

**TOWN OF LITTLE COMPTON, RHODE ISLAND**  
ANNUAL FINANCIAL STATEMENTS  
*FOR THE YEAR ENDED JUNE 30, 2023*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*JUNE 30, 2023*

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## *Independent Auditor's Report*

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

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Little Compton, Rhode Island (“the Town”), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

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

### **Basis for Opinions**

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

### **Emphasis of the Matter**

As discusses in the Notes of the financial statements, during fiscal year 2023 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statements No. 96 “Subscription-Based Information Technology Arrangement (SBITA)” Our opinion is not modified with respect to this matter.

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

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

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

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Budgetary comparison schedule – General fund and School Unrestricted Fund, Pension related disclosures, and OPEB related disclosures, as listed in the table of contents 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.

**Town of Little Compton, Rhode Island**  
*Independent Auditor's Report*

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, the tax collector's annual report, and annual supplemental transparency portal (MTP2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, the tax collector's annual report, and annual supplemental transparency portal (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2024 on our consideration of the Town'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'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 Town's internal control over financial reporting and compliance.

*Hague, Sahady & Co., CPAs, P.C.*

Fall River, Massachusetts  
March 4, 2024

# TOWN OF LITTLE COMPTON, RHODE ISLAND

## Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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As management of the Town of Little Compton, Rhode Island (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal years ended June 30, 2023 (FY 2023) and 2022 (FY 2022). We encourage readers to consider the information presented here in conjunction with additional information found within the financial statements.

### **Financial Highlights**

#### ***Government-Wide Financial Statements (Primary Government)***

- The liabilities and deferred inflows of the Town exceeded its assets and deferred outflows as of June 30, 2023 by \$3,099,004 (net position). The Town realized an increase in its net position by \$1,079,509 in FY 23.
- The Town's net other post-employment (OPEB) liability decreased from \$1,929,361 at the beginning of the current year to \$1,652,880 on June 30, 2023.
- The Town's total bonded debt as of June 30, 2023 was \$9,225,000 consisting of a \$7,365,000 school renovation revenue bond which included \$129,391 of bond premiums and \$1,860,000 General Obligation for the Town renovation project. During 2023, \$660,000 was paid in principal and \$371,857 was paid in interest on the bonds.

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

- The General Fund assets plus deferred outflows of the Town exceeded its liabilities plus deferred inflows as of June 30, 2023 and 2022 by \$3,340,258 and \$3,585,760, respectively.
- The School's operating funds, assets plus deferred outflow, exceeded its liabilities plus deferred inflows as of June 30, 2023 and June 30, 2022 by \$704,431 and \$590,117 respectively.

### **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 consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### **Government-Wide and Fund 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. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic position at the end of the fiscal year. These are prepared using the economic resources measurement focus and the accrual basis of accounting. They take into account all revenues recognized and expenses incurred even if the cash has not been received or paid.

The government-wide financial statements include two statements:

*Statement of Net Position* - Presents all of the government's assets and liabilities along with any deferred inflows and/or outflows of resources, with the difference being reported as net position. The amount of net position is widely considered a good measure of the Town's financial health as increases or decreases in the Town's net position serves as a useful indicator of whether the financial position is improving or deteriorating.



# TOWN OF LITTLE COMPTON, RHODE ISLAND

## Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### **Government-Wide and Fund Financial Statements (continued)**

*Statement of Activities* - Presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The statement also presents a comparison between direct expenses and program revenues for each function of the Town. The activities of this section (*governmental activities*) are principally supported by taxes and intergovernmental revenues (*federal and state grants*) from other functions and activities that are intended to recover all or a significant portion of their costs through user fees or charges (*business-type activities*). The governmental activities of the Town include the broad functions of general government; financial administration; public safety; education; public works; transfer station; parks, recreation and other services; and the major services provided within each category. The Town has no business-type activities to report.

### **Government-Wide and Fund Financial Statements**

In the statement of activities, the operations of the Town are presented in a format that reports the net of expenses and revenues of its individual functions - the objective being to report the relative burden of each of the Town's functions to the taxpayers. Revenues offsetting related functional expenses are separated into three categories: charges for services, operating grants and contributions, and capital grants and contributions.

*Discretely Presented Component Unit* – This represents a legally separate entity, the Agricultural Trust, for which the Town has financial accountability but functions independent of the Town. This entity operates similar to a private sector business. Additional information about the Town's component unit is presented in the notes to the financial statements.

The government -wide financial statements can be found on the pages indicated on the Table of Contents of this report.

### **Fund Financial Statements**

Traditional users of governmental financial statements will find the fund financial statement presentation to be most familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific projects, activities, or objectives. The Town uses fund accounting to ensure and demonstrate compliance with several finance-related legal requirements.

The Town's funds can be divided into two categories: governmental and fiduciary funds.

### ***Governmental Funds***

Most of the basic services provided by the Town are financed through 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, the Governmental fund financial statements focus on near term inflows and outflows of spendable resources. The focus is also on the balances left at the end of the fiscal year available for spending. Such information may be useful in evaluating the governments near-term financing requirements. This approach is known as the flow of current financial resources measurement focus and modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual (i.e. measurable and available to liquidate liabilities of the current period.) Expenditures are generally recorded when liabilities are incurred, except for those related to long-term liabilities, which are recorded when due and payable. These statements provide a detailed short-term view of the Town's finances that assist in determining whether there will be adequate financial resources available to meet current needs.

# TOWN OF LITTLE COMPTON, RHODE ISLAND

## Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### ***Governmental Funds (continued)***

The basic governmental fund financial statements can be found on the pages indicated on the Table of Contents of this report.

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

The Town maintains sixty-three individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and School Unrestricted Fund, which are considered to be major funds. Data for the other non-major governmental funds are combined into a single aggregated presentation.

The Town adopts an annual appropriated budget for its General Fund. Budgetary comparison schedules have been provided for the General Fund and School Unrestricted Fund to demonstrate compliance with budgets and are presented on the pages indicated on the Table of Contents of this report.

The individual governmental funds are summarized into two types of funds - major and non-major, consisting of the following:

Major Fund - General Fund – this fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources and activities not accounted for and reported in another fund. It is the only fund that operates a positive unassigned fund balance.

Major Fund - School Unrestricted Fund - this fund reports all financial resources that are committed to be incurred for educational purposes.

Major Fund – Town Hall Project – this fund reports all financial resources and activities pertaining to the capital project fund in relation to the town hall project. This fund was calculated as a major fund in fiscal year 2023.

Major Fund – Ambulance Reimbursement – this fund reports all financial resources and activities pertaining to the special revenue fund in relation to ambulance receivables. This fund was calculated as a major fund in fiscal year 2023.

Major Fund – American Rescue Plan Act – this fund reports all financial resources and activities to the special revenue fund in relation to providing direct relief from the restraints of COVID-19. This fund was calculated as a major fund in fiscal year 2023.

Non-major Governmental Funds - these funds report the proceeds of specific revenue sources that are legally restricted to expenditure for specified purposes. These funds include financial resources used for the construction and/or acquisition of major capital projects and permanent funds that are legally restricted to the extent that only earnings may be used for purposes that support the Town's programs.

# TOWN OF LITTLE COMPTON, RHODE ISLAND

## Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### **Fiduciary Funds**

Such funds are used to account for resources held for the benefit of parties outside the Town government. *Fiduciary funds* are not reflected in the government-wide financial statements because the resources of these funds are not available to support the Town's own programs. The economic resources measurement focus and the accrual basis of accounting is used for fiduciary funds. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The Town maintains the following two types of fiduciary funds:

Pension Trust Fund – these funds account for contributions made by the Town and its participating employees to provide retirement benefits to the participants.

The Town's fiduciary funds can be found on the pages indicated on the Table of Contents of this report.

