,484
Town's net OPEB liability as a percentage of covered employee payroll	233.26%	238.38%	313.79%	374.86%

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

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

TOWN OF NARRAGANSET, RHODE ISLAND
Required Supplementary Information - School Other Post-Employment Benefit (OPEB) Plan
Schedule of Changes in the Town's Net OPEB Liability and Related Ratios (1)
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:				
Service cost	\$ 171,929	\$ 161,093	\$ 177,566	\$ 199,504
Interest	231,679	170,567	178,180	167,455
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(46,469)	1,307,262	(262,942)	(241,063)
Changes of assumptions	119,117	227,291	(78,142)	15,824
Benefits payments	(466,760)	(454,529)	(315,478)	(399,334)
Net change in total OPEB liability	<u>9,496</u>	<u>1,411,684</u>	<u>(300,816)</u>	<u>(257,614)</u>
Total OPEB liability - beginning	<u>4,270,670</u>	<u>2,858,986</u>	<u>3,159,802</u>	<u>3,417,416</u>
Total OPEB liability - ending (a)	<u>\$ 4,280,166</u>	<u>\$ 4,270,670</u>	<u>\$ 2,858,986</u>	<u>\$ 3,159,802</u>
Plan fiduciary net position:				
Contributions - employer	\$ 934,346	\$ 454,529	\$ 315,478	\$ 1,522,122
Contributions - employee	-	-	-	-
Net investment income	79,363	82,452	75,090	23
Benefits payments	(466,760)	(454,529)	(315,478)	(399,334)
Administrative expense	-	-	-	-
Other	-	-	-	-
Net change in plan fiduciary net position	<u>546,949</u>	<u>82,452</u>	<u>75,090</u>	<u>1,122,811</u>
Plan fiduciary net position - beginning	<u>1,280,353</u>	<u>1,197,901</u>	<u>1,122,811</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,827,302</u>	<u>\$ 1,280,353</u>	<u>\$ 1,197,901</u>	<u>\$ 1,122,811</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 2,452,864</u>	<u>\$ 2,990,317</u>	<u>\$ 1,661,085</u>	<u>\$ 2,036,991</u>
Plan fiduciary net position as a percentage of the total OPEB liability	42.69%	29.98%	41.90%	35.53%
Covered employee payroll	\$ 16,487,925	\$ 15,425,573	N/A	N/A
Town's net OPEB liability as a percentage of covered employee payroll	14.88%	19.39%	N/A	N/A

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Other Post-employment Benefit (OPEB) Plans
Schedule of Town Contributions
Last Ten Fiscal Years
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Town Plan</u>										
Actuarially determined contribution	\$ 3,129,247	\$ 3,372,903	\$ 3,567,929	\$ 3,517,887	\$ 4,620,054	\$ 5,047,958	\$ 5,030,992	\$ 5,117,673	\$ 5,960,237	\$ 5,308,196
Contributions in relation to the actuarially determined contribution	3,801,999	4,115,135	3,547,796	3,176,785	2,911,234	2,346,138	2,510,011	2,516,858	3,069,142	1,899,453
Contribution deficiency (excess)	<u>\$ (672,752)</u>	<u>\$ (742,232)</u>	<u>\$ 20,133</u>	<u>\$ 341,102</u>	<u>\$ 1,708,820</u>	<u>\$ 2,701,820</u>	<u>\$ 2,520,981</u>	<u>\$ 2,600,815</u>	<u>\$ 2,891,095</u>	<u>\$ 3,408,743</u>
Covered employee payroll	\$ 11,941,182	\$ 12,599,633	\$ 10,637,623	\$ 10,228,484	\$ 9,808,380	\$ 9,522,699	\$ 9,377,308	\$ 9,104,183	\$ 8,839,013	\$ 8,644,525
Contributions as a percentage of covered employee payroll	31.84%	32.66%	33.35%	31.06%	29.68%	24.64%	26.77%	27.65%	34.72%	21.97%
<u>School Plan</u>										
Actuarially determined contribution	\$ 551,291	\$ 319,008	\$ 306,721	\$ 379,021	\$ 419,272	\$ 392,924	\$ 379,211	\$ 488,877	\$ 445,449	\$ 473,447
Contributions in relation to the actuarially determined contribution	934,346	454,529	315,478	1,522,122	335,099	307,430	275,520	301,939	274,490	241,254
Contribution deficiency (excess)	<u>\$ (383,055)</u>	<u>\$ (135,521)</u>	<u>\$ (8,757)</u>	<u>\$ (1,143,101)</u>	<u>\$ 84,173</u>	<u>\$ 85,494</u>	<u>\$ 103,691</u>	<u>\$ 186,938</u>	<u>\$ 170,959</u>	<u>\$ 232,193</u>
Covered employee payroll	\$ 16,487,925	\$ 15,425,573	Not available	Not available	Not available	Not available	\$ 16,032,959	\$ 15,565,980	\$ 15,293,489	\$ 15,293,489
Contributions as a percentage of covered employee payroll	5.67%	2.95%	Not available	Not available	Not available	Not available	1.72%	1.94%	1.79%	1.58%

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Other Post-Employment Benefit (OPEB) Plans
Schedule of Investment Returns (1)
"Unaudited"

	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
 <i>Town Plan</i>				
Annual money-weighted rate of return, net of investment expense	<u>2.36%</u>	<u>7.13%</u>	<u>9.56%</u>	<u>12.52%</u>
 <i>School Plan</i>				
Annual money-weighted rate of return, net of investment expense	<u>4.82%</u>	<u>6.88%</u>	<u>6.69%</u>	<u>0.00%</u>

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

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TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information
Employees' Retirement System Pension Plan
Schedule of the Town's Proportionate Share of the Net Pension Liability (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.66218679%	0.68353827%	0.69095908%	0.74560016%	0.75381396%	0.71867874%
Town's proportionate share of the net pension liability	\$ 21,128,849	\$ 21,717,707	\$ 21,793,447	\$ 22,245,559	\$ 20,752,519	\$ 17,492,643
State's proportionate share of the net pension liability associated with the Town	<u>15,827,696</u>	<u>16,199,850</u>	<u>16,470,610</u>	<u>15,234,941</u>	<u>14,177,469</u>	<u>11,995,511</u>
Total	<u>\$ 36,956,545</u>	<u>\$ 37,917,557</u>	<u>\$ 38,264,057</u>	<u>\$ 37,480,500</u>	<u>\$ 34,929,988</u>	<u>\$ 29,488,154</u>
Town's covered payroll	\$ 12,290,329	\$ 12,337,484	\$ 12,258,431	\$ 12,249,451	\$ 12,250,219	\$ 12,180,991
Town's proportionate share of the net pension liability as a percentage of its covered payroll	171.91%	176.03%	177.78%	181.60%	169.41%	143.61%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Police Pension Plan
Schedule of Changes in the Town's Net Pension Liability and Related Ratios (1)
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	146,935	155,676	160,506	163,991	174,613	177,837	182,866
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	16,675	(29,857)	22,730	50,752	(37,247)	(20,730)	-
Changes of assumptions	142,644	(5,710)	(5,407)	(14,486)	33,213	85,996	-
Benefits payments, including refunds of member contributions	(239,517)	(243,498)	(246,322)	(251,011)	(254,103)	(255,145)	(244,698)
Net change in total pension liability	<u>66,737</u>	<u>(123,389)</u>	<u>(68,493)</u>	<u>(50,754)</u>	<u>(83,524)</u>	<u>(12,042)</u>	<u>(61,832)</u>
Total pension liability - beginning	<u>2,160,528</u>	<u>2,283,917</u>	<u>2,352,410</u>	<u>2,403,164</u>	<u>2,486,688</u>	<u>2,498,730</u>	<u>2,560,562</u>
Total pension liability - ending (a)	<u>\$ 2,227,265</u>	<u>\$ 2,160,528</u>	<u>\$ 2,283,917</u>	<u>\$ 2,352,410</u>	<u>\$ 2,403,164</u>	<u>\$ 2,486,688</u>	<u>\$ 2,498,730</u>
Plan fiduciary net position:							
Contributions - employer	\$ 267,000	\$ 267,000	\$ 267,000	\$ 267,000	\$ 355,000	\$ 126,770	\$ 124,954
Contributions - employee	-	-	-	-	-	-	-
Net investment income	113,403	85,158	89,525	102,865	930	2,633	-
Benefits payments, including refunds of member contributions	(239,517)	(243,498)	(246,322)	(251,011)	(254,103)	(255,145)	(244,698)
Administrative expense	(7,030)	(6,310)	(5,795)	(5,180)	(4,540)	-	-
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>133,856</u>	<u>102,350</u>	<u>104,408</u>	<u>113,674</u>	<u>97,287</u>	<u>(125,742)</u>	<u>(119,744)</u>
Plan fiduciary net position - beginning	<u>1,141,073</u>	<u>1,038,723</u>	<u>934,315</u>	<u>820,641</u>	<u>723,354</u>	<u>849,096</u>	<u>968,840</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,274,929</u>	<u>\$ 1,141,073</u>	<u>\$ 1,038,723</u>	<u>\$ 934,315</u>	<u>\$ 820,641</u>	<u>\$ 723,354</u>	<u>\$ 849,096</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 952,336</u>	<u>\$ 1,019,455</u>	<u>\$ 1,245,194</u>	<u>\$ 1,418,095</u>	<u>\$ 1,582,523</u>	<u>\$ 1,763,334</u>	<u>\$ 1,649,634</u>
Plan fiduciary net position as a percentage of the total pension liability							
	57.24%	52.81%	45.48%	39.72%	34.15%	29.09%	33.98%
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Town's net pension liability as a percentage of covered payroll							
	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Town Pension Plan
Schedule of Changes in the Town's Net Pension Liability and Related Ratios (1)
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:							
Service cost	\$ 3,007,323	\$ 2,959,880	\$ 2,955,588	\$ 2,930,982	\$ 2,810,067	\$ 2,550,557	\$ 2,777,999
Interest	10,600,034	10,065,392	9,790,545	9,285,637	8,763,993	8,179,918	7,743,047
Changes of benefit terms	-	-	-	-	(420,257)	-	-
Differences between expected and actual experience	(274,825)	1,020,603	(1,087,571)	540,391	715,831	415,238	(138,666)
Changes of assumptions	8,495,783	(190,658)	(1,934,928)	(474,603)	3,440,952	2,569,581	(69,684)
Benefits payments, including refunds of member contribut	(6,774,989)	(6,179,160)	(5,642,039)	(4,946,770)	(4,846,536)	(4,369,538)	(4,151,080)
Net change in total pension liability	<u>15,053,326</u>	<u>7,676,057</u>	<u>4,081,595</u>	<u>7,335,637</u>	<u>10,464,050</u>	<u>9,345,756</u>	<u>6,161,616</u>
Total pension liability - beginning	<u>147,602,876</u>	<u>139,926,819</u>	<u>135,845,224</u>	<u>128,509,587</u>	<u>118,045,537</u>	<u>108,699,781</u>	<u>102,538,165</u>
Total pension liability - ending (a)	<u>\$ 162,656,202</u>	<u>\$ 147,602,876</u>	<u>\$ 139,926,819</u>	<u>\$ 135,845,224</u>	<u>\$ 128,509,587</u>	<u>\$ 118,045,537</u>	<u>\$ 108,699,781</u>
Plan fiduciary net position:							
Contributions - employer	\$ 6,176,556	\$ 6,133,571	\$ 5,957,877	\$ 5,399,268	\$ 5,190,005	\$ 4,999,356	\$ 3,237,890
Contributions - employee	1,588,541	1,558,428	1,583,751	1,474,196	1,427,810	1,465,617	1,272,360
Net investment income	1,787,246	5,516,278	5,063,944	7,844,533	(1,643,823)	472,799	10,071,983
Benefits payments, including refunds of member contribut	(6,774,989)	(6,179,160)	(5,642,039)	(4,946,770)	(4,846,536)	(4,369,538)	(4,151,082)
Administrative expense	(31,281)	(47,630)	(59,100)	(28,905)	(28,067)	(38,693)	(36,250)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>2,746,073</u>	<u>6,981,487</u>	<u>6,904,433</u>	<u>9,742,322</u>	<u>99,389</u>	<u>2,529,541</u>	<u>10,394,901</u>
Plan fiduciary net position - beginning	<u>97,816,042</u>	<u>90,834,555</u>	<u>83,930,122</u>	<u>74,187,800</u>	<u>74,088,411</u>	<u>71,558,870</u>	<u>61,163,969</u>
Plan fiduciary net position - ending (b)	<u>\$ 100,562,115</u>	<u>\$ 97,816,042</u>	<u>\$ 90,834,555</u>	<u>\$ 83,930,122</u>	<u>\$ 74,187,800</u>	<u>\$ 74,088,411</u>	<u>\$ 71,558,870</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 62,094,087</u>	<u>\$ 49,786,834</u>	<u>\$ 49,092,264</u>	<u>\$ 51,915,102</u>	<u>\$ 54,321,787</u>	<u>\$ 43,957,126</u>	<u>\$ 37,140,911</u>
Plan fiduciary net position as a percentage of the total pension liability	61.82%	66.27%	64.92%	61.78%	57.73%	62.76%	65.83%
Covered payroll	\$ 14,152,836	\$ 13,952,640	\$ 13,835,881	\$ 13,626,448	\$ 12,984,298	\$ 12,188,272	\$ 12,466,246
Town's net pension liability as a percentage of covered payroll	438.74%	356.83%	354.82%	380.99%	418.37%	360.65%	297.93%

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Pension Plans
Schedule of Town Contributions
Last Ten Fiscal Years
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<u>Employees' Retirement System of RI (1)</u>										
Actuarially determined contribution	\$ 1,845,961	\$ 1,679,749	\$ 1,660,661	\$ 1,642,280	\$ 1,706,931	\$ 1,666,194				
Contributions in relation to the actuarially determined contribution	1,845,961	1,679,749	1,660,661	1,642,280	1,706,931	1,666,194				
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>				
Covered payroll	\$ 12,851,123	\$ 12,290,329	\$ 12,337,484	\$ 12,258,431	\$ 12,249,451	\$ 12,250,219				
Contributions as a percentage of covered payroll	14.36%	13.67%	13.46%	13.40%	13.93%	13.60%				
<u>Police Plan</u>										
Actuarially determined contribution	\$ 198,887	\$ 215,294	\$ 226,427	\$ 230,391	\$ 216,196	\$ 208,518	\$ 129,257	\$ 124,954	\$ 131,117	\$ 125,293
Contributions in relation to the actuarially determined contribution	267,000	267,000	267,000	267,000	355,000	126,770	124,954	102,200	102,200	130,000
Contribution deficiency (excess)	<u>\$ (68,113)</u>	<u>\$ (51,706)</u>	<u>\$ (40,573)</u>	<u>\$ (36,609)</u>	<u>\$ (138,804)</u>	<u>\$ 81,748</u>	<u>\$ 4,303</u>	<u>\$ 22,754</u>	<u>\$ 28,917</u>	<u>\$ (4,707)</u>
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Contributions as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<u>Town Plan</u>										
Actuarially determined contribution	\$ 6,080,003	\$ 6,057,902	\$ 5,858,887	\$ 5,428,475	\$ 5,082,997	\$ 4,881,459	\$ 5,619,927	\$ 5,432,159	\$ 4,359,974	\$ 3,581,961
Contributions in relation to the actuarially determined contribution	6,176,556	6,133,571	5,957,877	5,399,268	5,190,005	4,999,356	3,237,890	2,627,014	2,177,565	1,936,385
Contribution deficiency (excess)	<u>\$ (96,553)</u>	<u>\$ (75,669)</u>	<u>\$ (98,990)</u>	<u>\$ 29,207</u>	<u>\$ (107,008)</u>	<u>\$ (117,897)</u>	<u>\$ 2,382,037</u>	<u>\$ 2,805,145</u>	<u>\$ 2,182,409</u>	<u>\$ 1,645,576</u>
Covered payroll	\$ 14,152,836	\$ 13,952,640	\$ 13,835,881	\$ 13,626,448	\$ 12,984,298	\$ 12,188,272	\$ 12,466,246	\$ 12,482,365	\$ 11,393,405	\$ 11,975,586
Contributions as a percentage of covered payroll	43.64%	43.96%	43.06%	39.62%	39.97%	41.02%	25.97%	21.05%	19.11%	16.17%

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TOWN OF NARRAGANSETT, RHODE ISLAND
Required Supplementary Information - Pension Plans
Schedule of Investment Returns (1)
"Unaudited"

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<i>Police Plan</i>							
Annual money-weighted rate of return, net of investment expense	<u>8.62%</u>	<u>6.95%</u>	<u>7.91%</u>	<u>10.00%</u>	<u>0.09%</u>	<u>0.78%</u>	<u>0.00%</u>
<i>Town Plan</i>							
Annual money-weighted rate of return, net of investment expense	<u>1.83%</u>	<u>6.18%</u>	<u>6.11%</u>	<u>10.69%</u>	<u>-2.29%</u>	<u>0.71%</u>	<u>15.81%</u>

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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes:				
Current year taxes	\$ 52,771,855	\$ 52,771,855	\$ 53,371,012	\$ 599,157
Prior year taxes	250,000	250,000	225,411	(24,589)
	<u>53,021,855</u>	<u>53,021,855</u>	<u>53,596,423</u>	<u>574,568</u>
Investment and interest revenues:				
Interest on delinquent taxes	170,000	170,000	156,268	(13,732)
Interest from investments	125,000	125,000	241,350	116,350
	<u>295,000</u>	<u>295,000</u>	<u>397,618</u>	<u>102,618</u>
Intergovernmental revenues:				
Motor vehicle phase-out	311,670	311,670	337,688	26,018
Federal PILOT	71,000	71,000	64,307	(6,693)
State beach parking	190,000	190,000	225,975	35,975
State telephone tax	197,800	197,800	193,671	(4,129)
State hotel tax	276,401	276,401	267,806	(8,595)
State meal and beverage tax	720,522	720,522	663,640	(56,882)
School housing aid	454,750	454,750	454,750	-
	<u>2,222,143</u>	<u>2,222,143</u>	<u>2,207,837</u>	<u>(14,306)</u>
Licenses and permits:				
Town clerk alcoholic beverages	38,000	38,000	31,528	(6,472)
Building permits	350,000	350,000	403,890	53,890
Road open permits	2,000	2,000	1,350	(650)
	<u>390,000</u>	<u>390,000</u>	<u>436,768</u>	<u>46,768</u>
Fines and forfeitures:				
Police fees and fines	15,000	15,000	17,396	2,396
Municipal court	400,000	400,000	374,697	(25,303)
	<u>415,000</u>	<u>415,000</u>	<u>392,093</u>	<u>(22,907)</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
PILOT & interfund revenues:				
Beach in lieu of taxes	207,447	207,447	207,447	-
Housing authority in lieu of taxes	1,590	1,590	1,590	-
Water in lieu of taxes	32,015	32,015	32,015	-
Wastewater in lieu of taxes	142,992	142,992	142,992	-
Charter school	8,000	8,000	8,088	88
Water administrative fees	139,089	139,089	139,089	-
Wastewater administrative fees	428,060	428,060	428,060	-
Beach administrative fees	133,342	133,342	133,342	-
Rental registration transfer	87,250	87,250	87,250	-
Vehicle maintenance	155,000	155,000	59,671	(95,329)
	<u>1,334,785</u>	<u>1,334,785</u>	<u>1,239,544</u>	<u>(95,241)</u>
Miscellaneous revenues:				
Police finger print receipts	4,000	4,000	3,026	(974)
Town clerk general receipts	735,000	735,000	800,790	65,790
Mooring fees	59,000	59,000	62,096	3,096
Variance and exception fees	10,000	10,000	12,523	2,523
Fire alarm inspection fees	10,000	10,000	12,400	2,400
VIN inspection fees	5,000	5,000	4,580	(420)
Police detail revenue	125,000	125,000	188,263	63,263
Cellular tower rentals	154,000	154,000	218,327	64,327
Miscellaneous receipts	40,000	40,000	106,779	66,779
Emergency medical services	450,000	450,000	580,004	130,004
Miscellaneous police receipts	20,000	20,000	7,683	(12,317)
Concessions	2,650	2,650	700	(1,950)
Fire marshal plan review	15,000	15,000	28,638	13,638
Miscellaneous fire department receipts	-	-	567	567
	<u>1,629,650</u>	<u>1,629,650</u>	<u>2,026,376</u>	<u>396,726</u>
Recreation revenues:				
Community center rental	8,000	8,000	8,188	188
Miscellaneous receipts	10,000	10,000	8,980	(1,020)
Basketball	40,000	40,000	31,542	(8,458)
Workshops	31,000	31,000	9,460	(21,540)
The Camp	70,000	70,000	34,995	(35,005)
Park rental	15,000	15,000	4,240	(10,760)
Concert revenue	-	-	3,530	3,530
	<u>174,000</u>	<u>174,000</u>	<u>100,935</u>	<u>(73,065)</u>
Other financing sources:				
Fund balance appropriation	1,507,475	1,507,475	-	(1,507,475)
Total revenues and other financing sources	<u>60,989,908</u>	<u>60,989,908</u>	<u>60,397,594</u>	<u>(592,314)</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General government:				
Town council	83,068	83,068	28,867	54,201
Town solicitor	120,000	120,000	200,174	(80,174)
Municipal court	208,882	208,882	208,841	41
Board of canvassers	122,514	122,514	88,702	33,812
Town manager	326,354	326,354	291,967	34,387
Human resources	148,468	148,468	134,942	13,526
Town clerk	446,750	446,750	444,755	1,995
Information technology	467,197	467,197	443,304	23,893
History commission	1,500	1,500	838	662
Conservation commission	11,250	11,250	125	11,125
Planning board	5,450	5,450	3,552	1,898
Zoning board of appeals	5,450	5,450	3,895	1,555
Pension board	-	-	75	(75)
Special appropriations	165,512	165,512	175,512	(10,000)
	<u>2,112,395</u>	<u>2,112,395</u>	<u>2,025,549</u>	<u>86,846</u>
Financial administration:				
Financial and purchasing	398,719	398,719	400,032	(1,313)
Accounting	472,600	472,600	466,755	5,845
Tax assessor	399,682	399,682	407,401	(7,719)
Tax collector	334,831	334,831	307,011	27,820
	<u>1,605,832</u>	<u>1,605,832</u>	<u>1,581,199</u>	<u>24,633</u>
Public safety:				
Police non-officer	376,215	376,215	363,211	13,004
Police administration	1,168,825	1,168,825	1,019,943	148,882
Police patrol	5,174,979	5,174,979	5,112,300	62,679
Police investigations	884,169	884,169	864,521	19,648
Animal control	203,865	203,865	189,501	14,364
Harbor master	49,211	49,211	39,628	9,583
Dispatch	1,034,401	1,034,401	998,107	36,294
Fire non-firefighter	81,504	81,504	85,343	(3,839)
Fire firefighters	5,904,276	5,904,276	5,982,014	(77,738)
Emergency management	13,143	13,143	16,114	(2,971)
	<u>14,890,588</u>	<u>14,890,588</u>	<u>14,670,682</u>	<u>219,906</u>
Public works:				
Public works administration	419,950	419,950	418,880	1,070
Highway	1,928,333	1,928,333	1,514,907	413,426
Facilities maintenance	216,230	216,230	201,629	14,601
Vehicle maintenance	691,065	691,065	685,182	5,883
	<u>3,255,578</u>	<u>3,255,578</u>	<u>2,820,598</u>	<u>434,980</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation:				
Parks and recreation administration	214,971	214,971	207,324	7,647
Parks maintenance	831,265	831,265	725,323	105,942
Recreation programs	351,743	351,743	286,370	65,373
Parks and recreation senior/community center	180,890	180,890	125,651	55,239
	<u>1,578,869</u>	<u>1,578,869</u>	<u>1,344,668</u>	<u>234,201</u>
Planning, engineering and inspection:				
Community development	461,719	461,719	441,238	20,481
Inspection services	355,271	355,271	403,737	(48,466)
Engineering	320,775	320,775	355,683	(34,908)
	<u>1,137,765</u>	<u>1,137,765</u>	<u>1,200,658</u>	<u>(62,893)</u>
Town-wide expenditures	<u>654,800</u>	<u>654,800</u>	<u>619,470</u>	<u>35,330</u>
Education appropriation	<u>26,405,308</u>	<u>26,405,308</u>	<u>26,405,308</u>	<u>-</u>
Library appropriation	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Other:				
Contingency	300,000	300,000	33,214	266,786
OPEB contribution	2,979,512	2,979,512	2,979,512	-
Police Chapter 1666 pension contribution	267,000	267,000	267,000	-
Retirement and termination benefits	150,000	150,000	-	150,000
	<u>3,696,512</u>	<u>3,696,512</u>	<u>3,279,726</u>	<u>416,786</u>
Other financing uses:				
Transfers to other funds:				
Special Revenue Funds	12,000	12,000	12,000	-
Town Capital Projects Fund	2,245,633	2,245,633	2,245,633	-
Debt Service Fund	2,869,803	2,869,803	2,869,803	-
Land Conservancy Fund	50,000	50,000	50,000	-
Middlebridge Fund	74,825	74,825	74,825	-
	<u>5,252,261</u>	<u>5,252,261</u>	<u>5,252,261</u>	<u>-</u>
Total expenditures and other financing uses	<u>60,989,908</u>	<u>60,989,908</u>	<u>59,600,119</u>	<u>1,389,789</u>
Net change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 797,475</u>	<u>\$ 797,475</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
For the Year Ended June 30, 2020
"Unaudited"

NOTE 1 - SCHEDULE OF TOWN CONTRIBUTIONS - OPEB PLANS

	<u><i>Town Other Post-Employment Benefit Plan</i></u>	<u><i>School Other Post-Employment Benefit Plan</i></u>
<i>Valuation date:</i>	6/30/2019	6/30/2019
<i>Methods and assumptions used to determine contribution rates:</i>		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar - closed	Level dollar - closed
Remaining amortization period	27 years	27 years
Asset valuation method	Fair market value	Fair market value
Investment rate of return/ Discount rate	7.20% discount rate	6.5% discount rate (6.75% prior year)
Inflation rate	2%	1.6% (1.8% prior year)
Payroll growth rate	N/A	N/A
Medical trend cost rate	Medical - 7.5% per year graded off to an ultimate rate of 4.5% per year Part B - 3.5% per year increasing to an ultimate rate of 4.25% per year	Medical - 7.5% per year graded off to an ultimate rate of 4.5% per year
Dental trend cost rate	3.5% per year graded off to an ultimate rate of 3% per year	3.5% per year graded off to an ultimate rate of 3% per year
Mortality	Police and Fire - SOA RPH-2019 Blue Collar Total Dataset Mortality Table fully generational using Scale MP-2019 Other - SOA RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019	SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2019

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2020
"Unaudited"

NOTE 2 - SCHEDULE OF TOWN CONTRIBUTIONS - PENSION PLANS

	<u>Employees' Retirement System of RI</u>	<u>Police Pension</u>	<u>Town Pension</u>												
Valuation date:	June 30, 2017 - Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective 2 years later	July 1, 2018 - Actuarially determined contribution rates are based on the calculated contribution as a percentage of payroll from the prior valuation date	July 1, 2018 - Actuarially determined contribution rates are based on the calculated contribution as a percentage of payroll from the prior valuation date												
Methods and assumptions used to determine contribution rates:															
Actuarial cost method	Entry Age Normal	Entry Age Normal	Entry Age Normal												
Amortization method	Level percentage of payroll over a closed period	Closed amortization over the average remaining expected lifetime of current retirees	Level percent of payroll over a closed 20 year period; for this purpose, payroll is assumed to grow at 4% annually												
Remaining amortization period	18 years	11 years	20 years												
Asset valuation method	5-year smoothed market	Fair market value of assets on the valuation date	Fair market value of assets on the valuation date adjusted for a 5 year phase in of gains and losses of plan assets												
Projected salary increases	Teachers - 3% to 13% (prior valuation - 3.5% to 13.5%)	Not applicable	<table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;"><u>Age</u></th> <th style="text-align: left;"><u>Percent</u></th> </tr> </thead> <tbody> <tr> <td>20-29</td> <td>6.00%</td> </tr> <tr> <td>30-34</td> <td>5.50%</td> </tr> <tr> <td>35-39</td> <td>5.00%</td> </tr> <tr> <td>40-44</td> <td>4.50%</td> </tr> <tr> <td>45+</td> <td>4.00%</td> </tr> </tbody> </table>	<u>Age</u>	<u>Percent</u>	20-29	6.00%	30-34	5.50%	35-39	5.00%	40-44	4.50%	45+	4.00%
<u>Age</u>	<u>Percent</u>														
20-29	6.00%														
30-34	5.50%														
35-39	5.00%														
40-44	4.50%														
45+	4.00%														
Investment rate of return	7% (prior valuation - 7.5%)	7.20%	7.20%												
Inflation	2.5% (prior valuation - 2.75%)	2%	2%												
Retirement rates	Experienced based table of rates that are specific to the type of eligibility condition	Not applicable	Public Safety - Police hired on or after 7/1/13 - 100% at earlier of age 58 or 25 years of service; all others - 35% at 20 years of service, 20% at 21-24 years of service and 100% at 25 years of service or age 58 (prior valuation age 58 or 20 years of service) Non-Public Safety - Local 1033 hired on or after 7/1/14 - 100% at earlier of age 58 with 10 years of service or 25 years of service; Council 94 hired on or after 7/1/14 and School hired on or after 7/1/15 - 100% at earlier of age 65 with 10 years of service or 25 of service; all others - 25% at 20 years of service, 20% at 21-24 years of service and 100% at 25 years of service or age 58 with 10 years of service (prior valuation -earlier of age 58 with 10 years of service or 20 years of service)												
Mortality	Teachers - Males and Females - Variants of the RP-2014 mortality tables, for improvement scale, update to the ultimate rates of the MP-2016 projection scale (prior valuation - 97% and 92%, respectively, of rates in GRS table based on male and female teacher experience, projected with Scale AA from 2000)	Healthy - RP-2014 Blue Collar with generational improvements from 2006 based on 2017 SSA Trustees' Report Disabled - RP-2014 Disabled with generational improvements from 2006 based on 2017 SSA Trustees' Report	Healthy - Public Safety - RP-2014 Blue Collar with generational improvements from 2006 based on 2017 SSA Trustees' Report Healthy - Non-Public Safety - RP-2014 with generational improvements from 2006 based on 2017 SSA Trustees' Report Disabled - RP-2014 Disabled with generational improvements from 2006 based on 2017 SSA Trustees' Report												
Other Information:	Employers participating in the Employees' Retirement System of RI are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year As part of the 2017 Actuarial Experience Investigation Study for the 6 year period ended June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability at the June 30, 2017 measurement date as noted above.	Prior to July 1, 2015, actuarially determined contribution rates were calculated as of July 1 of the fiscal year in which contributions were reported	Prior to July 1, 2015, actuarially determined contribution rates were calculated as of July 1 of the fiscal year in which contributions were reported												

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2020

NOTE 3 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

In accordance with the Town’s Charter, the Town has formally established budgetary accounting control for its General Fund and Enterprise Funds. It is the responsibility of the Town Manager to submit the proposed budgets to the Town Council. The General Fund budget includes the Municipal budget and School Department’s total budgeted Town appropriation. The proposed School Department budget is approved by the School Committee prior to being presented to the Town Manager. The Town Council may then revise and adopt a recommended General Fund budget including changes to the School Department’s total appropriation. At least two public hearings are conducted on the Town Council recommended budgets and the final recommended budgets are legally enacted through an ordinance by the Town Council prior to the start of the fiscal year. The General Fund’s annual operating budget is not in conformity with accounting principles generally accepted in the United States of America. The budget to actual presentation in the financial statements for the General Fund is presented on a budgetary basis. The difference between the budgetary basis and the accounting principles generally accepted in the United States of America basis is explained below.

Appropriations in addition to those contained in the annual operating budget require Town Council approval. Amendments to the operating budgets that do not result in additional appropriations may be made within a department by means of a transfer. The Town Manager has authority to make such transfers within departments. Transfers made outside the departmental level require Town Council approval. All unencumbered appropriations lapse at the end of the fiscal year.

The table below shows the amounts by which certain municipal department expenditures exceeded fiscal year 2020 appropriations:

<u>Department</u>	<i>Expenditures In Excess of Budget</i>
Town solicitor	\$80,174
Special appropriations	10,000
Pension board	75
Financial and purchasing	1,313
Tax assessor	7,719
Fire non-firefighters	3,839
Fire firefighters	77,738
Emergency management	2,971
Inspection services	48,466
Engineering	34,908

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2020

Explanation of Differences between Budgetary Revenues, Expenditures, and Other Financing Sources and Uses and GAAP Revenues, Expenditures, and Other Financing Sources and Uses

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$60,397,594
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Narragansett is not reported as budgetary revenue, but is a revenue for financial reporting purposes.	1,397,008
Unbudgeted revenues not included for budgetary purposes, but included for financial reporting purposes.	4,437,094
Transfer from other funds included as revenues for budgetary purposes, but not included for financial reporting purposes.	(87,250)
Capital lease is not a financing source for budgetary purposes, but is a financing source for financial reporting purposes.	40,048
<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$66,184,494</u></u>

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$59,600,119
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Narragansett is not reported as a budgetary expenditure, but is an expenditure for financial reporting purposes.	1,397,008
Unbudgeted expenditures and transfers to other funds not included for budgetary purposes, but included for financial reporting purposes.	3,982,575
Capital expenditures acquired through a capital lease is not recorded as a budgetary expenditure, but is an expenditure for financial reporting purposes.	40,048
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$65,019,750</u></u>

OTHER SUPPLEMENTARY INFORMATION

The information provided herein contains schedules which the Town deems necessary to provide additional disclosures.

THIS SECTION CONTAINS THE FOLLOWING:

- **Combining Fund Financial Statements for Nonmajor Governmental Funds**
- **Combining Fund Financial Statements for Pension Trust Funds**
- **Combining Fund Financial Statements for Other Post-Employment Benefit Trust Funds**
- **Combining Fund Financial Statements for Private Purpose Trust Funds**
- **Combining Statement of Assets and Liabilities for Agency Funds**
- **Other Supplementary Information**

**COMBINING FUND FINANCIAL STATEMENTS -
NONMAJOR GOVERNMENTAL FUNDS**

**THE FOLLOWING FUNDS OF THE TOWN
ARE REPORTED IN THIS SECTION:**

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

The Capital Projects Funds account for and report financial resources that are restricted, committed, or assigned to expenditures for capital facilities and other capital assets outlays, including the acquisition and/or construction of capital items, except those financed by the Proprietary Fund Types or Trust Funds.