### **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 the pages indicated on the Table of Contents of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information includes a schedule detailing the Town's progress in funding its pension and other post-employment benefit obligations, as well as budgetary comparison schedules for the General Fund to demonstrate compliance with their respective budgets. Required supplementary information can be found on the pages indicated on Table of Contents of this report. Other supplementary information including the tax collectors report, combining financial statements and MTP2 Annual Transparency Report can be found on the pages indicated on the Table of Contents of this report.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

**Government-Wide Financial Analysis**

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, assets plus deferred inflows exceeded liabilities plus deferred inflows by \$3,099,004 and \$2,019,495 as of June 30, 2023 and 2022, respectively.

At June 30, 2023, one of the largest portions of the Town's total net position reflects its investment in capital assets (e.g., land, construction in progress, land improvements, infrastructure, building and improvements, office equipment, computer equipment and software, vehicles, machinery and equipment, and textbooks and library books), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its residents; 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.

The Town's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

**Town of Little Compton's Net Position - Primary Government  
Statement of Net Position**

	<u>2023</u>	<u>2022</u>	<u>\$ Change</u>
<b>Assets</b>			
Current assets	\$ 9,218,857	\$ 9,141,000	\$ 77,857
Long-term assets	13,638,252	13,192,980	445,272
Total assets	<u>22,857,109</u>	<u>22,333,980</u>	<u>523,129</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows of resources	3,448,113	3,362,150	85,963
Total deferred outflows of resources	<u>3,448,113</u>	<u>3,362,150</u>	<u>85,963</u>
<b>Liabilities</b>			
Current liabilities	1,993,229	1,564,923	428,306
Long-term liabilities	17,507,045	18,926,107	(1,419,062)
Total liabilities	<u>19,500,274</u>	<u>20,491,030</u>	<u>(990,756)</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows of resources	3,705,945	3,185,604	520,341
Total deferred inflows of resources	<u>3,705,945</u>	<u>3,185,604</u>	<u>520,341</u>
<b>Net Position</b>			
Net investment in capital assets	3,070,183	1,725,571	1,344,612
Restricted	2,086,275	1,229,334	856,941
Unrestricted	(2,057,454)	(935,410)	(1,122,044)
Total net position	<u>\$ 3,099,004</u>	<u>\$ 2,019,495</u>	<u>\$ 1,079,509</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

**Government-Wide Financial Analysis (continued)**

As of June 30, 2023, and 2022, cash and investments totaled \$7,093,581 and \$7,134,240 respectively, for the primary government.

The Town's net position increased by \$1,079,509 in 2023 and increased by \$1,511,650 in 2022.

The majority of general revenues are tax collections from the Town's taxpayers, which represents 92.46% and 92.39% of total revenues for fiscal years 2023 and 2022, respectively.

The Town's most significant expense is education, which in 2023 represented 55% of total expenses, followed by public safety at 20% and general governmental services at 12%.

	<b>Changes in Net Position Primary Government</b>		<b>\$ Change</b>
	<b>2023</b>	<b>2022</b>	
<b>Revenues</b>			
Program Revenues:			
Charges for services	\$ 979,342	\$ 1,243,888	\$ (264,546)
Operating grants & contributions	1,421,899	827,033	594,866
Capital grants & contributions	50,000	323,268	(273,268)
General Revenues:			
Real estate & property taxes, net	13,252,756	13,506,688	(253,932)
Motor vehicle phase-out	266,290	86,304	179,986
General state aid	780,906	846,235	(65,329)
Meal and telephone tax	132,379	127,274	5,105
Earnings on investments	70,656	1,784	68,872
Miscellaneous	1,028	143,595	(142,567)
Total revenue	<u>16,955,256</u>	<u>17,106,237</u>	<u>(150,981)</u>
<b>Expenses</b>			
General government	1,877,176	1,355,539	521,637
Finance administration	200,678	201,249	(571)
Public safety	3,181,881	3,672,943	(491,062)
Education	8,689,880	8,079,900	609,980
Public works	632,330	800,640	(168,310)
Transfer station	190,176	193,229	(3,053)
Parks, recreation, and other services	606,001	613,140	(7,139)
State contribution to teachers pension plan	313,163	310,944	2,219
Interest on debt	184,461	367,003	(182,542)
Total expenses	<u>15,875,747</u>	<u>15,594,587</u>	<u>281,160</u>
Increase(decrease) in net position	1,079,509	1,511,650	(432,141)
Net position-beginning of year, restated	<u>2,019,495</u>	<u>507,845</u>	<u>1,511,650</u>
Net position-end of year	<u>\$ 3,099,004</u>	<u>\$ 2,019,495</u>	<u>\$ 1,079,509</u>

# TOWN OF LITTLE COMPTON, RHODE ISLAND

## Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### **Government-Wide Financial Analysis (continued)**

**Component Unit.** The assets plus deferred outflows of the Town's Component Unit, the Agricultural Trust, exceeded its liabilities plus deferred inflows by \$39,543,599. Net of investment in capital assets comprises \$35,909,995, or 90.71% of total net position. The remaining balance of net position of the Agricultural Trust, totaling \$3,633,604, is unrestricted.

### **Financial Analysis of Governmental Funds**

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

As of June 30, 2023, the Town's governmental funds reported combined fund balances of \$6,580,071 of which \$2,604,062 constitutes unassigned fund balance, which is available for spending at the Town's discretion, \$1,179,291 constitutes assigned fund balance, which has been designated by the Town Council for specific purposes. \$1,673,404 is committed by Town Council toward the FY23 budget, \$927,733 is restricted by outside parties to be used for specific purposes. The remainder of the fund balance is non-spendable, representing amounts legally required to be maintained intact, non-spendable inventory or prepaid items.

The General Fund had a fund balance of \$3,340,258 and \$3,585,760 at June 30, 2023 and 2022, respectively. The School's Unrestricted fund balance is \$704,431 and \$590,117 at June 30, 2023 and 2022, respectively. The fund balance of the Non-Major Governmental Funds is \$1,416,604 and \$997,043 as of June 30, 2023 and 2022, respectively. Three non-major Governmental Funds in the prior year were calculated as major fund in fiscal year 2023. The Town Hall Project's fund balance is \$998,453 at June 30, 2023, the Ambulance Receivables fund balance is \$120,325 at June 30, 2023 and the American Rescue Plan Act did not have an ending fund balance.

### **General Fund Budgetary Highlights**

During fiscal year 2023, the actual charges to appropriations (expenditures) were lower than the final budgeted amounts by \$314,568 for the general fund and were less than budgeted amount by \$326,137 for the school unrestricted fund. For 2022, the actual charges to appropriations (expenditures) were lower than the final budgeted amounts by \$482,305 for the general fund and were higher than budgeted amount by \$4,758 for the school unrestricted fund.

For 2023, revenues were \$858,310 less of budgeted amounts for the general fund and \$91,628 more than budgeted amounts for the school unrestricted fund. For 2022, revenues were \$94,976 in excess of budgeted amounts for the general fund and \$315,419 less than budgeted amounts for the school unrestricted fund.

### **General Fund Actual Comparisons (GAAP Basis)**

Further details of favorable and unfavorable variances of revenues and expenditure items can be found in the Required Supplementary Information on page 73-76 of this report.

## TOWN OF LITTLE COMPTON, RHODE ISLAND

### Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

### Capital Asset Administration

The Town's investment in capital assets for governmental activities as of June 30, 2023 amounts to \$12,675,291, net of accumulated depreciation. The following is a summary of capital assets, net of accumulated depreciation where applicable, as of June 30, 2023 and 2022.