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds					
	<i>School Restricted Grants</i>	<i>Food Service Fund</i>	<i>Historic Preservation Grants</i>	<i>Community Development Fund</i>	<i>Forfeited Funds</i>	<i>State Recycling Fund</i>
ASSETS						
Cash	\$ -	\$ 10,178	\$ 52,672	\$ 128,136	\$ 43,338	\$ 16,515
Due from federal and state governments	341,740	-	-	-	-	-
Due from other funds	75,651	84,446	-	-	-	-
Other receivables	-	10,861	-	224,691	-	5,592
Total assets	\$ 417,391	\$ 105,485	\$ 52,672	\$ 352,827	\$ 43,338	\$ 22,107
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	17,746	6,768	-	8,040	-	975
Due to other funds	277,612	-	-	-	-	-
Total liabilities	295,358	6,768	-	8,040	-	975
Deferred Inflows of Resources						
Unavailable revenue-loans	-	-	-	224,691	-	-
Unavailable-other revenues	-	17,574	-	-	-	-
Total deferred inflows of resources	-	17,574	-	224,691	-	-
Fund Balances (Deficits)						
Restricted for:						
Education programs	122,033	81,143	-	-	-	-
Public safety programs	-	-	-	-	43,338	-
Historical records preservation	-	-	-	-	-	-
Community service programs	-	-	-	120,096	-	-
Parks and recreation programs	-	-	52,119	-	-	-
Capital projects	-	-	-	-	-	-
Other programs	-	-	553	-	-	21,132
Committed for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	122,033	81,143	52,672	120,096	43,338	21,132
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 417,391	\$ 105,485	\$ 52,672	\$ 352,827	\$ 43,338	\$ 22,107

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	<i>Special Revenue Funds</i>					
	<i>Galilee Landing Fees Fund</i>	<i>Byrne Grants</i>	<i>RI EMA Grant</i>	<i>RI EMA MEDS Grant</i>	<i>Historical Records Preservation Fund</i>	<i>Earthday Mini grant</i>
ASSETS						
Cash	\$ 34,587	\$ 155	\$ 24,388	\$ -	\$ 213,574	\$ 200
Due from federal and state governments	-	-	3,370	-	-	-
Due from other funds	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-
Total assets	\$ 34,587	\$ 155	\$ 27,758	\$ -	\$ 213,574	\$ 200
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Cash overdraft	\$ -	\$ -	\$ -	\$ 44	\$ -	\$ -
Accounts payable and accrued expenditures	10,640	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	10,640	-	-	44	-	-
Deferred Inflows of Resources						
Unavailable revenue-loans	-	-	-	-	-	-
Unavailable-other revenues	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances (Deficits)						
Restricted for:						
Education programs	-	-	-	-	-	-
Public safety programs	-	155	27,758	-	-	-
Historical records preservation	-	-	-	213,574	-	-
Community service programs	-	-	-	-	-	-
Parks and recreation programs	23,947	-	-	-	-	200
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	-	-	-
Committed for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	(44)	-	-
Total fund balances (deficits)	23,947	155	27,758	(44)	213,574	200
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 34,587	\$ 155	\$ 27,758	\$ -	\$ 213,574	\$ 200

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	<u>Special Revenue Funds</u>					<i>Total Special Revenue Funds</i>
	<i>RI Interlocal Trust Safety Grant</i>	<i>DEM Tree Grant</i>	<i>Assistance to Firefighters</i>	<i>CDBG Grant</i>	<i>Grant Miscellaneous</i>	
ASSETS						
Cash	\$ 1,989	\$ 8,199	\$ -	\$ 9,569	\$ 30,528	\$ 574,028
Due from federal and state governments	-	-	-	2,139	122,386	469,635
Due from other funds	-	-	-	-	-	160,097
Other receivables	-	-	-	-	-	241,144
Total assets	<u>\$ 1,989</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ 11,708</u>	<u>\$ 152,914</u>	<u>\$ 1,444,904</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44
Accounts payable and accrued expenditures	-	-	-	-	121,047	165,216
Due to other funds	-	-	-	-	-	277,612
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,047</u>	<u>442,872</u>
Deferred Inflows of Resources						
Unavailable revenue-loans	-	-	-	-	-	224,691
Unavailable-other revenues	-	-	-	-	-	17,574
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,265</u>
Fund Balances (Deficits)						
Restricted for:						
Education programs	-	-	-	-	-	203,176
Public safety programs	1,989	-	-	-	-	73,240
Historical records preservation	-	-	-	-	-	213,574
Community service programs	-	-	-	11,708	-	131,804
Parks and recreation programs	-	8,199	-	-	-	84,465
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	-	31,867	53,552
Committed for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(44)
Total fund balances (deficits)	<u>1,989</u>	<u>8,199</u>	<u>-</u>	<u>11,708</u>	<u>31,867</u>	<u>759,767</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,989</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ 11,708</u>	<u>\$ 152,914</u>	<u>\$ 1,444,904</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2020

	<u>Capital Project Funds</u>						<u>Total Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>School Athletic Complex Fund</u>	<u>School Capital Projects Fund</u>	<u>Street Improvement Fund</u>	<u>Town Capital Projects Fund</u>	<u>Land Trust Fund</u>		
ASSETS								
Cash	\$ 186,102	\$ 636	\$ -	\$ 1,937,422	\$ 2,813,405	\$ 375,409	\$ 5,126,872	\$ 5,887,002
Due from federal and state governments	-	-	-	-	-	-	-	469,635
Due from other funds	-	5,908	1,298,145	-	-	-	1,304,053	1,464,150
Other receivables	-	-	-	-	-	-	-	241,144
Total assets	<u>\$ 186,102</u>	<u>\$ 6,544</u>	<u>\$ 1,298,145</u>	<u>\$ 1,937,422</u>	<u>\$ 2,813,405</u>	<u>\$ 375,409</u>	<u>\$ 6,430,925</u>	<u>\$ 8,061,931</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)								
Liabilities								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44
Accounts payable and accrued expenditures	-	-	12,603	9,947	210,290	-	232,840	398,056
Due to other funds	-	-	-	-	-	-	-	277,612
Total liabilities	<u>-</u>	<u>-</u>	<u>12,603</u>	<u>9,947</u>	<u>210,290</u>	<u>-</u>	<u>232,840</u>	<u>675,712</u>
Deferred Inflows of Resources								
Unavailable revenue-loans	-	-	-	-	-	-	-	224,691
Unavailable-other revenues	-	-	-	-	-	-	-	17,574
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,265</u>
Fund Balances (Deficits)								
Restricted for:								
Education programs	-	-	-	-	-	-	-	203,176
Public safety programs	-	-	-	-	-	-	-	73,240
Historical records preservation	-	-	-	-	-	-	-	213,574
Community service programs	-	-	-	-	-	-	-	131,804
Parks and recreation programs	-	-	-	-	-	-	-	84,465
Capital projects	-	6,544	-	1,927,475	-	-	1,934,019	1,934,019
Other programs	-	-	-	-	-	-	-	53,552
Committed for:								
Capital projects	-	-	-	-	2,603,115	375,409	2,978,524	2,978,524
Debt service	186,102	-	-	-	-	-	-	186,102
Assigned to:								
Capital projects	-	-	1,285,542	-	-	-	1,285,542	1,285,542
Unassigned	-	-	-	-	-	-	-	(44)
Total fund balances (deficits)	<u>186,102</u>	<u>6,544</u>	<u>1,285,542</u>	<u>1,927,475</u>	<u>2,603,115</u>	<u>375,409</u>	<u>6,198,085</u>	<u>7,143,954</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 186,102</u>	<u>\$ 6,544</u>	<u>\$ 1,298,145</u>	<u>\$ 1,937,422</u>	<u>\$ 2,813,405</u>	<u>\$ 375,409</u>	<u>\$ 6,430,925</u>	<u>\$ 8,061,931</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<i>Special Revenue Funds</i>					
	<i>School Restricted Grants</i>	<i>Food Service Fund</i>	<i>Historic Preservation Grants</i>	<i>Community Development Fund</i>	<i>Forfeited Funds</i>	<i>State Recycling Fund</i>
Revenues						
Charges for services	\$ -	\$ 165,169	\$ -	\$ -	\$ -	\$ 154
Operating grants and contributions	932,161	119,137	-	-	-	16,085
Capital grants and contributions	-	-	-	-	-	-
Investment and interest income	-	-	764	8,003	665	-
Other revenue	-	-	-	11,814	1,212	-
Total revenues	<u>932,161</u>	<u>284,306</u>	<u>764</u>	<u>19,817</u>	<u>1,877</u>	<u>16,239</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	5,396	-
Public works	-	-	-	-	-	24,542
Social services	-	-	-	11,805	-	-
Parks and recreation	-	-	-	-	-	-
Food service	-	282,961	-	-	-	-
Education	907,291	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>907,291</u>	<u>282,961</u>	<u>-</u>	<u>11,805</u>	<u>5,396</u>	<u>24,542</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>24,870</u>	<u>1,345</u>	<u>764</u>	<u>8,012</u>	<u>(3,519)</u>	<u>(8,303)</u>
Other financing sources						
Transfers from other funds	-	30,000	-	-	-	-
Total other financing sources	<u>-</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	24,870	31,345	764	8,012	(3,519)	(8,303)
Fund balances (deficits) - beginning of year	<u>97,163</u>	<u>49,798</u>	<u>51,908</u>	<u>112,084</u>	<u>46,857</u>	<u>29,435</u>
Fund balances (deficits) - end of year	<u>\$ 122,033</u>	<u>\$ 81,143</u>	<u>\$ 52,672</u>	<u>\$ 120,096</u>	<u>\$ 43,338</u>	<u>\$ 21,132</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<i>Special Revenue Funds</i>					
	<i>Galilee Landing Fees Fund</i>	<i>Byrne Grants</i>	<i>RI EMA Grant</i>	<i>RI EMA MEDS Grant</i>	<i>Historical Records Preservation Fund</i>	<i>Earthday Mini grant</i>
Revenues						
Charges for services	\$ 97,627	\$ -	\$ -	\$ -	\$ 36,273	\$ -
Operating grants and contributions	-	15,205	4,495	4,675	-	-
Capital grants and contributions	-	-	-	-	-	-
Investment and interest income	102	-	-	-	2,870	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>97,729</u>	<u>15,205</u>	<u>4,495</u>	<u>4,675</u>	<u>39,143</u>	<u>-</u>
Expenditures						
Current:						
General government	-	-	-	-	8,353	-
Public safety	-	15,205	-	2,502	-	-
Public works	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Parks and recreation	111,389	-	-	-	-	-
Food service	-	-	-	-	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>111,389</u>	<u>15,205</u>	<u>-</u>	<u>2,502</u>	<u>8,353</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(13,660)</u>	<u>-</u>	<u>4,495</u>	<u>2,173</u>	<u>30,790</u>	<u>-</u>
Other financing sources						
Transfers from other funds	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(13,660)</u>	<u>-</u>	<u>4,495</u>	<u>2,173</u>	<u>30,790</u>	<u>-</u>
Fund balances (deficits) - beginning of year	<u>37,607</u>	<u>155</u>	<u>23,263</u>	<u>(2,217)</u>	<u>182,784</u>	<u>200</u>
Fund balances (deficits) - end of year	<u>\$ 23,947</u>	<u>\$ 155</u>	<u>\$ 27,758</u>	<u>\$ (44)</u>	<u>\$ 213,574</u>	<u>\$ 200</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<u>Special Revenue Funds</u>					<i>Total Special Revenue Funds</i>
	<i>RI Interlocal Trust Safety Grant</i>	<i>DEM Tree Grant</i>	<i>Assistance to Firefighters</i>	<i>CDBG Grant</i>	<i>Grant Miscellaneous</i>	
Revenues						
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,223
Operating grants and contributions	-	-	22,672	22,783	67,458	1,204,671
Capital grants and contributions	-	-	32,147	-	519,132	551,279
Investment and interest income	-	-	27	101	56	12,588
Other revenue	-	-	-	-	-	13,026
Total revenues	<u>-</u>	<u>-</u>	<u>54,846</u>	<u>22,884</u>	<u>586,646</u>	<u>2,080,787</u>
Expenditures						
Current:						
General government	-	-	-	-	-	8,353
Public safety	-	-	23,207	-	18,998	65,308
Public works	-	-	-	-	-	24,542
Social services	-	-	-	22,783	-	34,588
Parks and recreation	-	-	-	-	16,386	127,775
Food service	-	-	-	-	-	282,961
Education	-	-	-	-	-	907,291
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	-	32,147	-	538,017	570,164
Total expenditures	<u>-</u>	<u>-</u>	<u>55,354</u>	<u>22,783</u>	<u>573,401</u>	<u>2,020,982</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>(508)</u>	<u>101</u>	<u>13,245</u>	<u>59,805</u>
Other financing sources						
Transfers from other funds	-	-	-	-	-	30,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,000</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>(508)</u>	<u>101</u>	<u>13,245</u>	<u>89,805</u>
Fund balances (deficits) - beginning of year	<u>1,989</u>	<u>8,199</u>	<u>508</u>	<u>11,607</u>	<u>18,622</u>	<u>669,962</u>
Fund balances (deficits) - end of year	<u>\$ 1,989</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ 11,708</u>	<u>\$ 31,867</u>	<u>\$ 759,767</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	<u>Capital Project Funds</u>						<u>Total Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>School Athletic Complex Fund</u>	<u>School Capital Projects Fund</u>	<u>Street Improvement Fund</u>	<u>Town Capital Projects Fund</u>	<u>Land Trust Fund</u>		
Revenues								
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 299,223
Operating grants and contributions	-	-	-	-	-	-	-	1,204,671
Capital grants and contributions	-	15,300	148,324	-	-	-	163,624	714,903
Investment and interest income	-	-	-	135,153	-	5,071	140,224	152,812
Other revenue	-	-	-	-	-	-	-	13,026
Total revenues	<u>-</u>	<u>15,300</u>	<u>148,324</u>	<u>135,153</u>	<u>-</u>	<u>5,071</u>	<u>303,848</u>	<u>2,384,635</u>
Expenditures								
Current:								
General government	-	-	-	-	-	312	312	8,665
Public safety	-	-	-	-	-	-	-	65,308
Public works	-	-	-	-	-	-	-	24,542
Social services	-	-	-	-	-	-	-	34,588
Parks and recreation	-	-	-	-	-	-	-	127,775
Food service	-	-	-	-	-	-	-	282,961
Education	-	-	-	-	-	-	-	907,291
Debt service:								
Principal	1,925,492	-	82,071	-	-	-	82,071	2,007,563
Interest and fees	967,289	-	2,547	-	-	-	2,547	969,836
Capital outlay	-	480	843,340	1,229,109	2,591,524	-	4,664,453	5,234,617
Total expenditures	<u>2,892,781</u>	<u>480</u>	<u>927,958</u>	<u>1,229,109</u>	<u>2,591,524</u>	<u>312</u>	<u>4,749,383</u>	<u>9,663,146</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(2,892,781)</u>	<u>14,820</u>	<u>(779,634)</u>	<u>(1,093,956)</u>	<u>(2,591,524)</u>	<u>4,759</u>	<u>(4,445,535)</u>	<u>(7,278,511)</u>
Other financing sources								
Transfers from other funds	2,869,803	-	950,000	-	2,405,633	50,000	3,405,633	6,305,436
Total other financing sources	<u>2,869,803</u>	<u>-</u>	<u>950,000</u>	<u>-</u>	<u>2,405,633</u>	<u>50,000</u>	<u>3,405,633</u>	<u>6,305,436</u>
Net change in fund balance	<u>(22,978)</u>	<u>14,820</u>	<u>170,366</u>	<u>(1,093,956)</u>	<u>(185,891)</u>	<u>54,759</u>	<u>(1,039,902)</u>	<u>(973,075)</u>
Fund balances (deficits) - beginning of year	<u>209,080</u>	<u>(8,276)</u>	<u>1,115,176</u>	<u>3,021,431</u>	<u>2,789,006</u>	<u>320,650</u>	<u>7,237,987</u>	<u>8,117,029</u>
Fund balances (deficits) - end of year	<u>\$ 186,102</u>	<u>\$ 6,544</u>	<u>\$ 1,285,542</u>	<u>\$ 1,927,475</u>	<u>\$ 2,603,115</u>	<u>\$ 375,409</u>	<u>\$ 6,198,085</u>	<u>\$ 7,143,954</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
Special Revenue Funds - School Restricted Fund
June 30, 2020

	<u>IDEA</u>	<u>Title I Part A</u>	<u>IDEA Preschool</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>Tolerance Program</u>	<u>RI Foundation Spark</u>	<u>NE Dairy Council Grant</u>
ASSETS								
Due from federal and state government	\$ 157,657	\$ 79,695	\$ 205	\$ 22,043	\$ 7,680	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	1,676	5	462
Total assets	<u>\$ 157,657</u>	<u>\$ 79,695</u>	<u>\$ 205</u>	<u>\$ 22,043</u>	<u>\$ 7,680</u>	<u>\$ 1,676</u>	<u>\$ 5</u>	<u>\$ 462</u>
 LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	157,657	79,695	205	22,043	7,680	-	-	-
Total liabilities	<u>157,657</u>	<u>79,695</u>	<u>205</u>	<u>22,043</u>	<u>7,680</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances - restricted	-	-	-	-	-	1,676	5	462
Total liabilities and fund balances	<u>\$ 157,657</u>	<u>\$ 79,695</u>	<u>\$ 205</u>	<u>\$ 22,043</u>	<u>\$ 7,680</u>	<u>\$ 1,676</u>	<u>\$ 5</u>	<u>\$ 462</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2020