	<b>Capital Assets</b>		
	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>\$ Change</b>
<b>Primary government</b>			
Land	\$ 548,179	\$ 548,179	\$ -
Construction in progress	1,403,192	340,987	1,062,205
Infrastructure	401,142	365,942	35,200
Buildings & building improvements	8,037,681	8,699,544	(661,863)
Land improvements	996,350	1,030,637	(34,287)
Vehicles	627,785	351,954	275,831
Machinery and equipment	307,408	321,101	(13,693)
Office equipment	3,081	3,328	(247)
Technology equipment	132,607	138,084	(5,477)
Library and textbooks	16,590	20,846	(4,256)
Right to use lease assets, net	201,276	343,222	(141,946)
Total primary government	\$ 12,675,291	\$ 12,163,824	\$ 511,467
Component unit	\$ 35,909,995	\$ 30,557,746	\$ 5,352,249

Additional information on the Town's capital assets can be found starting on the Capital Asset Note of this financial statement.

### Debt Administration

The following is a summary of outstanding debt as of June 30, 2023 and 2022.

	<b>Debt Administration</b>		
	<b>Governmental Activities</b>		
	<b>2023</b>	<b>2022</b>	<b>\$ Change</b>
Capital leases	\$ 201,276	\$ 343,222	\$ (141,946)
Compensated absences	342,175	326,764	15,411
Bonds and notes payable	9,225,000	9,885,000	(660,000)
Bond premium	129,391	150,996	(21,605)
Pension liability	6,823,861	7,137,521	(313,660)
OPEB liability	1,652,880	1,929,361	(276,481)
Total primary government	\$ 18,374,583	\$ 19,772,864	\$ (1,398,281)

Additional information on the Town's long-term debt may be found starting on the long-term debt note of this financial statement.

## TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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### **Factors Bearing on the Town's Future**

In the Fiscal Year ended June 30, 2023, the Town continued the execution of an integrated revenue and spending strategy that has already achieved important results. Examples:

- The application of a two-million-dollar municipal bond to achieve a long-awaited upgrade to the town's 140-year-old Town Hall has brought that project to near-completion, and within the planned budget.
- The use of American Rescue Plan Act funding to provide improved support services and activities for the Town's senior citizens, to facilitate new programs and activities for children, as well as to accelerate Town road improvements.
- Collection of delinquent property taxes has again increased.

Key initiatives for the Town's future are:

- Re-funding the existing school maintenance bond debt to take advantage of lower interest rates.
- Continued careful application of American Recovery Plan Act funds to a variety of Town capital projects and human services needs.
- Exploration of the opportunities to leverage grant funds available through the State in order to improve broadband access within the Town.
- Careful monitoring and active management of the Town's defined benefit employee pension plan to ensure continued plan health.
- Investigating the addition of a defined contribution element to the Town's employee savings/investment plan, to provide flexibility for employee retirement planning.
- Continuing the practice of the Finance Director to ensure most favorable rates of return on investments of Town fund balances, which occurs at least quarterly and upon recognition of interest rate changes.



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Management's Discussion and Analysis (MD&A)

*For the Year Ended June 30, 2023*

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**Contacting the Town's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions on this report or need additional financial information, your inquiries should be addressed to:

Treasurer and Tax Collector  
Town of Little Compton  
P.O. Box 226  
40 Commons  
Little Compton, RI 02837

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Statement of Net Position

*June 30, 2023*

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>	<u>Component Unit</u> <u>Agricultural</u> <u>Trust</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 7,056,456	\$ 3,435,117
Short-Term investments	37,125	-
Receivables, net		
Personal property taxes	426,358	-
Intergovernmental	119,309	-
Departmental and other	922,477	-
Lease receivable	452,039	-
Prepaid expenses	131,228	-
Inventory	54,353	-
Payable from external parties (Agricultural Trust)	19,513	243,000
Net pension asset	962,961	-
Capital assets		
Land and land easements	548,179	35,909,995
Construction in progress	1,403,192	-
Infrastructure, net	401,142	-
Building and building improvements, net	8,037,681	-
Land improvements, net	996,350	-
Vehicles, net	627,785	-
Machinery and equipment, net	307,408	-
Office equipment, net	3,081	-
Technology equipment, net	132,607	-
Library and textbooks, net	16,590	-
Intangible right to use, net	201,276	-
Total capital assets	<u>12,675,291</u>	<u>35,909,995</u>
Total assets	<u>22,857,109</u>	<u>39,588,112</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related deferred outflows	<u>3,448,113</u>	-
Total deferred outflows of resources	<u>3,448,113</u>	-
Total assets and deferred outflows of resources	<u>\$ 26,305,222</u>	<u>\$ 39,588,112</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Statement of Net Position

June 30, 2023

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Agricultural Trust</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 245,756	\$ 25,000
Other payables	587,494	-
Accrued interest	49,441	-
Payable to external party (Agricultural Trust)	243,000	19,513
Current portion of capital leases	76,612	-
Current portion of bond premiums	20,263	-
Current portion of bonds and notes payable	745,000	-
Current portion of compensated absences	25,663	-
Portion due or payable in more than one year		
Capital leases	124,664	-
Bond premiums	109,128	-
Bonds and notes payable	8,480,000	-
Compensated absences	316,512	-
Net pension liability	6,823,861	-
Net other post-employment benefit liability	1,652,880	-
Total liabilities	<u>19,500,274</u>	<u>44,513</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred revenues	614,905	-
Deferred inflows of resources from leases	452,039	-
Pension related deferred inflows	2,639,001	-
Total deferred inflows of resources	<u>3,705,945</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	3,070,183	35,909,995
Restricted corpus of endowment	10,000	-
Restricted for inventories	54,069	-
Restricted for prepaid expenses	131,512	-
Restricted for general government	188,706	-
Restricted for cemetery costs	102,755	-
Restricted for educational purposes	130,403	-
Restricted for public works	73,531	-
Restricted for public safety	255,738	-
Restricted for parks, recreation and other	176,600	-
Restricted for pension asset	962,961	-
Unrestricted	(2,057,454)	3,633,604
Total net position	<u>3,099,004</u>	<u>39,543,599</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 26,305,222</u>	<u>\$ 39,588,112</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Statement of Activities

*For the Year Ended June 30, 2023*

	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary Governmental Activities</u>	<u>Component Unit Agricultural Trust</u>
<b>Governmental Activities</b>						
General government	\$ 1,877,176	\$ 429,791	\$ 150,010	\$ -	\$ (1,297,375)	\$ -
Finance administration	200,678	-	-	-	(200,678)	-
Public safety	3,181,881	23,415	199,513	-	(2,958,953)	-
Education	8,689,880	54,600	576,944	-	(8,058,336)	-
Public works	632,330	158,256	103,686	50,000	(320,388)	-
Transfer station	190,176	28,235	-	-	(161,941)	-
Parks, recreation, and other services	606,001	285,045	78,583	-	(242,373)	-
State contribution to teacher pension plan	313,163	-	313,163	-	-	-
Interest on debt	184,461	-	-	-	(184,461)	-
Total primary government	<u>15,875,747</u>	<u>979,342</u>	<u>1,421,899</u>	<u>50,000</u>	<u>(13,424,506)</u>	<u>-</u>
<b>Component Unit</b>						
Agricultural Trust	332,300	1,879,023	-	412	-	1,547,135
Total Town of Little Compton	<u>\$ 16,208,047</u>	<u>\$ 2,858,365</u>	<u>\$ 1,421,899</u>	<u>\$ 50,412</u>	<u>\$ (13,424,506)</u>	<u>\$ 1,547,135</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Statement of Activities