	<i>School Resource Officer</i>	<i>Title III Language Acquisition</i>	<i>English Language Learner</i>	<i>Casit, Inc. AP Italian Program</i>	<i>Drug Free Communities Support Program</i>	<i>Perkins Special Programs Grant</i>	<i>Perkins Agriculture CTE Grant</i>
ASSETS							
Due from federal and state government	\$ 17,746	\$ -	\$ 498	\$ -	\$ -	\$ 10,332	\$ -
Due from other funds	-	-	-	1,082	-	-	-
Total assets	\$ 17,746	\$ -	\$ 498	\$ 1,082	\$ -	\$ 10,332	\$ -
 LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenses	\$ 17,746	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	10,332	-
Total liabilities	17,746	-	-	-	-	10,332	-
Fund balances - restricted		-	498	1,082	-	-	-
Total liabilities and fund balances	\$ 17,746	\$ -	\$ 498	\$ 1,082	\$ -	\$ 10,332	\$ -

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2020

	<i>Narragansett Educational Foundation</i>	<i>Highlander Institute</i>	<i>RI Foundation O'Brien</i>	<i>Royal Little</i>	<i>Westerly Community Credit Union</i>	<i>Career & Technical Categorical</i>	<i>Career & Technical Education</i>	<i>Total</i>
ASSETS								
Due from federal and state government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,884	\$ 341,740
Due from other funds	957	10	12,105	15,500	300	43,554	.	75,651
Total assets	\$ 957	\$ 10	\$ 12,105	\$ 15,500	\$ 300	\$ 43,554	\$ 45,884	\$ 417,391
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 17,746
Due to other funds	-	-	-	-	-	-	-	277,612
Total liabilities	-	-	-	-	-	-	-	295,358
Fund balances - restricted	957	10	12,105	15,500	300	43,554	45,884	122,033
Total liabilities and fund balances	\$ 957	\$ 10	\$ 12,105	\$ 15,500	\$ 300	\$ 43,554	\$ 45,884	\$ 417,391

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2020

	<i>IDEA</i>	<i>Title I Part A</i>	<i>IDEA Preschool</i>	<i>Title II Part A</i>	<i>Title IV Part A</i>	<i>Tolerance Program</i>	<i>RI Foundation Spark</i>	<i>NE Dairy Council Grant</i>
Revenues								
Operating grants and contributions	\$ 448,763	\$ 196,473	\$ 9,087	\$ 54,337	\$ 22,901	\$ -	\$ -	\$ -
Total revenues	<u>448,763</u>	<u>196,473</u>	<u>9,087</u>	<u>54,337</u>	<u>22,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures								
Salaries	295,008	127,016	6,363	35,598	14,300	-	-	-
Employee benefits	146,961	59,579	487	18,739	1,060	-	-	-
Purchased services	2,550	8,940	-	-	7,541	-	-	-
Supplies and materials	-	938	2,237	-	-	-	-	-
Capital outlay	4,244	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-	-
Total expenditures	<u>448,763</u>	<u>196,473</u>	<u>9,087</u>	<u>54,337</u>	<u>22,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	1,676	5	462
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,676</u>	<u>\$ 5</u>	<u>\$ 462</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2020

	<i>School Resource Officer</i>	<i>Title III Language Acquisition</i>	<i>English Language Learner</i>	<i>Casit, Inc. AP Italian Program</i>	<i>Drug Free Communities Support Program</i>	<i>Perkins Special Programs Grant</i>	<i>Perkins Agriculture CTE Grant</i>
Revenues							
Operating grants and contributions	\$ 58,349	\$ 375	\$ 498	\$ 500	\$ 44,998	\$ 10,332	\$ 39,214
Total revenues	58,349	375	498	500	44,998	10,332	39,214
Expenditures							
Salaries	31,507	-	-	-	-	-	19,004
Employee benefits	26,842	-	-	-	-	-	6,406
Purchased services	-	-	-	36	44,998	9,373	5,795
Supplies and materials	-	350	-	-	-	599	4,989
Capital outlay	-	-	-	-	-	-	3,020
Other costs	-	25	-	50	-	360	-
Total expenditures	58,349	375	-	86	44,998	10,332	39,214
Net change in fund balances	-	-	498	414	-	-	-
Fund balances - beginning of year	-	-	-	668	-	-	-
Fund balances - end of year	\$ -	\$ -	\$ 498	\$ 1,082	\$ -	\$ -	\$ -

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2020

	<i>Narragansett Educational Foundation</i>	<i>Highlander Institute</i>	<i>RI Foundation O'Brien</i>	<i>Royal Little</i>	<i>Westerly Community Credit Union</i>	<i>Career & Technical Categorical</i>	<i>Career & Technical Education</i>	<i>Total</i>
Revenues								
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ 450	\$ -	\$ 45,884	\$ 932,161
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>450</u>	<u>-</u>	<u>45,884</u>	<u>932,161</u>
Expenditures								
Salaries	-	-	-	-	-	4,188	9,331	542,315
Employee benefits	-	-	-	-	-	1,484	3,306	264,864
Purchased services	-	-	-	-	-	619	-	79,852
Supplies and materials	-	-	-	-	-	2,925	373	12,411
Capital outlay	-	-	-	-	-	-	-	7,264
Other costs	-	-	-	-	150	-	-	585
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150</u>	<u>9,216</u>	<u>13,010</u>	<u>907,291</u>
Net change in fund balances	-	-	-	-	300	(9,216)	32,874	24,870
Fund balances - beginning of year	<u>957</u>	<u>10</u>	<u>12,105</u>	<u>15,500</u>	<u>-</u>	<u>52,770</u>	<u>13,010</u>	<u>97,163</u>
Fund balances - end of year	<u>\$ 957</u>	<u>\$ 10</u>	<u>\$ 12,105</u>	<u>\$ 15,500</u>	<u>\$ 300</u>	<u>\$ 43,554</u>	<u>\$ 45,884</u>	<u>\$ 122,033</u>

**COMBINING FUND FINANCIAL STATEMENTS -
PENSION TRUST FUNDS**

Pension Trust Funds account for contributions made by the Town and its participating employees to provide pension benefits to these employees at retirement.

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2020

	Town Plan	Police Plan	Total Pension Trust Funds
Assets			
Cash and cash equivalents	\$ 8,109,697	\$ 103,216	\$ 8,212,913
Investments at fair value:			
U.S. government obligations	5,759,819	-	5,759,819
Corporate bonds	5,031,949	-	5,031,949
Mortgage backed securities	502,427	-	502,427
Common stock	21,749,167	-	21,749,167
Mutual and exchange traded funds - equities	35,438,695	904,205	36,342,900
Mutual and exchange traded funds - fixed income	19,985,066	482,763	20,467,829
Hedge fund	3,839,431	-	3,839,431
Total investments	92,306,554	1,386,968	93,693,522
Accrued interest receivable	57,672	-	57,672
Contribution receivable	150,370	-	150,370
Total assets	100,624,293	1,490,184	102,114,477
Liabilities			
Accounts payable	62,178	590	62,768
Due to other funds	-	214,665	214,665
Total liabilities	62,178	215,255	277,433
Net Position			
Restricted for pension benefits	\$ 100,562,115	\$ 1,274,929	\$ 101,837,044

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2020

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total Pension Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 6,176,556	\$ 267,000	\$ 6,443,556
Plan member	1,588,541	-	1,588,541
Total contributions	<u>7,765,097</u>	<u>267,000</u>	<u>8,032,097</u>
Investment income:			
Net increase (decrease) in fair value of investments	1,576	86,369	87,945
Interest and dividends	2,087,926	30,869	2,118,795
Less: investment expense	(302,256)	(3,835)	(306,091)
Net investment income	<u>1,787,246</u>	<u>113,403</u>	<u>1,900,649</u>
Total additions	<u>9,552,343</u>	<u>380,403</u>	<u>9,932,746</u>
Deductions			
Benefits	6,562,463	239,517	6,801,980
Refunds of contributions	212,526	-	212,526
Administrative expenses	31,281	7,030	38,311
Total deductions	<u>6,806,270</u>	<u>246,547</u>	<u>7,052,817</u>
Change in net position	2,746,073	133,856	2,879,929
Net position - beginning of year	<u>97,816,042</u>	<u>1,141,073</u>	<u>98,957,115</u>
Net position - end of year	<u>\$ 100,562,115</u>	<u>\$ 1,274,929</u>	<u>\$ 101,837,044</u>

**COMBINING FUND FINANCIAL STATEMENTS -
OTHER POST-EMPLOYMENT BENEFIT TRUST FUNDS**

Other Post-Employment Trust Funds account for contributions made by the Town and School System to provide post-employment benefit benefits to employees at retirement.

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Other Post-Employment Benefit Trust Funds
June 30, 2020

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total Other Post- Employment Benefit Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 4,447,462	\$ -	\$ 4,447,462
Investments at fair value:			
Common stock	3,055,482	-	3,055,482
Mutual and exchange traded funds - equities	591,373	-	591,373
Mutual and exchange traded funds - fixed income	2,613,455	-	2,613,455
Pooled investments	-	1,759,716	1,759,716
Total investments	<u>6,260,310</u>	<u>1,759,716</u>	<u>8,020,026</u>
Due from other funds	-	67,586	67,586
Total assets	<u>10,707,772</u>	<u>1,827,302</u>	<u>12,467,488</u>
Liabilities			
Accounts payable and accrued expenses	140,455	-	140,455
Total liabilities	<u>140,455</u>	<u>-</u>	<u>140,455</u>
Net Position			
Restricted for other post-employment benefits	<u>\$ 10,567,317</u>	<u>\$ 1,827,302</u>	<u>\$ 12,394,619</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2020

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total Other Post- Employment Benefit Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 3,801,999	\$ 934,346	\$ 4,736,345
Total contributions	<u>3,801,999</u>	<u>934,346</u>	<u>4,736,345</u>
Investment income:			
Net increase (decrease) in fair value of investments	84,222	82,621	166,843
Interest and dividends	165,341	-	165,341
Less: investment expense	<u>(17,816)</u>	<u>(3,258)</u>	<u>(21,074)</u>
Net investment income	<u>231,747</u>	<u>79,363</u>	<u>311,110</u>
 Total additions	 <u>4,033,746</u>	 <u>1,013,709</u>	 <u>5,047,455</u>
Deductions			
Benefits	2,432,039	466,760	2,898,799
Administrative expenses	<u>17,033</u>	<u>-</u>	<u>17,033</u>
Total deductions	<u>2,449,072</u>	<u>466,760</u>	<u>2,915,832</u>
 Change in net position	 1,584,674	 546,949	 2,131,623
 Net position - beginning of year	 <u>8,982,643</u>	 <u>1,280,353</u>	 <u>10,262,996</u>
 Net position - end of year	 <u>\$ 10,567,317</u>	 <u>\$ 1,827,302</u>	 <u>\$ 12,394,619</u>

**COMBINING FUND FINANCIAL STATEMENTS -
PRIVATE PURPOSE TRUST FUNDS**

Private Purpose Trust Funds were established to account for assets held by the Town in a fiduciary capacity for individuals, governmental entities and others. Trust funds are operated by carrying out specific requirements, or other governing regulations.

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2020

	<i>Barton Memorial Scholarship Fund</i>	<i>Richard Colvin Memorial Scholarship Fund</i>	<i>Peter Davis Burial Fund</i>	<i>Franklin Burial Fund</i>	<i>James Water Fund</i>	<i>Frank L. Robinson Fund</i>	<i>Total Private- Purpose Trusts</i>
Assets							
Cash and cash equivalents	\$ 5,412	\$ -	\$ 561	\$ 3,656	\$ 2,873	\$ 59,954	\$ 72,456
Investments	-	8,343	-	-	-	-	8,343
Total assets	<u>5,412</u>	<u>8,343</u>	<u>561</u>	<u>3,656</u>	<u>2,873</u>	<u>59,954</u>	<u>80,799</u>
Net Position							
Restricted for other purposes	<u>\$ 5,412</u>	<u>\$ 8,343</u>	<u>\$ 561</u>	<u>\$ 3,656</u>	<u>\$ 2,873</u>	<u>\$ 59,954</u>	<u>\$ 80,799</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2020

	<i>Barton Memorial Scholarship Fund</i>	<i>Richard Colvin Memorial Scholarship Fund</i>	<i>Peter Davis Burial Fund</i>	<i>Franklin Burial Fund</i>	<i>James Water Fund</i>	<i>Frank L. Robinson Fund</i>	<i>Total Private- Purpose Trusts</i>
Additions							
Investment earnings:							
Net increase (decrease) in fair value of investments	\$ -	\$ (1,102)	\$ -	\$ -	\$ -	\$ -	\$ (1,102)
Interest and dividends	3	536	8	53	42	869	1,511
Net investment earnings	<u>3</u>	<u>(566)</u>	<u>8</u>	<u>53</u>	<u>42</u>	<u>869</u>	<u>409</u>
Total additions	<u>3</u>	<u>(566)</u>	<u>8</u>	<u>53</u>	<u>42</u>	<u>869</u>	<u>409</u>
Deductions							
Scholarship	-	500	-	-	-	-	500
Total deductions	<u>-</u>	<u>500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>
Change in net position	3	(1,066)	8	53	42	869	(91)
Net position - beginning of year	<u>5,409</u>	<u>9,409</u>	<u>553</u>	<u>3,603</u>	<u>2,831</u>	<u>59,085</u>	<u>80,890</u>
Net position - end of year	<u>\$ 5,412</u>	<u>\$ 8,343</u>	<u>\$ 561</u>	<u>\$ 3,656</u>	<u>\$ 2,873</u>	<u>\$ 59,954</u>	<u>\$ 80,799</u>

AGENCY FUNDS

Agency Funds account for assets held by the Town as an agent for individuals, organizations or other governmental units.

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2020

	<u>Student Activities - High School</u>	<u>Student Activities - Pier School</u>	<u>Student Activities - Elementary School</u>	<u>Total</u>
Assets				
Due from other funds	\$ 131,382	\$ 65,025	\$ 42,873	\$ 239,280
Total assets	<u>\$ 131,382</u>	<u>\$ 65,025</u>	<u>\$ 42,873</u>	<u>\$ 239,280</u>
 Liabilities				
Accounts payable	\$ 515	\$ -	\$ 305	\$ 820
Deposits held in custody for others	<u>130,867</u>	<u>65,025</u>	<u>42,568</u>	<u>238,460</u>
Total liabilities	<u>\$ 131,382</u>	<u>\$ 65,025</u>	<u>\$ 42,873</u>	<u>\$ 239,280</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Fiscal Year Ended June 30, 2020

	<i>Balance</i> <i>June 30, 2019</i>	<i>Additions</i>	<i>Deductions</i>	<i>Balance</i> <i>June 30, 2020</i>
STUDENT ACTIVITIES - HIGH SCHOOL				
<i>Assets</i>				
Due from other funds	\$ 99,534	\$ 212,488	\$ 180,640	\$ 131,382
Total assets	\$ 99,534	\$ 212,488	\$ 180,640	\$ 131,382
<i>Liabilities</i>				
Accounts payable	\$ 9,975	\$ 171,013	\$ 180,473	\$ 515
Deposits held in custody for others	89,559	213,010	171,702	130,867
Total liabilities	\$ 99,534	\$ 384,023	\$ 352,175	\$ 131,382
STUDENT ACTIVITIES - PIER SCHOOL				
<i>Assets</i>				
Due from other funds	\$ 61,385	\$ 44,724	\$ 41,084	\$ 65,025
Total assets	\$ 61,385	\$ 44,724	\$ 41,084	\$ 65,025
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 37,819	\$ 37,819	\$ -
Deposits held in custody for others	61,385	48,046	44,406	65,025
Total liabilities	\$ 61,385	\$ 48,046	\$ 44,406	\$ 65,025
STUDENT ACTIVITIES - ELEMENTARY SCHOOL				
<i>Assets</i>				
Due from other funds	\$ 44,349	\$ 14,595	\$ 16,071	\$ 42,873
Total assets	\$ 44,349	\$ 14,595	\$ 16,071	\$ 42,873
<i>Liabilities</i>				
Accounts payable	\$ -	\$ 12,422	\$ 12,117	\$ 305
Deposits held in custody for others	44,349	14,995	16,776	42,568
Total liabilities	\$ 44,349	\$ 27,417	\$ 28,893	\$ 42,873
TOTAL AGENCY FUNDS				
<i>Assets</i>				
Due from other funds	\$ 205,268	\$ 271,807	\$ 237,795	\$ 239,280
Total assets	\$ 205,268	\$ 271,807	\$ 237,795	\$ 239,280
<i>Liabilities</i>				
Accounts payable	\$ 9,975	\$ 221,254	\$ 230,409	\$ 820
Deposits held in custody for others	195,293	276,051	232,884	238,460
Total liabilities	\$ 205,268	\$ 497,305	\$ 463,293	\$ 239,280

TOWN OF NARRAGANSETT, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2020

Real Estate and Personal Property Taxes

<i>Tax Year</i>	<i>Balance June 30, 2019</i>	<i>Assessments December 31, 2018</i>	<i>Additions</i>	<i>Abatements and Adjustments</i>	<i>Amount to be Collected</i>	<i>Current Year Collections</i>	<i>Balance June 30, 2020</i>
2019	\$ -	\$ 53,631,508	\$ 54,833	\$ (31,526)	\$ 53,654,815	\$ 53,272,353	\$ 382,462
2018	253,260	-	-	(696)	252,564	207,443	45,121
2017	39,388	-	-	(154)	39,234	8,570	30,664
2016	41,021	-	-	(460)	40,561	1,893	38,668
2015	35,447	-	-	-	35,447	1,275	34,172
2014	37,470	-	-	-	37,470	944	36,526
2013	38,166	-	-	-	38,166	600	37,566
2012	40,431	-	-	-	40,431	180	40,251
2011	30,767	-	-	-	30,767	168	30,599
2010	28,550	-	-	(25,964)	2,586	(383)	2,969
2009	7,606	-	-	(5,152)	2,454	-	2,454
2008	35,981	-	-	-	35,981	194	35,787
2007	3,162	-	-	-	3,162	-	3,162
2006	321	-	-	-	321	-	321
2004	383	-	-	-	383	-	383
2003	624	-	-	-	624	-	624
	<u>\$ 592,577</u>	<u>\$ 53,631,508</u>	<u>\$ 54,833</u>	<u>\$ (63,952)</u>	<u>\$ 54,214,966</u>	<u>\$ 53,493,237</u>	721,729

Schedule of Most Recent Net Assessed Property Value by Category

<i>Description of Property</i>	<i>Valuation</i>	<i>Levy</i>
<i>Real property</i>	\$ 5,013,586,805	\$ 52,639,181
<i>Motor vehicles</i>	147,215,227	2,423,163
<i>Tangible personal property</i>	107,804,366	1,544,405
<i>Total</i>	5,268,606,398	56,606,749
<i>Exemptions</i>	249,048,802	2,975,241
<i>Net assessed value</i>	<u>\$ 5,019,557,596</u>	<u>\$ 53,631,508</u>

Allowance for uncollectible accounts (260,935)

Net Property Tax Receivable \$ 460,794

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 53,493,237
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2020	189,883
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2019	(86,697)
<i>Current year property tax revenue</i>	<u>\$ 53,596,423</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND

Tax Collector's Annual Report (Continued)

For the Fiscal Year Ended June 30, 2020

Fiscal Year 2020 Cash Collection Summary

<u>Tax Year</u>	<u>July - August 2019 Collections Subject to 60 day FY 19 Accrual</u>	<u>Sep-19 June 2020 Collections</u>	<u>Total FY 2020 Cash Collections</u>	<u>July - August 2020 Collections Subject to 60 day FY 20 Accrual</u>
2019	\$ -	\$ 53,272,353	\$ 53,272,353	\$ 180,514
2018	81,714	125,729	207,443	6,493
2017	3,398	5,172	8,570	329
2016	565	1,328	1,893	1,264
2015	440	835	1,275	637
2014	335	609	944	384
2013	241	359	600	262
2012	-	180	180	-
2011	4	164	168	-
2010	-	(383)	(383)	-
2009	-	-	-	-
2008	-	194	194	-
2007	-	-	-	-
2006	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
	<u>\$ 86,697</u>	<u>\$ 53,406,540</u>	<u>\$ 53,493,237</u>	<u>\$ 189,883</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2020

	<u>Town General</u>	<u>Library Fund</u>	<u>Retained Claims</u>	<u>Kinney Bungalow</u>	<u>Surplus Property</u>	<u>Towers Committee</u>	<u>Parks & Recreation Aid</u>	<u>Parks & Recreation Trust</u>	<u>Sunset Farm</u>	<u>Town Anniversary</u>
Assets										
Cash	\$ 11,043,139	\$ 448,225	\$ 20,883	\$ 157,089	\$ 82,522	\$ 375,402	\$ 50,596	\$ 185,832	\$ 11,676	\$ 1,430
Investments	6,031,938	-	-	-	-	-	-	-	-	-
Real estate and personal property										
tax receivable, net	460,794	-	-	-	-	-	-	-	-	-
Due from federal and state governments	211,463	-	-	-	-	-	-	-	-	-
Due from other funds	214,665	-	-	-	-	-	-	-	-	-
Other receivables	127,806	-	-	-	-	-	-	-	-	-
Inventory	12,792	-	-	-	-	-	-	-	-	-
Prepaid expenditures	334,532	-	-	-	-	-	-	-	-	-
Other assets	72,718	-	-	-	-	-	-	-	-	-
Advances to other funds	2,813,820	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 21,323,667</u>	<u>\$ 448,225</u>	<u>\$ 20,883</u>	<u>\$ 157,089</u>	<u>\$ 82,522</u>	<u>\$ 375,402</u>	<u>\$ 50,596</u>	<u>\$ 185,832</u>	<u>\$ 11,676</u>	<u>\$ 1,430</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities:										
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	994,721	21,680	244	3,020	-	11,701	-	-	-	-
Due to other funds	7,531,374	-	-	-	-	-	-	-	-	-
Other liabilities	121,144	-	-	9,700	-	6,808	-	-	-	-
Total liabilities	<u>8,647,239</u>	<u>21,680</u>	<u>244</u>	<u>12,720</u>	<u>-</u>	<u>18,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable-property taxes	602,351	-	-	-	-	-	-	-	-	-
Unavailable-other revenues	72,718	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>675,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable:										
Inventory	12,792	-	-	-	-	-	-	-	-	-
Prepaid expenditures	334,532	-	-	-	-	-	-	-	-	-
Long-term interfund advances	2,813,820	-	-	-	-	-	-	-	-	-
Restricted for:										
Education programs	-	-	-	-	-	-	-	-	-	-
Library programs	-	48,297	-	-	-	-	-	-	-	-
Capital projects	-	98,962	-	-	-	-	-	-	-	-
Committed for:										
Capital projects	-	50,000	-	-	-	-	-	-	-	-
Assigned to:										
Parks and recreation programs	-	-	-	-	-	-	50,596	185,832	-	-
Towers	-	-	-	-	-	356,893	-	-	-	-
Kinney Bungalow	-	-	-	144,369	-	-	-	-	-	-
Sunset Farm	-	-	-	-	-	-	-	-	11,676	-
Other	-	-	-	-	-	-	-	-	-	1,430
2021 budget-library	441,103	-	-	-	-	-	-	-	-	-
Unassigned	8,399,112	229,286	20,639	-	82,522	-	-	-	-	-
Total fund balances	<u>12,001,359</u>	<u>426,545</u>	<u>20,639</u>	<u>144,369</u>	<u>82,522</u>	<u>356,893</u>	<u>50,596</u>	<u>185,832</u>	<u>11,676</u>	<u>1,430</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,323,667</u>	<u>\$ 448,225</u>	<u>\$ 20,883</u>	<u>\$ 157,089</u>	<u>\$ 82,522</u>	<u>\$ 375,402</u>	<u>\$ 50,596</u>	<u>\$ 185,832</u>	<u>\$ 11,676</u>	<u>\$ 1,430</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
General Fund
June 30, 2020

	<i>Earle</i>	<i>Rental</i>	<i>Tipping</i>	<i>Total</i>	<i>School</i>	<i>Athletic</i>	<i>Total</i>	<i>Interfund</i>	<i>Total</i>
	<i>Water Tank</i>	<i>Registration</i>	<i>Fees</i>	<i>Town</i>	<i>Unrestricted</i>	<i>Gate Receipts</i>	<i>School</i>	<i>Elimination</i>	<i>General Fund</i>
								<i>Entries</i>	
Assets									
Cash	\$ 90	\$ -	\$ 95,156	\$ 12,472,040	\$ 125	\$ -	\$ 125	\$ (11,493)	\$ 12,460,672
Investments	-	-	-	6,031,938	-	-	-	-	6,031,938
Real estate and personal property									
tax receivable	-	-	-	460,794	-	-	-	-	460,794
Due from federal and state governments	-	-	-	211,463	29,666	-	29,666	-	241,129
Due from other funds	-	-	-	214,665	7,808,986	37,050	7,846,036	(7,568,424)	492,277
Other receivables	-	-	-	127,806	277,741	-	277,741	-	405,547
Inventory	-	-	-	12,792	-	-	-	-	12,792
Prepaid expenditures	-	-	-	334,532	111,471	-	111,471	-	446,003
Other assets	-	-	-	72,718	-	-	-	-	72,718
Advances to other funds	-	-	-	2,813,820	-	-	-	-	2,813,820
Total assets	\$ 90	\$ -	\$ 95,156	\$ 22,752,568	\$ 8,227,989	\$ 37,050	\$ 8,265,039	\$ (7,579,917)	\$ 23,437,690
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Cash overdraft	\$ -	\$ 11,493	\$ -	\$ 11,493	\$ -	\$ -	\$ -	\$ (11,493)	\$ -
Accounts payable and accrued expenditures	-	2,170	6,616	1,040,152	287,106	-	287,106	-	1,327,258
Due to other funds	-	-	-	7,531,374	1,808,066	-	1,808,066	(7,568,424)	1,771,016
Other liabilities	-	-	-	137,652	-	-	-	-	137,652
Total liabilities	-	13,663	6,616	8,720,671	2,095,172	-	2,095,172	(7,579,917)	3,235,926
Deferred Inflows of Resources:									
Unavailable-property taxes	-	-	-	602,351	-	-	-	-	602,351
Unavailable-other revenues	-	-	18,060	90,778	11,980	-	11,980	-	102,758
Total deferred inflows of resources	-	-	18,060	693,129	11,980	-	11,980	-	705,109
Fund Balances:									
Nonspendable:									
Inventory	-	-	-	12,792	-	-	-	-	12,792
Prepaid expenditures	-	-	-	334,532	111,471	-	111,471	-	446,003
Long-term interfund advances	-	-	-	2,813,820	-	-	-	-	2,813,820
Restricted for:									
Education programs	-	-	-	-	6,009,366	37,050	6,046,416	-	6,046,416
Library programs	-	-	-	48,297	-	-	-	-	48,297
Capital projects	-	-	-	98,962	-	-	-	-	98,962
Committed for:									
Capital projects	-	-	-	50,000	-	-	-	-	50,000
Assigned to:									
Parks and recreation programs	-	-	-	236,428	-	-	-	-	236,428
Towers	-	-	-	356,893	-	-	-	-	356,893
Kinney Bungalow	-	-	-	144,369	-	-	-	-	144,369
Sunset Farm	-	-	-	11,676	-	-	-	-	11,676
Other	90	-	-	1,520	-	-	-	-	1,520
2021 budget-library	-	-	-	441,103	-	-	-	-	441,103
Unassigned	-	(13,663)	70,480	8,788,376	-	-	-	-	8,788,376
Total fund balances	90	(13,663)	70,480	13,338,768	6,120,837	37,050	6,157,887	-	19,496,655
Total liabilities, deferred inflows of resources, and fund balances	\$ 90	\$ -	\$ 95,156	\$ 22,752,568	\$ 8,227,989	\$ 37,050	\$ 8,265,039	\$ -	\$ 23,437,690

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2020

	<i>Town General</i>	<i>Library Fund</i>	<i>Retained Claims</i>	<i>Kinney Bungalow</i>	<i>Surplus Property</i>	<i>Towers Committee</i>	<i>Parks & Recreation Aid</i>	<i>Parks & Recreation Trust</i>	<i>Sunset Farm</i>	<i>Town Anniversary</i>
Revenues:										
General property taxes and payments in lieu of taxes	\$ 54,209,130	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State and federal aid	2,143,530	-	-	-	-	-	-	-	-	-
Charges for services	3,716,334	7,108	-	56,746	-	180,307	-	-	-	-
Operating grants and contributions	-	6,138	-	-	-	-	20,541	59,046	-	-
Investment and interest income	241,350	9,826	241	4,437	1,101	6,024	599	2,350	178	21
Other revenues	-	-	-	155	12,463	155	-	-	-	-
Total revenues	60,310,344	23,072	241	61,338	13,564	186,486	21,140	61,396	178	21
Expenditures:										
<i>Current:</i>										
General government	2,025,549	-	5,826	-	62	-	-	-	-	-
Financial administration	1,581,199	-	-	-	-	-	-	-	-	-
Public safety	14,710,730	-	-	-	-	-	-	-	-	-
Public works	2,820,598	-	-	-	-	-	-	-	-	-
Parks and recreation	1,344,668	-	-	83,715	-	268,913	2,072	17,719	5,598	-
Planning, engineering and inspection	1,200,658	-	-	-	-	-	-	-	-	-
Library	-	925,453	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Town-wide	619,470	-	-	-	-	-	-	-	-	-
Other	3,279,726	-	-	-	-	-	-	-	-	-
Total expenditures	27,582,598	925,453	5,826	83,715	62	268,913	2,072	17,719	5,598	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	32,727,746	(902,381)	(5,585)	(22,377)	13,502	(82,427)	19,068	43,677	(5,420)	21
Other financing sources (uses):										
Capital lease issued	40,048	-	-	-	-	-	-	-	-	-
Transfers from other funds	87,250	400,000	12,000	-	-	-	-	-	-	-
Transfers to other funds	(32,057,569)	-	-	(160,000)	-	-	-	-	-	-
Total other financing sources (uses)	(31,930,271)	400,000	12,000	(160,000)	-	-	-	-	-	-
Net change in fund balances	797,475	(502,381)	6,415	(182,377)	13,502	(82,427)	19,068	43,677	(5,420)	21
Fund balances - beginning of year	11,203,884	928,926	14,224	326,746	69,020	439,320	31,528	142,155	17,096	1,409
Fund balances - end of year	\$ 12,001,359	\$ 426,545	\$ 20,639	\$ 144,369	\$ 82,522	\$ 356,893	\$ 50,596	\$ 185,832	\$ 11,676	\$ 1,430

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
For the Fiscal Year Ended June 30, 2020

	<i>Earle Water Tank</i>	<i>Rental Registration</i>	<i>Tipping Fees</i>	<i>Total Town</i>	<i>School Unrestricted</i>	<i>Athletic Gate Receipts</i>	<i>Total School</i>	<i>Interfund Elimination Entries</i>	<i>Total General Fund</i>
Revenues:									
General property taxes and payments in lieu of taxes	\$ -	\$ -	\$ -	\$ 54,209,130	\$ -	\$ -	\$ -	\$ -	\$ 54,209,130
State and federal aid	-	-	-	2,143,530	3,467,929	-	3,467,929	-	5,611,459
Charges for services	-	232,295	49,320	4,242,110	1,661,897	10,394	1,672,291	-	5,914,401
Operating grants and contributions	-	-	-	85,725	-	-	-	-	85,725
Investment and interest income	1	746	1,410	268,284	-	-	-	-	268,284
Other revenues	-	-	-	12,773	42,674	-	42,674	-	55,447
Total revenues	1	233,041	50,730	60,961,552	5,172,500	10,394	5,182,894	-	66,144,446
Expenditures:									
<i>Current:</i>									
General government	-	211,212	-	2,242,649	-	-	-	-	2,242,649
Financial administration	-	-	-	1,581,199	-	-	-	-	1,581,199
Public safety	-	-	-	14,710,730	-	-	-	-	14,710,730
Public works	-	-	29,042	2,849,640	-	-	-	-	2,849,640
Parks and recreation	-	-	-	1,722,685	-	-	-	-	1,722,685
Planning, engineering and inspection	-	-	-	1,200,658	-	-	-	-	1,200,658
Library	-	-	-	925,453	-	-	-	-	925,453
Education	-	-	-	-	29,498,721	8,558	29,507,279	-	29,507,279
Town-wide	-	-	-	619,470	-	-	-	-	619,470
Other	-	-	-	3,279,726	-	-	-	-	3,279,726
Total expenditures	-	211,212	29,042	29,132,210	29,498,721	8,558	29,507,279	-	58,639,489
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	1	21,829	21,688	31,829,342	(24,326,221)	1,836	(24,324,385)	-	7,504,957
Other financing sources (uses):									
Capital lease issued	-	-	-	40,048	-	-	-	-	40,048
Transfers from other funds	-	-	-	499,250	26,405,308	-	26,405,308	(26,904,558)	-
Transfers to other funds	-	(87,250)	-	(32,304,819)	(980,000)	-	(980,000)	26,904,558	(6,380,261)
Total other financing sources (uses)	-	(87,250)	-	(31,765,521)	25,425,308	-	25,425,308	-	(6,340,213)
Net change in fund balances	1	(65,421)	21,688	63,821	1,099,087	1,836	1,100,923	-	1,164,744
Fund balances - beginning of year	89	51,758	48,792	13,274,947	5,021,750	35,214	5,056,964	-	18,331,911
Fund balances - end of year	\$ 90	\$ (13,663)	\$ 70,480	\$ 13,338,768	\$ 6,120,837	\$ 37,050	\$ 6,157,887	\$ -	\$ 19,496,655

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Assets, Liabilities and Fund Balance
School Unrestricted Fund
June 30, 2020

ASSETS

Cash	\$ 125
Due from federal and state governments	29,666
Other receivables	277,741
Due from other funds	7,808,986
Prepaid expenditures	111,471
Total assets	<u><u>\$ 8,227,989</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCES**

Liabilities

Accounts payable and accrued expenditures	\$ 287,106
Due to other funds	1,808,066
Total liabilities	<u><u>2,095,172</u></u>

Deferred inflows of resources

Unavailable -other revenue	11,980
Total deferred inflows of resources	<u><u>11,980</u></u>

Fund balances

Nonspendable:	
Prepaid expenditures	111,471
Restricted for:	
Education	6,009,366
Total fund balances	<u><u>6,120,837</u></u>

Total liabilities and fund balances	<u><u>\$ 8,227,989</u></u>
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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance
School Unrestricted Fund
For the Fiscal Year Ended June 30, 2020

REVENUES

Town appropriation	\$ 26,405,308
State aid	3,467,929
Charges for services	1,661,897
Other revenues	42,674
Total revenues	<u>31,577,808</u>

EXPENDITURES

Education	<u>29,498,721</u>
Total expenditures	<u>29,498,721</u>

Excess of revenues over expenditures before other financing uses	<u>2,079,087</u>
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Other financing uses:

Transfers to other funds	<u>(980,000)</u>
Total other financing uses	<u>(980,000)</u>

Net change in fund balances	1,099,087
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Fund balances - beginning of year	<u>5,021,750</u>
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Fund balances - end of year	<u><u>\$ 6,120,837</u></u>
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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual
School Department Operating Budget
For the Fiscal Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Town appropriation	\$ 26,405,308	\$ 26,405,308	\$ 26,405,308	\$ -
State aid	2,251,815	2,255,835	2,070,921	(184,914)
Charges for services	975,000	970,980	1,661,897	690,917
Other revenues	-	-	442,674	442,674
Re-appropriated fund balance	1,917,854	1,917,854	-	(1,917,854)
Total revenues	<u>31,549,977</u>	<u>31,549,977</u>	<u>30,580,800</u>	<u>(969,177)</u>
Expenditures				
Salaries	17,088,598	17,128,466	16,686,583	441,883
Employee benefits	7,586,783	7,546,915	7,058,227	488,688
Purchased services	3,717,366	3,566,106	2,391,461	1,174,645
Supplies and materials	1,211,563	1,283,627	956,106	327,521
Capital outlay	510,648	589,211	566,067	23,144
Other costs	55,019	55,652	43,269	12,383
Total expenditures	<u>30,169,977</u>	<u>30,169,977</u>	<u>27,701,713</u>	<u>2,468,264</u>
Excess of revenues over expenditures before other financing uses	<u>1,380,000</u>	<u>1,380,000</u>	<u>2,879,087</u>	<u>1,499,087</u>
Other financing uses				
Transfer to other funds	<u>(1,380,000)</u>	<u>(1,380,000)</u>	<u>(1,780,000)</u>	<u>(400,000)</u>
Total other financing uses	<u>(1,380,000)</u>	<u>(1,380,000)</u>	<u>(1,780,000)</u>	<u>(400,000)</u>
Net change in fund balance (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,099,087</u>	<u>\$ 1,099,087</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Unrestricted Fund - Fund Balance
Restricted for Education Programs
June 30, 2020

Restricted for Education:

School Committee designation for use in subsequent year budget	\$ 2,298,113
Undesignated	<u>3,711,253</u>
Total	<u><u>\$ 6,009,366</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal

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

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 53,452,863	\$ -
Last Year's Levy Tax Collection	132,222	-
Prior Years Property Tax Collection	11,338	-
Interest & Penalty	156,268	-
PILOT & Tax Treaty (excluded from levy) Collection	448,351	-
Other Local Property Taxes	-	-
Licenses and Permits	486,089	-
Fines and Forfeitures	399,200	-
Investment Income	380,763	-
Departmental	2,576,524	-
Rescue Run Revenue	568,393	-
Police & Fire Detail	188,263	-
Other Local Non-Property Tax Revenues	6,138	-
Tuition	-	1,384,999
Impact Aid	-	-
Medicaid	-	258,863
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	114,850
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	826,481
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	11,611	-
MV Excise Tax Reimbursement	61,720	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	193,671	-
Meals & Beverage Tax / Hotel Tax	931,445	-
LEA Aid	-	2,070,921
Group Home	-	-
Housing Aid Capital Projects	-	148,324
Housing Aid Bonded Debt	454,750	-
State Food Service Revenue	-	4,287
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	225,975	104,731
Motor Vehicle Phase Out	275,968	-
Other Revenue	-	252,521
Local Appropriation for Education	-	26,405,308
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u><u>\$ 60,961,552</u></u>	<u><u>\$ 31,571,285</u></u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	40,048	-
Rounding	-	-
Total Other Financing Sources	<u><u>\$ 40,048</u></u>	<u><u>\$ -</u></u>

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance							
Compensation- Group A	\$ 824,439	\$ 836,193	\$ -	\$ 181,312	\$ 492,916	\$ 421,589	\$ 1,237,633	\$ 833,039	\$ 3,410,592
Compensation - Group B	-	-	-	-	-	-	-	-	270,888
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	3,472	335	-	405	4,100	8,001	81,467	16,510	485,185
Overtime - Group B	-	-	-	-	-	-	-	-	978
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	136,893
Active Medical Insurance - Group A	126,424	188,330	-	13,463	83,922	63,202	280,993	128,059	483,177
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	37,566
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	7,272	9,545	-	724	3,548	2,285	14,711	6,570	20,383
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,692
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	65,584	62,929	-	13,630	38,108	31,940	97,482	63,943	332,241
Life Insurance	3,316	3,861	-	594	1,842	1,485	5,443	3,018	12,610
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	303,297	-	-	-	7,722	1,181	1,609	7,294	59,078
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	234,788	284,098	-	60,202	150,690	87,282	445,083	178,804	1,735,792
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	267,000	-	-	-	-	-	-	-	-
Purchased Services	275,031	47,989	-	15,128	38,781	42,732	11,199	29,926	64,383
Materials/Supplies	45,150	44,156	-	7,003	12,475	130,490	70,445	180,039	139,412
Software Licenses	-	6,000	-	150,611	8,365	-	3,365	2,300	1,806
Capital Outlays	-	-	-	-	-	-	142,067	-	40,048
Insurance	253,160	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	10,024	27,899	70,474	11,027
Vehicle Operations	-	-	-	-	-	-	279,413	16,695	63,862
Utilities	2,199	1,516	-	231	2,507	31,886	393,897	117,549	92,412
Contingency	33,214	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	36,078	-	-
Revaluation	-	96,247	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	22,488	-	-
Trash Removal & Recycling	-	-	-	-	-	-	25,007	-	-
Claims & Settlements	77,800	-	-	-	-	-	-	-	-
Community Support	175,512	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	-	-	-	26,332	-	68,462	-
Tipping Fees	-	-	-	-	-	-	29,042	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,697,658	\$ 1,581,199	\$ -	\$ 443,303	\$ 844,976	\$ 858,429	\$ 3,205,321	\$ 1,722,682	\$ 7,400,025

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2020

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 2,696,320	\$ 567,420	\$ 108,837	\$ -	\$ -	\$ -	\$ 11,610,290	\$ 12,189,428
Compensation - Group B	50,594	-	-	-	-	-	321,482	1,680,777
Compensation - Group C	-	-	-	-	-	-	-	3,330,695
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,019,289	61,590	3,403	-	-	-	1,683,757	-
Overtime - Group B	544	-	-	-	-	-	1,522	-
Overtime - Group C	-	-	-	-	-	-	-	28,000
Police & Fire Detail	-	-	-	-	-	-	136,893	-
Active Medical Insurance - Group A	489,333	104,678	19,994	-	-	-	1,981,575	1,598,686
Active Medical Insurance- Group B	7,122	-	-	-	-	-	44,688	194,330
Active Medical Insurance- Group C	-	-	-	-	-	-	-	739,172
Active Dental insurance- Group A	20,394	4,294	1,061	-	-	-	90,787	117,990
Active Dental Insurance- Group B	369	-	-	-	-	-	2,061	13,672
Active Dental Insurance- Group C	-	-	-	-	-	-	-	45,961
Payroll Taxes	284,826	48,359	8,184	-	-	-	1,047,226	1,310,302
Life Insurance	10,208	2,673	297	-	-	-	45,347	64,259
State Defined Contribution- Group A	-	-	-	-	-	-	-	63,446
State Defined Contribution - Group B	-	-	-	-	-	-	-	5,577
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	32,371	-	-	-	-	-	412,552	24,313
Other Benefits- Group B	-	-	-	-	-	-	-	3,146
Other Benefits- Group C	-	-	-	-	-	-	-	56,598
Local Defined Benefit Pension- Group A	1,116,703	199,949	22,768	-	-	-	4,516,159	-
Local Defined Benefit Pension - Group B	22,662	-	-	-	-	-	22,662	154,991
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,095,675
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	1,676,473
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	169,487
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	267,000	-
Purchased Services	77,677	-	71,758	-	-	-	674,604	2,400,385
Materials/Supplies	98,265	9,144	5,766	-	-	-	742,345	433,514
Software Licenses	20,311	-	-	-	-	-	192,758	74,031
Capital Outlays	-	-	-	-	-	-	182,115	1,215,972
Insurance	-	-	-	-	-	-	253,160	242,123
Maintenance	55,971	-	-	-	-	-	175,395	169,623
Vehicle Operations	32,744	-	2,450	-	-	-	395,164	208,937
Utilities	31,653	-	725	-	-	-	674,575	468,803
Contingency	-	-	-	-	-	-	33,214	-
Street Lighting	-	-	-	-	-	-	36,078	-
Revaluation	-	-	-	-	-	-	96,247	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	22,488	-
Trash Removal & Recycling	-	-	-	-	-	-	25,007	-
Claims & Settlements	-	-	-	-	-	-	77,800	-
Community Support	-	-	-	-	-	-	175,512	-
Other Operation Expenditures	-	-	-	-	-	-	94,794	66,840
Tipping Fees	-	-	-	-	-	-	29,042	-
Local Appropriation for Education	-	-	-	26,405,308	-	-	26,405,308	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	836,492	-	836,492	-
Municipal Debt- Interest	-	-	-	-	414,948	-	414,948	-
School Debt- Principal	-	-	-	-	1,089,000	-	1,089,000	-
School Debt- Interest	-	-	-	-	551,342	-	551,342	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	3,068,910	3,068,910	385,755
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,067,356	\$ 998,107	\$ 245,243	\$ 26,405,308	\$ 2,891,782	\$ 3,068,910	\$ 58,430,299	\$ 30,228,961

Financing Uses: Transfer to Capital Funds	\$ 2,405,633	\$ -
Financing Uses: Transfer to Other Funds	124,825	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 2,530,458	\$ -
Net Change in Fund Balance¹	40,843	1,342,324
Fund Balance1- beginning of year	\$13,484,027	\$6,310,827
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	(2)
Fund Balance¹ - beginning of year adjusted	13,484,027	6,310,825
Rounding	-	-
Fund Balance¹ - end of year	\$ 13,524,870	\$ 7,653,149

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 13,484,027	-	\$ 13,484,027	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 13,484,027</u>	<u>-</u>	<u>\$ 13,484,027</u>	
General Fund	\$ 66,144,446	\$ 40,048	\$ 58,639,489	\$ 6,380,261	\$ 1,164,744	\$ 18,331,911	\$	\$ 18,331,911	\$ 19,496,655
Debt Service Fund	-	2,869,803	2,892,781	-	\$ (22,978)	209,080	-	209,080	186,102
Totals per audited financial statements	<u>\$ 66,144,446</u>	<u>\$ 2,909,851</u>	<u>\$ 61,532,270</u>	<u>\$ 6,380,261</u>	<u>\$ 1,141,766</u>	<u>\$ 18,540,991</u>	<u>\$ -</u>	<u>\$ 18,540,991</u>	<u>\$ 19,682,757</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reverse elimination entry from combining School Unrestricted Fund with Town's General Fund	\$ -	\$ 26,405,308	\$ -	26,405,308	\$ -	\$ -	\$ -	\$ -	\$ -
Remove School Unrestricted Fund from General Fund	(5,182,894)	(26,405,308)	(29,507,279)	(980,000)	(1,100,923)	(5,056,964)	-	(5,056,964)	(6,157,887)
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	-	-	26,405,308	(26,405,308)	-	-	-	-	-
Elimination of municipal appropriation for Debt	-	(2,869,803)	-	(2,869,803)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 60,961,552</u>	<u>\$ 40,048</u>	<u>\$ 58,430,299</u>	<u>\$ 2,530,458</u>	<u>\$ 40,843</u>	<u>\$ 13,484,027</u>	<u>\$ -</u>	<u>\$ 13,484,027</u>	<u>\$ 13,524,870</u>

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2020

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2019						\$ 6,310,827	-	\$ 6,310,827	
<i>Misc. adjustments made for fiscal 2020</i>						(2)	-	(2)	
Fund Balance¹ - per MTP-2 at June 30, 2019 adjusted						<u>\$ 6,310,825</u>	-	<u>\$ 6,310,825</u>	
School Unrestricted Fund	\$ 5,182,894	\$ 26,405,308	\$ 29,507,279	\$ 980,000	\$ 1,100,923	\$ 5,056,964	-	\$ 5,056,964	\$ 6,157,887
School Special Revenue Funds - Restricted	932,161	-	907,291	-	24,870	97,163	-	97,163	122,033
School Special Revenue Funds - Food Service Fund	284,306	30,000	282,961	-	31,345	49,798	-	49,798	81,143
School Athletic Fund	15,300	-	480	-	14,820	(8,276)	-	(8,276)	6,544
School Capital Project Fund	148,324	950,000	927,958	-	170,366	1,115,176	-	1,115,176	1,285,542
Totals per audited financial statements	<u>\$ 6,562,985</u>	<u>\$ 27,385,308</u>	<u>\$ 31,625,969</u>	<u>\$ 980,000</u>	<u>\$ 1,342,324</u>	<u>\$ 6,310,825</u>	<u>\$ -</u>	<u>\$ 6,310,825</u>	<u>\$ 7,653,149</u>

Reconciliation from financial statements to MTP2

Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2

State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only

Transfer of unrestricted fund balance to capital projects fund

Transfer of unrestricted fund balance to capital food service fund fund

Rounding

26,405,308	\$ (26,405,308)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(1,397,008)	-	(1,397,008)	-	-	-	-	-	-	-
-	(950,000)	-	(950,000)	-	-	-	-	-	-
-	(30,000)	-	(30,000)	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>31,571,285</u>	<u>-</u>	<u>30,228,961</u>	<u>-</u>	<u>1,342,324</u>	<u>6,310,825</u>	<u>-</u>	<u>6,310,825</u>	<u>7,653,149</u>

Reconciliation from MTP2 to UCOA

Funds withdrawn from the WB Community Health fund were recorded as expenditure credit for the GAAP financial statements but as revenue (a refund of prior year's expenditures) per UCOA requirements

\$ 400,000	\$ 400,000
<u>\$ 31,971,285</u>	<u>\$ 30,628,961</u>

Totals per UCOA Validated Totals Report

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

Town of Narragansett, Rhode Island
Reportable Government Services with
MTP2 Notes
Fiscal Year Ended June 30, 2020

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the Town's budget and accounting system. To report these costs, the Town made allocations of costs to the State's departmental groupings based on a reasonable basis.

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

For Public Safety departments (i.e., police, fire, and centralized dispatch) and the Education Department, compensation and most benefits costs are reported in the following employee groupings:

Group A: This group consists of employees who serve the primary function of the department.

- Police Department - police officers (e.g., uniform personnel - including, leadership positions)
- Fire Department - fire fighters (e.g., uniform personnel - including, leadership positions)
- Centralized Dispatch Department - civilian dispatchers only
- Education Department - professional staff providing direct services to students
- For the remaining departments - all employees' compensation and benefits are reported under Group A

Group B: For Police and Fire Departments, compensation and benefits paid to its administrative employees and civilian dispatch employees are reported under Group B. The Education Department reports compensation and benefits paid to executive/mid-level educational administration employees under Group B.

Group C: This group is only used for the Education Department and it includes administrative and support staff.

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

NOTE 5. Education Revenue and Expenditures

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

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

STATISTICAL SECTION

The Statistical Schedules differ from other financial statement presentations because they generally disclose more than one fiscal year and may present non-accounting data such as social and economic data and financial trends of the Town.