*For the Year Ended June 30, 2023*

	<b>Net (Expense) Revenue and Changes in Net Position</b>	
	<b>Primary Government</b>	<b>Component Unit</b>
	<b>Governmental Activities</b>	<b>Agricultural Trust</b>
Total Town of Little Compton	\$ (13,424,506)	\$ 1,547,135
<b>General revenues</b>		
Real estate and personal property, net of reserve of abatement	13,252,756	-
Motor vehicle phase-out	266,290	-
General state aid	780,906	-
Meal and telephone tax	132,379	-
Earnings on investments	70,656	58,058
Miscellaneous	1,028	-
Total general revenues	<u>14,504,015</u>	<u>58,058</u>
Changes in net position	1,079,509	1,605,193
Net position - July 1, 2022, restated	<u>2,019,495</u>	<u>37,938,406</u>
Net position - June 30, 2023	<u>\$ 3,099,004</u>	<u>\$ 39,543,599</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Governmental Funds*  
Balance Sheet

June 30, 2023

	Major Funds					Non-Major	Total
	General Fund	School Unrestricted	Town Hall Project	Ambulance Reimbursement	American Rescue Plan Act	Governmental Funds	Governmental Funds
<b>Assets</b>							
Cash and cash equivalents	\$ 2,968,893	\$ 692,728	\$ 1,245,482	63,875	614,905	\$ 1,470,573	\$ 7,056,456
Investments	-	-	-	-	-	37,125	37,125
Receivables							
Property taxes, less reserve for abatements	426,358	-	-	-	-	-	426,358
Intergovernmental	2,154	-	-	-	-	117,155	119,309
Other	102,075	34,366	-	174,037	-	24,504	334,982
Prepaid items	1,911	67,794	-	61,523	-	-	131,228
Inventories	54,069	-	-	-	-	284	54,353
Due from external parties - Agricultural Trust	19,514	-	-	-	-	-	19,514
Due from other funds	405,729	89,913	-	-	-	91,852	587,494
Total assets	<u>3,980,703</u>	<u>884,801</u>	<u>1,245,482</u>	<u>299,435</u>	<u>614,905</u>	<u>1,741,493</u>	<u>8,766,819</u>
<b>Deferred Outflows of Resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	<u>\$ 3,980,703</u>	<u>\$ 884,801</u>	<u>\$ 1,245,482</u>	<u>\$ 299,435</u>	<u>\$ 614,905</u>	<u>\$ 1,741,493</u>	<u>\$ 8,766,819</u>
<b>Liabilities</b>							
Accounts payable and accrued expenses	\$ 37,750	\$ 108,874	\$ -	5,073	\$ -	\$ 94,059	\$ 245,756
Due to external party - Agricultural Trust	243,000	-	-	-	-	-	243,000
Due to other funds	38,139	71,496	247,029	-	-	230,830	587,494
Total Liabilities	<u>318,889</u>	<u>180,370</u>	<u>247,029</u>	<u>5,073</u>	<u>-</u>	<u>324,889</u>	<u>1,076,250</u>
<b>Deferred Inflows of Resources</b>							
Deferred revenues- Other	-	-	-	174,037	614,905	-	788,942
Deferred Revenues- Tax	321,556	-	-	-	-	-	321,556
Total deferred inflows of resources	<u>321,556</u>	<u>-</u>	<u>-</u>	<u>174,037</u>	<u>614,905</u>	<u>-</u>	<u>1,110,498</u>
<b>Fund balance</b>							
Nonspendable	55,980	67,794	-	61,523	-	10,284	195,581
Restricted	-	-	-	58,802	-	868,931	927,733
Committed	-	-	998,453	-	-	674,951	1,673,404
Assigned	542,654	636,637	-	-	-	-	1,179,291
Unassigned	2,741,624	-	-	-	-	(137,562)	2,604,062
Total fund balance	<u>3,340,258</u>	<u>704,431</u>	<u>998,453</u>	<u>120,325</u>	<u>-</u>	<u>1,416,604</u>	<u>6,580,071</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,980,703</u>	<u>\$ 884,801</u>	<u>\$ 1,245,482</u>	<u>\$ 299,435</u>	<u>\$ 614,905</u>	<u>\$ 1,741,493</u>	<u>\$ 8,766,819</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Governmental Funds*  
Reconciliation of the Government Fund  
Balance Sheet to the Statement of Net Position

*June 30, 2023*

---

Total governmental fund balances	\$ 6,580,071
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	12,675,291
Long-term assets that are not financial resources in the current period and, therefore are not reported in the governmental funds	
TSB - net pension asset	962,961
Unavailable tax revenue and fire rescue fees (net of an allowance for uncollectibles) are recorded in the funds, but are not recorded under the measurement focus employed in the State of Net Position.	- 495,593
Deferred outflows of resources due to various aspects associated with	
ERS pension plan	817,827
TSB pension plan	190,491
Town private pension plan	2,439,795
Deferred inflows of resources due to various aspects associated with	
ERS pension plan	(344,295)
TSB pension plan	(366,554)
Town private pension plan	(1,928,152)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due	(49,441)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds and notes payable	(9,225,000)
Bond premium	(129,391)
Capital leases	(201,276)
Compensated absences	(342,175)
ERS - net pension liability	(3,941,305)
Town pension liability	(2,882,556)
Net other postemployment benefits liability	(1,652,880)
Net position of governmental activities	<u>\$ 3,099,004</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Governmental Funds*

Statement of Revenues, Expenditures and Changes in  
Fund Balances – Governmental Funds

*For the Year Ended June 30, 2023*

	Major Fund					Non-Major	Total
	General Fund	School Unrestricted	Town Hall Project	Ambulance Reimbursement	American Rescue Plan Act	Governmental Funds	Governmental Funds
<b>Revenues</b>							
General property taxes and penalties	\$ 13,299,221	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,299,221
Intergovernmental revenue	731,424	448,877	-	1,368	100,230	519,050	1,800,949
Donation revenues	-	-	-	-	-	10,767	10,767
Departmental and other revenue	-	54,600	-	171,320	-	356,303	582,223
Licenses, permits, and fees	469,041	-	-	-	-	-	469,041
Beach receipts	285,045	-	-	-	-	-	285,045
Investment income	28,644	-	41,432	-	-	579	70,655
State contribution to teachers' pension plan	-	313,163	-	-	-	-	313,163
Miscellaneous revenue	56,086	87,171	-	-	-	-	143,257
<b>Total revenues</b>	<b>14,869,461</b>	<b>903,811</b>	<b>41,432</b>	<b>172,688</b>	<b>100,230</b>	<b>886,699</b>	<b>16,974,321</b>
<b>Expenditures</b>							
General government	1,531,303	-	-	-	100,230	183,694	1,815,227
Financial administration	200,678	-	-	-	-	-	200,678
Public safety	3,195,291	-	-	46,644	-	8,658	3,250,593
Education	-	8,124,501	-	-	-	520,840	8,645,341
Public works	528,258	-	-	-	-	51,311	579,569
Transfer station	186,673	-	-	-	-	-	186,673
Parks, recreation, and other services	509,460	-	-	-	-	73,982	583,442
Capital expenditures	331,025	-	1,014,777	84,122	-	71,868	1,501,792
Debt service							
Principal payments	660,000	-	-	-	-	-	660,000
Interest and fiscal charges	194,055	-	-	-	-	-	194,055
<b>Total expenditures</b>	<b>7,336,743</b>	<b>8,124,501</b>	<b>1,014,777</b>	<b>130,766</b>	<b>100,230</b>	<b>910,353</b>	<b>17,617,370</b>
Excess (deficiency) of revenues over expenditures	7,532,718	(7,220,691)	(973,345)	41,922	-	(23,654)	(643,050)
<b>Other financing sources (uses)</b>							
School appropriation	(7,638,456)	7,638,456	-	-	-	-	-
Transfers in	-	-	-	-	-	443,215	443,215
Transfers out	(139,764)	(303,451)	-	-	-	-	(443,215)
<b>Total Other financing sources (uses)</b>	<b>(7,778,220)</b>	<b>7,335,005</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>443,215</b>	<b>-</b>
<b>Excess of revenue and other sources over expenditures and other uses</b>	<b>(245,502)</b>	<b>114,314</b>	<b>(973,345)</b>	<b>41,922</b>	<b>-</b>	<b>419,561</b>	<b>(643,050)</b>
Fund balance, July 1, 2022, restated	3,585,760	590,117	1,971,798	78,403	-	997,043	7,223,121
Fund balance, June 30, 2023	<u>\$ 3,340,258</u>	<u>\$ 704,431</u>	<u>\$ 998,453</u>	<u>\$ 120,325</u>	<u>\$ -</u>	<u>\$ 1,416,604</u>	<u>\$ 6,580,071</u>

*The accompanying notes are an integral part of this statement*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Governmental Funds*

Reconciliation of the Governmental Fund Statement of Revenue,  
Expenditures and Changes in Fund Balances to the Statement of Activities

*For the Year Ended June 30, 2023*

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Net change in fund balances - total governmental funds	\$ (643,050)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	511,467
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue	
Deferred Taxes	(46,465)
Deferred EMS	27,400
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	
Principal payment	660,000
Premium payments	21,605
Capital lease activity	141,946
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due	9,594
The pension expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	135,942
The other postemployment benefit expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	276,481
Some expenses reported in the Statement of Activities, such as compensated absences does not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds	<u>(15,411)</u>
Change in net position of governmental position	<u><u>\$ 1,079,509</u></u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Fiduciary Funds*  
Statement of Fiduciary Net Position

*June 30, 2023*

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	<b>Pension Trust Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 151,186
Investments	
Equity funds	8,236,702
Fixed income	4,248,292
Accounts receivable	516,983
Total assets	<u>13,153,163</u>
<b>Liabilities</b>	
Warrants payable	-
Accounts payable and accrued liabilities	-
Other liabilities	-
Deposits held	-
Total liabilities	<u>-</u>
<b>Net Position</b>	
Restricted for pension benefits	<u>13,153,163</u>
Total net position	<u>13,153,163</u>
Total liabilities and net position	<u>\$ 13,153,163</u>

*The accompanying notes are an integral part of this statement*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Fiduciary Funds*

Statement of Changes in Fiduciary Net Position

*For the Year Ended June 30, 2023*

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	<b>Pension Trust Fund</b>
<b>Additions</b>	
Employee contributions	\$ 73,370
Employer contributions	537,861
Net investment income	1,203,739
Total additions	<u>1,814,970</u>
<b>Deductions</b>	
Administrative expenses	23,945
Benefits paid	913,416
Total deductions	<u>937,361</u>
<b>Change in net position</b>	877,609
Net position, July 1, 2022	<u>12,275,554</u>
Net position, June 30, 2023	<u><u>\$ 13,153,163</u></u>

*The accompanying notes are an integral part of this statement*

# TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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## **Note 1. Summary of Significant Accounting Policies**

The accompanying basic financial statements of the Town of Little Compton, Rhode Island (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America applicable to governmental entities (U.S. GAAP). In certain circumstances, summaries of the Town's significant accounting policies have been presented throughout the notes to the basic financial statements in conjunction with the other disclosures to which they relate.

### **A. Financial Reporting Entity**

The Town was incorporated in 1682. On November 8, 1994, the Town adopted the Little Compton Home Rule Charter to be effective in January 1995, which was ratified by the Rhode Island General Assembly in May 1995. In some matters the Town is governed by the general laws of the State of Rhode Island (State). The Town operates under a Town Council form of government.

The Town financial statements include all funds, agencies, boards, commissions, and authorities over which the Town exercises oversight responsibility. Oversight responsibility is determined on the basis of the activity's scope of operations, financial interdependency and fiscal responsibility, selection of governing authority and ability to significantly influence operations.

#### **Component Unit**

The Little Compton Agricultural Conservancy Trust (Agricultural Trust) is considered a component unit of the Town and meets the criteria as established under Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units" and GASB Statement No. 61 "Financial Reporting Entity Omnibus." The Agricultural Trust is governed by a seven-member board of trustees, five of which are appointed by the Town Council. The purpose of this trust is to acquire development rights to agricultural property within the Town and to preserve open space, fresh and saltwater marshes, estuaries and adjoining uplands, groundwater recharging areas, land providing access to the ocean, land for bicycle paths and land for future public recreational facilities and use. This component unit is reported in a separate column to emphasize that it is legally separate from the Town, but is included because the Town is financially accountable for and is able to impose its will on the organization. Unless otherwise indicated, the notes to the basic financial statements pertain to the primary government because certain disclosures of the component unit are not significant relative to the primary government.

### **B. Basic Financial Statements - Government-Wide Statements**

These financial statements present the Town's primary government and component unit. The statement of net position and statement of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues and other non-exchange revenues.

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major and other funds). Both the government-wide and fund financial statements are required to categorize primary activities as either governmental or business-type. The Town's public safety, parks, library, recreation and other services, education, public works, transfer station and general and financial administrative services are classified as governmental activities. The Town does not have any activities classified as business-type activities.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**B. Basic Financial Statements - Government-Wide Statements (continued)**

In the government-wide statement of net position, the governmental activities column is presented on a full accrual, economic resources measurement basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Town's functions (public safety, public works, etc.). The functions are also supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with functions (public safety, public works, community and economic development, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function) are normally covered by general revenue (property, sales taxes, intergovernmental revenues, interest income, etc.).

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

**C. Basic Financial Statements - Fund Financial Statements**

Governmental funds are used to account for operations of the Town that supply basic government services.

Financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. There are three major fund types for financial reporting purposes: governmental, proprietary and fiduciary. The Town does not currently have any activities meeting the criteria of being reported as a proprietary fund.

Separate fund financial statements are provided for governmental funds and fiduciary funds. However, fiduciary funds are not included in government-wide statements since these assets are held for the benefit of private parties and retirees and cannot be used to satisfy obligations of the primary government. Major individual governmental funds are emphasized by being reported as separate columns in the fund financial statements. Non-major governmental funds are reported in the aggregate in a separate column in the fund financial statements.

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

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

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**C. Basic Financial Statements - Fund Financial Statements (continued)**

- b) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditure/expenses of the individual governmental fund or enterprise fund are at least five percent (5%) of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as non-major funds.

Fund types used by the Town and a description of the funds comprising each are as follows:

***Governmental Funds***

Governmental funds are used to account for operations that supply basic government services. The Town uses the following governmental funds:

- a) **The General fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources and activities not accounted for and reported in another fund. The General fund is the only fund that can report a positive unassigned fund balance.
- b) **Special revenue funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Town's major special revenue fund is the School Department, which provides primary education to the Town's students.
- c) **Capital projects funds** are used to account for and report financial resources to be used for the acquisition or construction of major capital facilities or specific capital project outlays. The Town's capital project funds are all considered non-major funds.
- d) **Permanent funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs. The Town's permanent funds are all considered non-major funds.

***Fiduciary Funds***

Fiduciary funds are used to report assets held by the Town in a trustee or agency capacity and, therefore, cannot be used to support the Town's own programs. The following fiduciary funds are used by the Town:

- a) The **Pension Trust Fund** accounts for contributions made by the Town and its participating employees to provide retirement benefits to participating employees.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**D. Measurement Focus and Basis of Accounting**

*The government-wide financial statements and fiduciary financial statement* are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

*Governmental funds financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are susceptible to accrual. Susceptibility occurs when revenues are both measurable and available for liquidating liabilities of the current period. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period (sixty days). Revenues not considered to be available are recorded as deferred inflows of resources. Expenditures, including capital outlays, are recognized when a liability has been incurred, except for those involving debt service and other long-term obligations that are recognized when paid.