TOWN OF NARRAGANSETT, RHODE ISLAND

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

Exhibit 1

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Governmental activities:										
Net investment in capital assets	\$ 76,687,158	\$ 76,033,001	\$ 73,270,420	\$ 73,026,624	\$ 75,998,883	\$ 71,751,258	\$ 73,242,220	\$ 72,797,383	\$ 73,799,642	\$ 72,788,921
Restricted	7,184,721	6,006,722	5,306,428	4,483,692	5,685,301	7,550,352	7,151,671	6,041,787	5,465,023	5,048,391
Unrestricted	(93,207,557)	(93,222,815)	(92,257,243)	(91,957,086)	(99,769,341)	(72,894,919)	(71,834,567)	(68,600,464)	(26,820,119)	(21,287,061)
Total governmental activities net position	<u>\$ (9,335,678)</u>	<u>\$ (11,183,092)</u>	<u>\$ (13,680,395)</u>	<u>\$ (14,446,770)</u>	<u>\$ (18,085,157)</u>	<u>\$ 6,406,691</u>	<u>\$ 8,559,324</u>	<u>\$ 10,238,706</u>	<u>\$ 52,444,546</u>	<u>\$ 56,550,251</u>
Business-type activities:										
Net investment in capital assets	\$ 33,044,852	\$ 33,691,799	\$ 33,922,462	\$ 34,104,629	\$ 32,190,515	\$ 31,305,890	\$ 30,664,018	\$ 30,053,171	\$ 29,007,798	\$ 26,981,862
Unrestricted	10,996,420	10,764,951	10,063,862	9,493,302	9,937,571	9,319,004	9,301,453	9,188,467	7,993,878	9,644,978
Total business-type activities net position	<u>\$ 44,041,272</u>	<u>\$ 44,456,750</u>	<u>\$ 43,986,324</u>	<u>\$ 43,597,931</u>	<u>\$ 42,128,086</u>	<u>\$ 40,624,894</u>	<u>\$ 39,965,471</u>	<u>\$ 39,241,638</u>	<u>\$ 37,001,676</u>	<u>\$ 36,626,840</u>
Primary government:										
Net investment in capital assets	\$ 109,732,010	\$ 109,724,800	\$ 107,192,882	\$ 107,131,253	\$ 108,189,398	\$ 103,057,148	\$ 103,906,238	\$ 102,850,554	\$ 102,807,440	\$ 99,770,783
Restricted	7,184,721	6,006,722	5,306,428	4,483,692	5,685,301	7,550,352	7,151,671	6,041,787	5,465,023	5,048,391
Unrestricted	(82,211,137)	(82,457,864)	(82,193,381)	(82,463,784)	(89,831,770)	(63,575,915)	(62,533,114)	(59,411,997)	(18,826,241)	(11,642,083)
Total primary government net position	<u>\$ 34,705,594</u>	<u>\$ 33,273,658</u>	<u>\$ 30,305,929</u>	<u>\$ 29,151,161</u>	<u>\$ 24,042,929</u>	<u>\$ 47,031,585</u>	<u>\$ 48,524,795</u>	<u>\$ 49,480,344</u>	<u>\$ 89,446,222</u>	<u>\$ 93,177,091</u>

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(UNAUDITED)

Exhibit 2

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
Governmental activities:										
General government	\$ 2,846,519	\$ 2,850,749	\$ 2,613,752	\$ 2,129,141	\$ 2,662,489	\$ 3,354,594	\$ 3,657,602	\$ 3,697,034	\$ 3,967,108	\$ 1,960,227
Financial administration	1,822,041	1,696,829	1,765,091	1,441,551	1,857,972	1,824,303	1,677,212	1,719,594	1,972,289	1,108,193
Public safety	17,814,969	16,575,459	17,752,138	14,422,218	18,133,546	15,338,485	15,180,592	15,284,664	14,644,220	11,627,180
Public works	5,294,571	4,896,441	5,042,949	4,650,783	4,984,541	4,913,307	4,978,149	4,757,802	4,107,512	4,523,343
Social services	34,588	84,173	19,125	29,372	16,893	140,703	93,240	54,874	93,959	187,285
Parks and recreation	2,328,988	2,269,787	2,364,493	2,130,369	2,484,974	2,214,141	2,398,295	2,403,126	2,323,745	1,387,846
Planning, engineering and inspection	1,287,273	1,327,790	1,263,615	1,156,325	1,454,157	1,273,212	1,204,386	1,333,057	1,226,549	1,491,691
Library	995,575	1,050,354	964,371	907,202	1,001,974	782,598	709,574	743,782	697,801	656,175
Food service	-	-	-	-	-	-	-	-	-	380,926
Other	-	-	-	-	-	-	-	-	-	5,953,585
Education	33,787,089	32,546,660	31,989,619	31,740,543	32,444,668	30,442,611	30,396,974	30,074,899	30,177,912	29,487,050
Interest on long-term debt	806,122	771,128	758,670	1,170,831	871,622	1,038,443	894,414	890,143	979,348	966,891
Total governmental activities expenses	67,017,735	64,069,370	64,533,823	59,778,335	65,912,836	61,322,397	61,190,438	60,958,975	60,190,443	59,730,392
Business-type activities:										
Water Fund	2,305,648	2,274,164	2,262,475	2,328,498	2,234,456	2,258,823	1,922,478	1,888,917	1,873,817	1,682,772
Sewer Fund	5,322,640	4,246,453	4,450,670	4,400,539	4,084,743	4,053,411	3,780,631	3,712,886	3,764,890	4,101,213
Beach Fund	2,064,437	1,971,060	1,920,459	1,861,793	1,918,514	1,749,799	1,768,047	2,027,956	1,613,978	1,439,581
Middlebridge Recreation Fund	25,808	22,582	25,902	29,252	33,660	35,923	43,983	189,469	-	-
Total business-type activities expenses	9,718,533	8,514,259	8,659,506	8,620,082	8,271,373	8,097,956	7,515,139	7,819,228	7,252,685	7,223,566
Total primary government expenses	76,736,268	72,583,629	73,193,329	68,398,417	74,184,209	69,420,353	68,705,577	68,778,203	67,443,128	66,953,958
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	1,693,910	1,647,577	1,560,044	1,700,014	1,549,178	1,461,007	1,369,157	1,356,215	1,271,041	1,415,282
Financial administration	700,491	700,491	700,566	700,491	700,566	716,726	700,491	700,491	656,167	656,167
Public safety	904,653	787,178	979,735	1,173,178	1,016,391	712,509	724,676	712,988	568,833	625,609
Public works	50,824	39,683	39,856	31,871	28,432	29,538	2,125	1,050	400	1,050
Social services	-	-	-	-	-	-	-	-	-	-
Parks and recreation	436,315	631,525	647,131	684,790	696,417	684,488	660,367	623,976	598,997	109,911
Planning, engineering and inspection	416,413	373,373	361,005	399,635	337,113	335,749	501,068	468,874	402,698	325,717
Library	58,371	45,125	15,125	15,362	11,610	15,254	12,811	9,619	10,619	8,412
Food Service	-	-	-	-	-	-	-	-	-	229,198
Other	-	-	-	-	-	-	-	-	-	500,793
Education	1,837,460	1,507,013	1,173,646	884,097	627,132	506,909	645,067	605,599	636,300	688,583
Operating grants and contributions	5,620,873	5,731,228	5,795,935	5,396,724	5,713,910	4,783,010	4,681,774	4,630,534	4,556,277	4,200,924
Capital grants and contributions	714,903	560,813	1,378,981	847,113	792,470	509,300	1,203,364	202,815	981,500	1,146,219
Total governmental activities program revenues	12,434,213	12,024,006	12,652,024	11,833,275	11,473,219	9,754,490	10,500,900	9,312,161	9,682,832	9,907,865
Business-type activities:										
Charges for services:										
Water Fund	2,341,252	2,219,651	2,206,658	2,390,322	2,418,909	2,048,386	2,015,463	2,123,262	1,541,433	1,291,766
Sewer Fund	3,993,499	3,983,701	4,171,610	4,120,966	4,283,991	4,312,525	4,334,115	4,576,529	4,177,713	3,900,155
Beach Fund	2,647,096	2,496,662	2,388,572	2,382,280	2,601,661	2,147,294	2,081,062	1,862,687	1,902,033	1,659,461
Middlebridge Recreation Fund	95,425	85,400	73,411	73,606	65,376	53,199	55,556	65,113	-	-
Operating grants and contributions, Beach Fund	-	-	-	-	115,647	140,376	-	-	-	-
Capital grants and contributions	-	-	72,164	992,131	-	-	-	-	-	-
Total business-type activities program revenues	9,077,272	8,785,414	8,912,415	9,959,305	9,485,584	8,701,780	8,486,196	8,627,591	7,621,179	6,851,382
Total primary government program revenues	21,511,485	20,809,420	21,564,439	21,792,580	20,958,803	18,456,270	18,987,096	17,939,752	17,304,011	16,759,247
Net (Expense) Revenue:										
Governmental activities	(54,583,522)	(52,045,364)	(51,881,799)	(47,945,060)	(54,439,617)	(51,567,907)	(50,689,538)	(51,646,814)	(50,507,611)	(49,822,527)
Business-type activities	(641,261)	271,155	252,909	1,339,223	1,214,211	603,824	971,057	808,363	368,494	(372,184)
Total primary government net expenses	(55,224,783)	(51,774,209)	(51,628,890)	(46,605,837)	(53,225,406)	(50,964,083)	(49,718,481)	(50,838,451)	(50,139,117)	(50,194,711)

(continued)

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes and in lieu of taxes	53,775,607	51,898,135	50,562,602	49,492,588	48,389,492	47,541,544	46,131,289	44,974,695	44,908,921	44,522,795
State aid, unrestricted	2,145,219	2,147,564	1,984,238	1,822,669	1,755,249	1,614,798	1,604,893	1,526,105	1,422,516	1,686,866
Investment income	421,096	513,843	79,018	271,919	179,241	131,188	280,124	40,703	168,042	65,845
Other revenues	163,839	57,950	104,220	101,366	93,574	284,380	651,609	30,182	101,577	159,064
Transfers	(74,825)	(74,825)	(81,904)	(105,095)	(129,225)	(156,636)	342,241	(924,669)	-	-
Total governmental activities	<u>56,430,936</u>	<u>54,542,667</u>	<u>52,648,174</u>	<u>51,583,447</u>	<u>50,288,331</u>	<u>49,415,274</u>	<u>49,010,156</u>	<u>45,647,016</u>	<u>46,601,056</u>	<u>46,434,570</u>
Business-type activities:										
Investment income	150,958	112,194	46,580	15,358	-	-	95,017	65,032	80,336	354,455
Transfers	74,825	74,825	81,904	105,095	129,225	156,636	(342,241)	924,669	-	-
Other revenues	-	12,252	7,000	10,179	159,746	-	-	392,087	-	-
Total business-type activities	<u>225,783</u>	<u>199,271</u>	<u>135,484</u>	<u>130,632</u>	<u>288,971</u>	<u>156,636</u>	<u>(247,224)</u>	<u>1,381,788</u>	<u>80,336</u>	<u>354,455</u>
Total primary government	<u>56,656,719</u>	<u>54,741,938</u>	<u>52,783,658</u>	<u>51,714,079</u>	<u>50,577,302</u>	<u>49,571,910</u>	<u>48,762,932</u>	<u>47,028,804</u>	<u>46,681,392</u>	<u>46,789,025</u>
Change in Net Position:										
Governmental activities	1,847,414	2,497,303	766,375	3,638,387	(4,151,286)	(2,152,633)	(1,679,382)	(5,999,798)	(3,906,555)	(3,387,957)
Business-type activities	(415,478)	470,426	388,393	1,469,855	1,503,182	760,460	723,833	2,190,151	448,830	(17,729)
Total primary government	<u>\$ 1,431,936</u>	<u>\$ 2,967,729</u>	<u>\$ 1,154,768</u>	<u>\$ 5,108,242</u>	<u>\$ (2,648,104)</u>	<u>\$ (1,392,173)</u>	<u>\$ (955,549)</u>	<u>\$ (3,809,647)</u>	<u>\$ (3,457,725)</u>	<u>\$ (3,405,686)</u>

(concluded)

TOWN OF NARRAGANSETT, RHODE ISLAND
 FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

Exhibit 3

	FISCAL YEAR									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Nonspendable	\$ 3,272,615	\$ 3,272,623	\$ 297,133	\$ 2,031,217	\$ 2,171,270	\$ 1,664,899	\$ 1,787,715	\$ 2,000,281	\$ 2,112,420	\$ 331,498
Restricted	6,193,675	5,098,440	4,396,810	3,625,065	4,842,626	6,531,905	6,290,018	5,195,278	4,655,701	3,745,542
Committed	50,000	97,800	50,000	50,000	50,000					
Assigned	1,191,989	2,517,576	2,721,854	2,968,253	1,274,978	1,602,708	407,462	2,219,760	414,758	-
Unassigned	8,788,376	7,345,472	9,897,474	10,255,432	9,913,554	8,781,159	8,204,658	4,229,693	6,580,480	6,340,414
Total General Fund	19,496,655	18,331,911	17,363,271	18,929,967	18,252,428	18,580,671	16,689,853	13,645,012	13,763,359	10,417,454
All Other Governmental Funds:										
Restricted	2,693,830	3,693,610	1,418,395	3,204,150	1,640,560	3,495,634	576,405	553,042	493,255	982,020
Committed	3,164,626	3,318,736	2,956,906	2,605,619	501,285	1,612,909	2,222,676	2,844,035	2,582,359	3,983,825
Assigned	1,285,542	1,115,176	1,220,432	419,129	1,213,844	624,837	324,837	452,219	561,192	729,013
Unassigned	(2,851,016)	(2,849,583)	(38,576)	(70,826)	(2,149,520)	(14,554)	(209,301)	(180,562)	(118,319)	(2,112,922)
Total All Other Governmental Funds	4,292,982	5,277,939	5,557,157	6,158,072	1,206,169	5,718,826	2,914,617	3,668,734	3,518,487	3,581,936
Grand Total	\$ 23,789,637	\$ 23,609,850	\$ 22,920,428	\$ 25,088,039	\$ 19,458,597	\$ 24,299,497	\$ 19,604,470	\$ 17,313,746	\$ 17,281,846	\$ 13,999,390

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
 LAST TEN FISCAL YEARS
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)
 (UNAUDITED)

Exhibit 4	FISCAL YEAR									
	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
General property taxes and payments in lieu of taxes	\$ 54,209,130	\$ 52,450,108	\$ 51,059,703	\$ 49,896,038	\$ 48,793,179	\$ 47,915,634	\$ 46,583,683	\$ 45,255,391	\$ 45,232,567	\$ 44,897,780
State aid, unrestricted	5,611,459	6,000,662	6,295,458	5,390,295	5,397,906	5,124,796	5,012,113	4,752,274	4,453,025	3,563,146
Charges for services	6,264,887	5,848,171	5,576,500	5,726,864	5,141,830	4,567,613	4,603,869	4,445,998	4,097,518	4,560,722
Operating grants and contributions	1,290,396	1,239,811	1,282,315	1,284,692	1,176,369	1,302,315	1,133,829	1,219,449	1,350,198	2,285,726
Capital grants and contributions	714,903	449,606	710,742	837,757	743,116	361,843	976,344	32,425	811,998	1,184,276
Investment income	421,096	513,843	79,018	271,919	179,241	131,188	280,124	40,703	168,042	65,845
Other revenues	68,473	85,527	96,778	53,489	48,463	126,892	642,769	60,529	148,322	465,288
Total revenues	68,580,344	66,587,728	65,100,514	63,461,054	61,480,104	59,530,281	59,232,731	55,806,769	56,261,670	57,022,783
Expenditures:										
Current:										
General government	2,314,459	2,315,808	2,012,780	1,903,098	1,990,605	1,623,795	1,904,804	1,895,652	1,832,287	1,767,415
Financial administration	1,581,199	1,465,993	1,563,238	1,346,402	1,346,256	1,460,933	1,266,781	1,275,723	1,541,310	1,118,473
Public safety	14,776,038	14,191,808	14,028,876	13,320,233	13,136,170	12,944,328	11,334,333	11,613,905	10,641,387	11,223,322
Public works	2,874,182	3,031,593	2,938,268	3,006,632	2,811,152	3,015,199	2,551,415	2,437,380	2,118,369	3,138,946
Social services	34,588	84,173	19,125	29,372	16,893	140,703	93,240	54,874	100,779	177,829
Parks and recreation	1,850,460	1,843,043	1,855,156	1,861,704	1,859,508	1,819,447	1,888,093	1,963,199	1,864,081	1,410,040
Planning, engineering and inspection	1,200,658	1,137,558	1,111,062	1,114,189	1,073,782	1,119,003	990,026	971,121	854,110	2,048,533
Library	925,453	1,028,771	874,144	881,832	848,756	770,261	697,892	690,615	670,406	649,384
Food services	282,961	385,797	366,913	389,010	369,185	401,748	403,267	-	-	380,926
Other	3,899,196	4,309,372	3,874,409	3,533,494	3,536,709	1,787,774	2,867,951	2,184,981	2,346,879	1,800,117
Education	30,414,570	29,909,656	29,208,100	29,814,373	28,207,782	28,991,540	27,330,462	27,397,152	27,630,424	27,659,222
Debt service:										
Principal	2,007,563	1,735,856	1,764,650	1,418,982	1,631,158	1,403,530	1,268,095	1,370,553	1,534,485	1,526,266
Interest	969,836	957,723	943,900	1,178,345	926,569	1,013,262	879,515	922,026	969,447	1,012,797
Capital outlay and Major Maintenance	5,234,617	9,072,866	4,937,011	4,899,189	8,315,844	3,107,553	3,810,103	2,378,620	2,367,389	1,011,065
Total expenditures	68,365,780	71,470,017	65,497,632	64,696,855	66,070,369	59,599,076	57,285,977	55,155,801	54,471,353	54,924,335
Excess (deficiency) of revenues over expenditures	214,564	(4,882,289)	(397,118)	(1,235,801)	(4,590,265)	(68,795)	1,946,754	650,968	1,790,317	2,098,448
Other financing sources (uses):										
Bond proceeds	-	5,000,000	-	6,100,000	-	4,100,000	-	-	-	-
Bond premium	-	646,536	-	262,766	-	135,626	-	-	-	-
Issued and Premium of refunding bonds	-	-	-	13,594,550	-	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(13,458,152)	-	-	-	-	-	-
Capital lease proceeds	40,048	-	-	455,670	-	624,870	-	280,540	142,041	709,807
Transfers from other funds	6,305,436	5,201,925	5,368,643	5,150,004	5,880,609	3,379,954	6,505,644	5,097,416	8,122,110	28,367,059
Transfers to other funds	(6,380,261)	(5,276,750)	(5,450,547)	(5,255,099)	(6,009,834)	(3,536,590)	(6,163,403)	(6,022,085)	(8,122,110)	(28,367,059)
Sale of capital assets	-	-	-	15,504	10,525	59,962	28,951	25,061	12,375	18,500
Total other financing sources (uses)	(34,777)	5,571,711	(81,904)	6,865,243	(118,700)	4,763,822	371,192	(619,068)	154,416	728,307
Net change in fund balances	\$ 179,787	\$ 689,422	\$ (479,022)	\$ 5,629,442	\$ (4,708,965)	\$ 4,695,027	\$ 2,317,946	\$ 31,900	\$ 1,944,733	\$ 2,826,755
Debt service as a percentage of noncapital expenditures	4.7%	4.3%	4.5%	4.3%	4.4%	4.3%	4.0%	4.3%	4.8%	4.7%

TOWN OF NARRAGANSETT, RHODE ISLAND

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(UNAUDITED)