GASB 63 amends GASB 34 to incorporate deferred outflows of resources and deferred inflows of resources into the financial reporting model. Deferred outflows of resources are defined as a consumption of net position by the government that is applicable to a future reporting period. It has a positive effect on net position, similar to assets. Deferred inflows of resources are defined as an acquisition of net position by the government that is applicable to a future reporting period. It has a negative effect on net position, similar to liabilities.

Those revenues susceptible to accrual are property taxes, special assessments, federal impact aid, state aid, meals taxes collected by the State of Rhode Island (the State) on behalf of the Town, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash; therefore, they are recognized when received.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when actually received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided they are collected during the year or within 60 days subsequent to year-end. Prior to expenditure, proceeds are recorded as deferred inflows of resources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, and then unrestricted resources as they are needed.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts**

**Cash and cash equivalents:**

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition. Under Rhode Island General Law, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State shall, at a minimum, insure or pledge eligible collateral equal to 100% of the deposits which are time deposits with maturities greater than 60 days. Any institution not meeting certain minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to 100% of the deposits, regardless of maturities. The Town complied with these requirements. The Town does not have a deposit policy for custodial credit risk or other risks.

**Investments:**

Investments are reported at fair value, based on quotations from applicable national securities exchanges. Unrealized gains and losses from changes in fair value are recognized as investment income (loss). The State does not have pertinent laws regarding investments that apply to cities and towns. The Town does not have an investment policy for custodial credit risk or other risks other than those relating to its pension trust fund. The Town's Pension Trust Fund Investment Advisory Committee is responsible for the supervision of the investment of the fund's investments with the objective of preserving capital and investing with care to minimize the risk of large losses. The Town categorizes its fair value measurements within the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quotes prices in active markets for identical assets. Level 2 inputs are inputs, other than quoted prices that are observable for the asset, either directly or indirectly. Level 3 inputs are unobservable inputs for an asset.

**Property taxes:**

Real and personal property taxes are recognized as revenue when they are levied and become available. Real and personal property taxes are based on assessed values as of December 31st and a tax rate based on an approved levy at the annual town meeting in May. Once levied, these taxes are recorded as receivables, net of estimated uncollectible amounts. In the governmental fund financial statements, property tax revenues have been recorded using the modified accrual basis of accounting. Under the modified accrual basis, real estate, personal property and other excise taxes levied are recorded as receivables in the fiscal year of the levy and as revenue when collected within the current year or expected to be collected within 60 days after the end of the current year. Taxes not collected within this time period are classified as deferred inflows of resources. Deferred inflows of resources are those where asset recognition has been met for which revenue recognition criteria has not been met. The government-wide financial statements recognized property tax revenue when taxes are levied, net of an estimated allowance for doubtful accounts of \$23,387.

**Farm, Forest and Open Space:**

Certain taxpayers can file for reclassification of land assessments in accordance with farm, forest and open space guidelines. Subsequent land use changes within a ten-year period for farm or fifteen-year period for forest or open space result in the assessment of a land use change tax.



TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts (continued)**

**Intergovernmental:**

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

These receivables are considered 100% collectible; therefore, the Town has not reported an allowance for uncollectible grants.

**Capital assets:**

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at fair value as of the date received. Capitalizable fixed assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Net interest costs related to construction projects are capitalized during the construction period. Such costs were not considered material during fiscal 2023.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s lives are not included in capital assets.

Capital assets acquired by governmental funds are accounted for as capital outlay expenditures.

Depreciation on all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method. The ranges of estimated useful lives by type of asset are as follows:

	<u>Years</u>
Land improvements	25-50
Infrastructure	20-50
Building and improvements	40
Machinery and equipment	5-10
Office equipment	5-10
Technology equipment	5-10
Vehicles	5
Library and textbooks	3-10

**Encumbrances:**

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures are recorded in order to reserve portions of applicable appropriations, is employed in the governmental funds. Encumbrances outstanding at year-end are reported in fund balance as either restricted, committed, or assigned.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts (continued)**

**Leases:**

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. The Town has contracts in which it is a lessee and lessor. Lessors recognize a lease receivable and a deferred inflow of resources. Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than one year and an initial present value over \$50,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

**Subscription-Based Information Technology Arrangements (SBITA):**

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in conjunction with tangible capital assets, as specified in the contract for a period in an exchange or exchange-like transaction.

The subscription term includes the period in which the municipality has a noncancellable right to use the IT asset. The subscription also includes the periods covered by an option to extend or to terminate the contract. The Town would recognize a right-to-use subscription-based asset as an intangible asset with a corresponding subscription-based liability. The liability should be initially measured at the present value of the payments expected to be made during the term. Future payments should be discounted using the interest rate the Software vendor charges or the government's incremental borrowing rate.

**Compensated Absences:**

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

In the governmental fund financial statements, vested or accumulated vacation and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts (continued)**

**Long-term obligations:**

In the government-wide financial statements, long-term debt and long-term compensated absences are reported as liabilities in the statement of net position.

In the governmental fund financial statements, long-term debt is recognized as a liability of a governmental fund when due. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The proceeds of debt issued is reported as an other financing source. Bond premiums are reported as other financing sources, while discounts are reported as other financing uses.

**Fund Balance/Net Position:**

**Government-wide financial statements:**

The Town's net positions have been segregated into the following three components:

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

**Governmental fund financial statements:**

Governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* fund balance will be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used.

- *Non-spendable fund balance* - amounts that are not in spendable form (such as inventory) or are required to be maintained intact (such as the corpus of an endowment fund).
- *Restricted fund balance* - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purposes unless the government takes the same highest-level action to remove or change the constraint.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts (continued)**

**Fund Balance/Net Position (continued):**

**Governmental fund financial statements (continued):**

- *Assigned fund balance* - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

The Town Council delegates to the Town Administrator 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.

- *Unassigned fund balance* - amounts that are available for any purpose; these amounts are reported only in the general fund.

Expenditures may be incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available. Composition of the ending fund balance will be determined by applying the following: In those instances, where both restricted and unrestricted amounts are *available*, restricted amounts will be considered to have been spent first (as allowed and in compliance with stated and specified terms or requirements) followed by committed amounts, followed by assigned amounts, and then unassigned amounts.

**Interfund transactions:**

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no eliminations made between or within funds. Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Interfund receivables and payables are classified as "due from other funds" or "due to other funds."

**Indirect expense allocation:**

It is the policy of the Town to allocate indirect expenses (i.e., insurance and pension expenses) to the functions as listed in the government-wide financial statements on the basis of salaries by function.

**Use of estimates:**

The preparation of basic 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 basic financial statements. Estimates also affect the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts (continued)**

**Accounting pronouncements implemented in the current year (continued):**

During the fiscal year June 30, 2023, the Town of Little Compton has adopted the following new accounting standard issues by GASB:

GASB Statement 91, *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2021. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics: (a) There are at least three parties involved: (1) an issuer, (2) a third-party obligor and (3) a debt holder or a debt trustee; (b) The issuer and the third party obligor are not within the same financial reporting entity; (c) The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; (d) The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuances; and (e) The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments.) This statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. ***The Town has determined that these requirements have no effect on the financial reporting.***

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs.) A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying the control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period in time in an exchange or an exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs.) An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. ***The Town has determined that these requirements have no effect on the financial reporting.***

Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. ***The Town has determined that these requirements have no material effect on the financial reporting.***

# TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

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## Note 1. Summary of Significant Accounting Policies (continued)

### E. Financial Statement Amounts (continued)

#### Accounting pronouncements implemented in the current year (continued):

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. ***The Town has determined that these requirements have no effect on the financial reporting.***

#### Accounting pronouncements implemented not yet effective:

The Town is currently analyzing to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 99, *Omnibus 2022*, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. ***The Town of Little Compton is in the process of evaluating this Statement.***

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No.62*, This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting— understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. ***The Town of Little Compton is in the process of evaluating this Statement.***

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**E. Financial Statement Amounts (continued)**

**Accounting pronouncements implemented not yet effective (continued):**

GASB Statement No. 101, *Compensated Absences*, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. *The Town of Little Compton is in the process of evaluating this Statement.*

**F. Budget Requirements, Accounting and Reporting**

The General Fund and the School Department are subject to an annual operating budget. The annual operating budgets' appropriation amounts are supported by revenue estimates and can be amended by either a special financial Town meeting or at the next annual financial Town meeting.

Actual revenue and expenditures in the budgetary basis statements of revenues and expenditures for the General Fund and the School Department are presented on the budgetary basis which includes the net effect of not budgeting for certain other items. Thus, the actual revenues and expenditures differ from those in the governmental fund financial statements which are presented in accordance with accounting principles generally accepted in the United States of America.

**G. Pensions**

*Employees' Retirement System Plan (ERS)*

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

*Teachers' Survivors' Benefits Plan (TSB)*

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

# TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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## **Note 1. Summary of Significant Accounting Policies (continued)**

### **G. Pensions (continued)**

#### *Town Pension Plan*

##### (a) Basis of Accounting

The Town Pension Plan's ("Plan") financial statements are prepared using the accrual basis of accounting and in accordance with generally accepted accounting principles that apply to governmental accounting for defined benefit plans. Employer contributions are recognized when made, because there are no required due dates for contributions. Other additions are recognized when due. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan document. Plan expenses, other than benefits and refunds are recognized on the accrual basis in accordance with generally accepted accounting principles.

##### (b) Plan Expenses

Certain expenses are paid from the assets of the Plan and are recorded as administrative expenses on the financial statements. These expenses include actuarial fees, auditing expenses, benefit payment processing fees, legal fees and other miscellaneous expenses. Additionally, investment manager fees and investment consulting expenses are recorded as investment expenses.

##### (c) Fair Value of Investments

Plan investments are reported at fair value. The Plan's custodian provides pricing for all Plan investments. Plan investments in market-traded securities, including U.S. government and agency securities, municipal and corporate bonds and debentures, and common stock are reported at last quoted sales/bid prices provided by independent pricing vendors. These holdings are valued by investment managers in accordance with the authoritative guidance on fair value measurements and disclosures. Valuation policies and procedures are generally described in the investment managers' financial statements. Cash equivalents are valued at cost, which approximates fair value.

##### (d) Income Taxes

Pursuant to a determination letter received from the Internal Revenue Service (IRS), the Plan is exempt from federal income taxes. The Plan has been subsequently amended and management of the Board is of the opinion that the Plan, as amended, meets the IRS requirements and, therefore, continues to be tax exempt.

##### (e) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Plan's management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial values at the date of the financial statements. Actual results could differ from these estimates.



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 1. Summary of Significant Accounting Policies (continued)**

**H. Other Post-Employment Benefits**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town's plan and additions to/deductions from Town's fiduciary net position have been determined on the same basis as they are reported by the Town. For this purpose, the Town recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost

**Note 2. Cash and Investments**

**A. Cash and Cash Equivalents**

Deposits are in various financial institutions and are carried at cost, or fair value in the case of pooled deposits for trust funds.

Custodial credit risk for deposits is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

At June 30, 2023, the carrying amount of the Town's deposits, including the component unit, was \$10,642,759 and the bank balance was \$10,901,483. The entire bank balance was insured under FDIC or collateralized under an agreement with Washington Trust.

At June 30, 2023, deposits are categorized as follows:

	<u>Insured/ Collateralized in Town's Name</u>	<u>Total Bank Balance</u>	<u>Carrying Amount</u>
Governmental Funds			
Demand Deposits	\$ 5,792,631	\$ 4,662,105	\$ 5,533,232
ICS Account	2,686,261	2,686,261	2,686,261
Money Market	2,271,405	3,401,931	2,271,405
Petty Cash	-	-	675
Total Governmental	<u>\$ 10,750,297</u>	<u>\$ 10,750,297</u>	<u>\$ 10,491,573</u>
Fiduciary Funds			
Pension Money Market	151,186	151,186	151,186
	<u>\$ 10,901,483</u>	<u>\$ 10,901,483</u>	<u>\$ 10,642,759</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 2. Cash and Investments (continued)**

**B. Investments**

The majority of investment activities are conducted through a contracted investment management firm; such investments are held in a pooled trust fund account in the Town's name.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Maturities</u>
Primary Government:		
Short Term Investments		
Certificate of Deposit	\$ 12,631	10/19/2023
Certificate of Deposit	17,823	12/27/2023
Noncurrent Investments		
Stock	6,671	N/A
<b>Total Investments</b>	<b>\$ 37,125</b>	

<u>Investment Type</u>	<u>Carrying Amount</u>
Pension Trust Fund:	
Mutual Funds	\$ 8,236,702
Collective Funds	4,248,292
<b>Total Investment</b>	<b>\$ 12,484,994</b>

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market value rates.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2023, the Town's investments were unrated.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 2. Cash and Investments (continued)**

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The investments listed on the following page represent 5% or more of total investments, as well as investments that represent 5% or more of the Pension Trust Fund's net position available for benefits.

**Investments representing 5% or more of total investments:**

MFS Value	\$	1,574,127
Vanguard S&P 500		2,157,527
Vanguard Growth		751,520
Kayne Anderson Small Cap		1,362,884
Vanguard Total International Index		883,216
Bradford Marzec Core Plus		-
Blackrock Strategic Income		2,555,920
Total Investments representing 5% or more	\$	<u>10,977,567</u>

**All other investments:**

First Eagle	\$	558,623
Vanguard Small Cap Index		594,773
Cohen Steers Real Estate Sec 1		354,031
Total other pension investments	\$	<u>1,507,427</u>
 Total Pension Investments	 \$	 <u>12,484,994</u>
 Certificates of deposits	 \$	 30,454
Stock		<u>6,671</u>
 Total all Investments	 \$	 <u><u>12,522,119</u></u>

The Town follows the guidance of the fair value measurement and disclosures in accordance with GASB Statement No. 72, "Fair Value Measurement and Application". The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Unadjusted quoted priced in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for asset or liability (supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk).

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 2. Cash and Investments (continued)**

Description	June 30, 2023	Fair Value Measurement		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable (Level 3)
<i>Primary Government</i>				
Certificate of Deposit	\$ 12,631	\$ -	\$ 12,631	\$ -
Certificate of Deposit	17,823	-	17,823	-
Stock	6,671	6,671	-	-
<i>Pension Trust Fund</i>				
Mutual Funds	8,236,702	8,236,702	-	-
Collective Funds	4,248,292	4,248,292	-	-
Total investments by fair value level	<u>\$ 12,522,119</u>	<u>\$ 12,491,665</u>	<u>\$ 30,454</u>	<u>\$ -</u>

**Note 3. Receivables**

The Town assesses taxes each December 31<sup>st</sup> and the levy thereon may be paid in full on or before September 30<sup>th</sup>, or quarterly, on or before September 30<sup>th</sup>s, December 31<sup>st</sup>, March 31<sup>st</sup>, and June 30<sup>th</sup>, without penalty, at the taxpayer's option. Once levied, the taxes are recorded as receivables, net of estimated uncollectible amounts. Under the modified accrual basis, real estate, personal property and other excise taxes levied are recorded as receivables in the fiscal year of the levy and as revenue when collected within the current year or expected to be collected within 60 days after the end of the current year. Taxes not collected within this time period are classified as deferred inflows of resources.