Exhibit 5

Assessment Date	Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed Valuation to Total Estimated Actual Value
		Assessed Valuations	Estimated Actual Value	Assessed Valuations	Estimated Actual Value	Assessed Valuations	Estimated Actual Value	
12/31/2009	2010-11	\$ 4,660,076,700	\$ 4,755,180,306	\$ 191,058,160	\$ 199,018,917	\$ 4,851,134,860	\$ 4,954,199,223	97.92%
12/31/2010	2011-12	4,638,015,302	4,732,668,676	126,150,948	126,150,948	4,764,166,250	4,858,819,624	98.05%
12/31/2011	2012-13	4,350,353,287	4,439,136,007	133,943,059	133,943,059	4,484,296,346	4,573,079,066	98.06%
12/31/2012	2013-14	4,351,278,768	4,542,366,625	132,860,822	132,860,822	4,484,139,590	4,675,227,447	95.91%
12/31/2013	2014-15	4,369,756,694	4,599,743,888	136,792,291	136,792,291	4,506,548,896	4,736,536,179	95.14%
12/31/2014	2015-16	4,476,928,059	4,815,206,205	147,375,176	147,375,176	4,624,303,235	4,962,581,381	93.18%
12/31/2015	2016-17	4,495,724,567	4,940,356,667	154,965,455	154,965,455	4,650,690,022	5,095,322,122	91.27%
12/31/2016	2017-18	4,382,903,592	4,724,562,848	157,985,621	157,985,621	4,540,889,213	4,882,548,469	93.00%
12/31/2017	2018-19	4,799,270,621	4,991,241,445	172,032,065	172,032,065	4,971,302,686	5,163,273,510	96.28%
12/31/2018	2019-20	4,835,385,867	4,934,067,211	184,171,727	184,171,727	5,019,557,594	5,118,238,938	98.07%

Source: Town of Narragansett, Rhode Island Assessor

TOWN OF NARRAGANSETT, RHODE ISLAND

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO
(UNAUDITED)

Exhibit 6

Taxpayer	Type of Business	FISCAL YEAR 2019-20 (ASSESSED VALUE AS OF 12-31-18)			FISCAL YEAR 2009-2010 (ASSESSED VALUE AS OF 12-31-08)			
		Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
National Grid	Electric & Gas Utility	\$ 38,262,896	1	0.73%	Narragansett Electric	\$ 10,333,800	3	0.21%
Cox Communications	Cable Utility	27,649,269	2	0.52%	Cox Communications	7,174,700	6	0.15%
DPF Narragansett, LLC	Shopping Plaza	26,796,500	3	0.51%	Salt Pond Corp.	25,258,500	1	0.52%
Dunes Corporation	Private Beach Club	12,371,500	4	0.23%	Dunes Club	10,712,600	2	0.22%
SUEZ Company	Water Utility	10,832,481	5	0.21%				
Point Judith Country Club	Private Golf Course	8,580,300	6	0.16%	Point Judith Country Club	7,688,200	4	0.16%
JDL Family LTD Partnership	Shopping Plaza	8,130,700	7	0.15%	JDL Family LTD Partnership	6,082,000	8	0.13%
Narragansett Recreation, LLC	Hotel/Restaurant	7,515,500	8	0.14%				
Narragansett Gas Co	Gas Utility	7,056,291	9	0.13%				
Remedy LLC	Residential Property	6,446,500	10	0.12%				
					Recreation Partners I	6,534,900	7	0.14%
					Russell A. Boss	5,935,800	9	0.12%
					G.P Pier Retail	7,570,300	5	0.16%
					Joseph P. Healey	5,716,000	10	0.12%
		<u>\$ 153,641,937</u>		<u>2.92%</u>		<u>\$ 93,006,800</u>		<u>1.93%</u>
Total assessed valuation (gross)		<u>\$ 5,268,606,398</u>			(gross) \$	<u>4,825,966,196</u>		
TOP TEN ONLY								
Commercial/Industrial Values		\$ 147,195,437		2.79%		\$ 81,355,000		1.69%
Residential Values		6,446,500		0.12%		11,651,800		0.24%

Source: Town of Narragansett Assessor, certified tax roll.

TOWN OF NARRAGANSETT, RHODE ISLAND

PROPERTY TAX LEVIES AND COLLECTIONS
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Exhibit 7

Fiscal Year Ended	Taxes Outstanding for the	Collected within the Fiscal year	
			Percentage
2010-11	\$ 45,357,123	\$ 44,407,854	97.91%
2011-12	45,657,642	44,917,809	98.38%
2012-13	45,635,119	44,843,811	98.27%
2013-14	46,855,316	46,113,597	98.42%
2014-15	48,173,623	47,352,195	98.29%
2015-16	49,094,018	48,320,442	98.42%
2016-17	50,151,603	49,351,387	98.40%
2017-18	51,195,855	50,422,075	98.49%
2018-19	52,394,807	51,802,230	98.87%
2019-20	54,214,966	53,493,237	98.67%

	Current Taxes	Current Year Collected	Percent of Levy
2010-11	\$ 44,053,922	\$ 43,613,626	99.00%
2011-12	44,736,568	44,380,651	99.20%
2012-13	44,946,199	44,547,908	99.11%
2013-14	46,107,795	45,754,896	99.23%
2014-15	47,455,661	47,043,390	99.13%
2015-16	48,342,629	47,937,036	99.16%
2016-17	49,396,535	48,974,578	99.15%
2017-18	50,425,079	50,043,114	99.24%
2018-19	51,610,221	51,356,961	99.51%
2019-20	53,654,815	53,272,353	99.29%

Source: Town of Narragansett Tax Collector

TOWN OF NARRAGANSETT, RHODE ISLAND

PROPERTY TAX RATES
 (PER \$1000 OF ASSESSED VALUE)
 LAST TEN FISCAL YEARS
 (UNAUDITED)

Exhibit 8

List	Fiscal	Residential	Commercial	Personal	Motor Vehicle
2009	2010-11	\$8.86	\$13.29	\$13.29	\$16.46
2010	2011-12	\$8.97	\$13.45	\$13.45	\$16.46
2011	2012-13	\$9.57	\$14.35	\$14.35	\$16.46
2012	2013-14	\$9.80	\$14.68	\$14.68	\$16.46
2013	2014-15	\$10.04	\$15.06	\$15.06	\$16.46
2014	2015-16	\$9.94	\$14.91	\$14.91	\$16.46
2015	2016-17	\$10.08	\$15.12	\$15.12	\$16.46
2016	2017-18	\$10.56	\$15.84	\$15.84	\$16.46
2017	2018-19	\$9.95	\$13.93	\$13.93	\$16.46
2018	2019-2020	\$10.23	\$14.33	\$14.33	\$16.46

TOWN OF NARRAGANSETT, RHODE ISLAND

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS
(UNAUDITED)

Exhibit 9

<u>Fiscal Year</u>	<u>Population</u>	<u>Assessed Valuation</u>	<u>Gross Bonded Debt (1)</u>	<u>Debt payable from Business Type Revenues</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Valuation</u>	<u>Net Bonded Debt per Capita</u>
2010-11	15,868	\$ 4,851,134,860	\$ 30,196,064	\$ 6,638,301	\$ 23,557,763	0.49%	\$ 1,484.61
2011-12	15,868	4,764,166,250	27,864,187	5,795,183	22,069,004	0.46%	1,390.79
2012-13	15,868	4,484,296,346	25,968,000	5,198,315	20,769,685	0.46%	1,308.90
2013-14	15,868	4,484,139,590	23,824,611	4,323,020	19,501,590	0.43%	1,228.99
2014-15	15,868	4,506,548,986	25,965,510	3,660,869	22,304,641	0.49%	1,405.64
2015-16	15,868	4,624,303,235	23,864,429	3,084,673	20,779,756	0.45%	1,309.54
2016-17	15,868	4,650,690,022	27,579,129	2,544,280	25,034,849	0.54%	1,577.69
2017-18	15,868	4,540,889,213	25,427,949	1,991,112	23,436,837	0.52%	1,476.99
2018-19	15,868	4,971,302,686	28,217,474	1,427,843	26,789,631	0.54%	1,688.28
2019-20	15,868	5,019,557,594	25,712,446	848,307	24,864,139	0.50%	1,566.94

(1) includes Business-type Activities

TOWN OF NARRAGANSETT, RHODE ISLAND

COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
(UNAUDITED)

Exhibit 10

	Assessment Date 12/31/2018 FY 2019-20	Assessment Date 12/31/2017 FY 2018-19	Assessment Date 12/31/2016 FY 2017-18	Assessment Date 12/31/2015 FY 2016-17	Assessment Date 12/31/2014 FY 2015-16	Assessment Date 12/31/2013 FY 2014-15	Assessment Date 12/31/2012 FY 2013-14	Assessment Date 12/31/2011 FY 2012-13	Assessment Date 12/31/2010 FY 2011-12	Assessment Date 12/31/2009 FY 2010-11
Net assessed valuation	\$ 5,019,557,596	\$ 4,971,302,686	\$ 4,540,889,213	\$ 4,650,690,022	\$ 4,624,303,235	\$ 4,506,548,986	\$ 4,484,139,590	\$ 4,484,296,346	\$ 4,764,166,250	\$ 4,851,134,862
Debt limit	150,586,728	149,139,081	136,226,676	139,520,701	138,729,097	135,196,470	134,524,188	134,528,890	142,924,988	145,534,046
Total net debt applicable to limit	448,000	496,000	23,436,837	25,034,849	20,779,756	22,304,641	19,501,590	20,769,685	22,069,004	23,557,763
Legal debt margin	150,138,728	148,643,081	112,789,839	114,485,852	117,949,341	112,891,829	115,022,598	113,759,205	120,855,984	121,976,283
Total net debt applicable to limit as a percentage of the debt limit	0.30%	0.33%	17.20%	17.94%	14.98%	16.50%	14.50%	15.44%	15.44%	16.19%

TOWN OF NARRAGANSETT, RHODE ISLAND

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR
GENERAL BONDED DEBT TO TOTAL GENERAL EXPENDITURES
LAST TEN FISCAL YEARS
(UNAUDITED)

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total Governmental Funds Expenditures (1)	Ratio of Total Debt Service to Total Governmental Expenditures
2011	\$ 1,526,266	\$ 1,012,797	\$ 2,539,063	\$ 54,924,335	4.62%
2012	1,534,485	969,447	2,503,932	54,471,353	4.60%
2013	1,370,553	922,026	2,292,579	55,155,801	4.16%
2014	1,268,095	879,015	2,147,110	57,285,977	3.75%
2015	1,296,950	839,622	2,136,572	59,599,076	3.58%
2016	1,524,885	928,436	2,453,321	66,070,369	3.71%
2017	1,248,906	944,472	2,193,378	64,696,855	3.39%
2018	1,598,012	935,930	2,533,942	65,497,632	3.87%
2019	1,647,206	822,152	2,469,358	71,470,017	3.46%
2020	1,925,492	966,290	2,891,782	68,365,780	4.23%

Note:

(1) Modified accrual basis of accounting

(2) General Obligation Bonds and Notes only

TOWN OF NARRAGANSETT, RHODE ISLAND

PRINCIPAL EMPLOYERS*

JUNE 30, 2020
(UNAUDITED)

Exhibit 12

Employer	Type of Business	Number of Employees
Town of Narragansett	Municipality/Schools/Library	435
University of Rhode Island/Bay Campus	Colleges & Universities	300
Dunes Club	Beach Club/Seasonal - Private	180
VNS Home Health Service	Healthcare Services	150
DeWal Industries	Manufacturer - Specialty films, tapes, etc.	135
Ocean Rose Inn	Hotel and Motel	120
George's of Galilee Restaurant	Restaurant	118
Stop & Shop	Grocery Retail - Supermarket	100
Aunt Carrie's Restaurant	Restaurant	100
Environmental Protection Agency	Federal Government Laboratory	100
Point Judith Country Club	Parks & Recreation - Private Club	80
NOAA National Marine Fisheries Service	Federal Government	70
Bonnet Shores Beach Club	Beach Club/Seasonal - Private	70
Unemployment rate: 7.6% - June 2020	* Source: R I Dept. of Labor and Training	

TOWN OF NARRAGANSETT, RHODE ISLAND

FULL-TIME EQUIVALENT TOWN EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
(UNAUDITED)

Exhibit 13

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Administration	13.0	13.0	13.0	13.0	10.0	10.0	10.0	11.0	11.0	11.0
Financial administration	12.0	12.0	12.0	12.0	15.0	15.0	15.0	15.0	16.0	16.0
Public safety:										
Police:										
Officers	41.0	41.0	41.0	41.0	40.0	40.0	40.0	41.0	41.0	41.0
Civilians	13.0	13.0	13.0	13.0	13.0	13.0	13.0	15.0	14.0	13.0
Fire:										
Firefighter and officers	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Public Safety	89.0	89.0	89.0	89.0	88.0	88.0	88.0	91.0	90.0	89.0
Public works:										
Administration & Highway	13.0	13.0	13.0	13.0	12.0	12.0	12.0	13.0	13.0	13.0
Parks Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5	0.0
Engineering	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Public Works & Engineering	15.6	15.6	15.6	15.6	14.6	14.6	14.6	15.6	15.6	21.1
Parks and recreation	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5	3.5	3.5
Parks Maintenance	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	0.0	5.5
Planning and Development	7.5	7.5	7.5	7.5	8.0	8.0	8.0	8.0	8.0	8.0
Education:										
Administrative, certified	8	10.0	9.0	8.0	8.5	8.5	8.0	8.0	8.0	8.0
Administrative, noncertified	7	10.0	10.6	10.6	11.6	11.6	11.7	11.4	11.0	11.0
Classroom aides	26	26.2	26.5	25.5	28.4	28.4	32.0	28.0	28.0	31.0
Teachers	144	141.2	145.8	145.8	152.1	152.1	153.9	154.8	154.9	158.0
Bus drivers, monitors, and bus aides	18	24.0	21.3	21.3	22.5	22.5	22.5	24.0	24.0	22.0
Clerks	9	10.5	12.0	12.0	12.0	12.0	12.0	12.0	12.0	11.0
Operation and maintenance	17	17.0	17.4	17.4	18.4	18.4	18.4	18.0	18.0	20.0
	229.0	238.9	242.5	240.5	253.5	253.5	258.5	256.2	255.9	261.0
Library - full-time	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0	4.0
Library-part-time	10.0	10.0	10.0	10.0	12.0	12.0	15.0	18.0	18.0	16.0
Fleet Maintenance	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0
Water	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Wastewater Treatment	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Beach	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0	1.0
Total	414.0	423.9	427.5	425.5	435.5	435.5	443.5	449.2	447.9	449.0

TOWN OF NARRAGANSETT, RHODE ISLAND
 MISCELLANEOUS STATISTICS
 JUNE 30, 2020
 (UNAUDITED)

Exhibit 14

Town Incorporation	1901	Municipal buildings:	
Type of Government	Council / Town Manager	Town Hall	1
Population:		Fire Stations	3
Official U.S. Census:		Police Station	1
1950	2,288	Port Facility Building	1
1960	3,444	Education	
1970	7,138	High School (Grades 9 – 12)	1
1980	12,088	Middle School (Grades 5 – 8)	1
1990	15,004	Elementary (Grades Pre-K – 4)	1
2000	16,361	Wastewater pumping stations	19
2010 (State of RI Est.)	17,454	Wastewater treatment plant	1
2010 Census	15,876	Water pumping stations (not in service)	1
Area of Town	18.3 square miles	Water storage tanks	3
Shoreline	44.2 miles	Water chlorine injections stations	3
Miles of Streets:		Public works garage/maintenance facility	2
Local Paved	103	Library	1
State Paved	25	Parks/recreation buildings	20
Construction (Period 7/1/17 to 6/30/18):		Pavilions	1
Building Permits Issued	1,057	Gazebos	1
Total Value	\$42,958,133	Beach Cabanas – 83 units	1
Elections – November 2018:		Beach clubhouse	1
Registered voters	11,852	North Beach Pavilion – 263 units	1
Number of votes cast	3,307	South Beach Pavilion – 218 units	1
Percentage voting	28%	Kinney Bungalow	1
Fire Protection:		Comfort station	1
Fire alarm boxes	201	Community Center	1
Fire hydrants	698	The Towers	1
Education:		25, 27, 29 Pier Market Place	1
Student Enrollments:		Recreation Facilities:	
Pre-Kindergarten	99	Public squares	3
Elementary (grades k – 4)	360	Acres for recreation (developed)	48
Middle School (grades 5 – 8)	365	Playgrounds	6
High (grades 9 – 12)	452	Tot lots	1
Special Education-Out of Dist.	10	Major recreation facilities	12
Other out of district	19	Undeveloped sites	2
Total in all schools	1,305	Municipal tennis courts	13
Home Instruction	11	Municipal pickle ball courts	4
Charter Schools	16	Bathing beaches	1
Total	<u>1,332</u>	Diamonds:	
		Hard ball	4
		Soft ball	1
		Basketball courts:	
		Outdoor	7
		Indoor (schools)	3
		Soccer Fields	7
		Marina - 37 slips	1
		Marina Building	1
		Residential Cottages	4
		Residential House	1
		Café/Restaurant Building	1
		Farm House (Sunset Farm)	1
		Barn (Sunset Farm)	1



CERTIFIED PUBLIC ACCOUNTANTS

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(401) 586-6565 • Fax (401) 826-1710

***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 President and
Members of the Town Council
Town of Narragansett, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Narragansett, Rhode Island's basic financial statements, and have issued our report thereon dated February 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Narragansett, Rhode Island's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Narragansett, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Narragansett, Rhode Island'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 Town of Narragansett, Rhode Island's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
February 9, 2021