During the year ended June 30, 2023, the Town received \$366,775 from the State of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicles tax. During fiscal 2018 the State of Rhode Island passed legislation to reinstate the motor vehicles excise tax phase-out program. The specific of the program are detailed in Chapter 34.1 if Title 44 of the Rhode Island General Laws.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 3. Receivables**

***Lease Receivables***

The Town of Little Compton is reporting leases receivables of \$452,039 at June 30, 2023. For fiscal year 2023 the Town reported lease revenue of approximately \$47,500 and interest revenues of approximately \$100 related to the lease payments received. A description of the Town's leasing arrangements is as follows:

*Cell Tower Leases:* The Town has entered into a lease agreement with Verizon for cell towers:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
Verizon	January 10, 2006	25	December 31, 2031	Monthly

A summary of the future principal to be received is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	47,501	106	47,608
2025	48,927	109	49,036
2026	50,394	113	50,507
2027	51,906	116	52,022
2028	53,463	119	53,582
2029 - 2031	199,847	569	200,416
	<u>\$452,039</u>	<u>\$ 1,131</u>	<u>\$453,170</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 4. Capital Assets**

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

<b>Government Activities</b>	<b>July 1, 2022</b>	<b>Increases</b>	<b>Decreases</b>	<b>June 30, 2023</b>
Capital assets not being depreciated				
Land and land easements	\$ 548,179	\$ -	\$ -	\$ 548,179
Construction in progress	340,987	1,062,205	-	1,403,192
Total capital assets not being depreciated	<u>889,166</u>	<u>1,062,205</u>	<u>-</u>	<u>1,951,371</u>
Capital assets being depreciated				
Infrastructure	503,997	48,734	-	552,731
Buildings & building improvements	16,397,135	15,000	-	16,412,135
Land improvements	1,363,619	-	-	1,363,619
Vehicles	1,348,606	317,310	-	1,665,916
Machinery and equipment	1,447,690	57,806	22,000	1,527,496
Office equipment	97,681	-	-	97,681
Technology equipment	753,461	13,395	-	766,856
Library and textbooks	442,845	-	-	442,845
Total capital assets, being depreciated	<u>22,355,034</u>	<u>452,245</u>	<u>22,000</u>	<u>22,829,279</u>
Amortized asset				
Intangible right to use				
Leased machinery and equipment	89,900	-	-	89,900
Leased technology equipment	114,704	-	-	114,704
Leased vehicle and vessels	662,811	-	-	662,811
Total amortized asset	<u>867,415</u>	<u>-</u>	<u>-</u>	<u>867,415</u>
Accumulated depreciation				
Infrastructure	138,055	13,534	-	151,589
Buildings & building improvements	7,697,591	676,863	-	8,374,454
Land improvements	332,982	34,287	-	367,269
Vehicles	996,652	41,479	-	1,038,131
Machinery and equipment	1,126,589	115,499	(22,000)	1,220,088
Office equipment	94,353	247	-	94,600
Technology equipment	615,377	18,872	-	634,249
Library and textbooks	421,999	4,256	-	426,255
Total accumulated depreciation	<u>11,423,598</u>	<u>905,037</u>	<u>(22,000)</u>	<u>12,306,635</u>
Accumulated amortization				
Leased machinery and equipment	72,295	13,076	-	85,371
Leased technology equipment	54,239	29,411	-	83,650
Leased vehicle and vessels	397,659	99,459	-	497,118
Total accumulated amortization	<u>524,193</u>	<u>141,946</u>	<u>-</u>	<u>666,139</u>
Total capital assets being depreciated, net	<u>10,931,436</u>	<u>(452,792)</u>	<u>44,000</u>	<u>10,522,644</u>
Governmental activities capital assets, net	<u>\$ 12,163,824</u>	<u>\$ 467,467</u>	<u>\$ 44,000</u>	<u>\$ 12,675,291</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 4. Capital Assets (continued)**

For the year ended June 30, 2023, depreciation was charged to the following functions:

Governmental activities	
General government	\$ 13,580
Public safety	209,500
Public works	64,838
Education	711,003
Parks, recreation, and other services	<u>26,062</u>
Total governmental activities depreciation expense and amortization expense	<u><u>\$ 1,024,983</u></u>

Capital asset activity for the Town of Little Compton's Component Unit, the Agricultural Trust, for the year ended June 30, 2023 was as follows:

<b>Government Activities</b>	<u><b>July 1, 2022</b></u>	<u><b>Increases</b></u>	<u><b>Decreases</b></u>	<u><b>June 30, 2023</b></u>
Capital Assets				
Land and land easements	<u>\$ 34,734,995</u>	<u>\$ 1,175,000</u>	<u>\$ -</u>	<u>\$ 35,909,995</u>
Total capital assets	<u><u>\$ 34,734,995</u></u>	<u><u>\$ 1,175,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,909,995</u></u>

**Note 5. Long-term Obligations**

	Balance, July 1, 2022	Additions	Retirements	Balance, June 30, 2023	Due within one year
Bonds payable:					
Revenue bonds - RIHEBC	\$ 7,885,000	\$ -	\$ 520,000	\$ 7,365,000	\$ 540,000
General Obligation Bond Series 2022	<u>2,000,000</u>	<u>-</u>	<u>140,000</u>	<u>1,860,000</u>	<u>205,000</u>
Total bond payable	9,885,000	-	660,000	9,225,000	745,000
Premium on revenue bonds-RIHEBC	150,996	-	21,605	129,391	20,263
Capital leases	343,222	-	141,946	201,276	76,612
Compensated absences	<u>326,763</u>	<u>28,141</u>	<u>12,729</u>	<u>342,175</u>	<u>25,663</u>
Total long-term obligations	<u><u>\$ 10,705,981</u></u>	<u><u>\$ 28,141</u></u>	<u><u>\$ 836,280</u></u>	<u><u>\$ 9,897,842</u></u>	<u><u>\$ 867,538</u></u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 5. Long-term Obligations (continued):**

General Obligations Bonds:

At a Financial Town, meeting in fiscal year 2013, the Town approved the issuance of \$11,310,000 of revenue bonds. The bonds, dated December 10, 2013, are due May 15, 2034. The bonds provide for a varying interest rate with a yield of 4.1063%. Interest is due semiannually on November 15<sup>th</sup> and May 15<sup>th</sup>. In fiscal year 2022, the Town approved the issuance of \$2,000,000 general obligation bond. The bond, dated March 22, 2022, was issued at an interest rate of 1.88% and matures on March 15, 2032. Interest is due semiannually on March 15<sup>th</sup> and September 15<sup>th</sup>.

Governmental Activities	Date issued	Maturity date	Amount issued	Interest rate	July 1, 2022	Additions	Retirements	June 30, 2023	Interest paid
Revenue Bonds - RIHEBC	12/10/13	5/15/34	\$ 11,310,000	3.16% - 4.25%	\$ 7,885,000	\$ -	\$ 520,000	\$ 7,365,000	\$ 334,988
General Obligation Bond Series 2022	3/22/22	3/15/32	\$ 2,000,000	1.88%	2,000,000	-	140,000	1,860,000	36,869
					<u>\$ 9,885,000</u>	<u>\$ -</u>	<u>\$ 660,000</u>	<u>\$ 9,225,000</u>	<u>\$ 371,857</u>

Events of default include failure to make principal and interest payments when due, defaults related to performance or observance of any other covenants, agreements or conditions that have not been remedied, or the Town's inability to pay its debts. Upon notice of any events of default, all principal and accrued interest may be declared due and payable immediately. Revenues received by the Town of Little Compton, Rhode Island are pledged as security on the revenue bonds.



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 5. Long-term Obligations (continued):**

Maturity of bonds to be paid by the general fund, are as follows:

Year	Principal	Interest	Total
2024	745,000	349,156	1,094,156
2025	765,000	323,702	1,088,702
2026	785,000	297,448	1,082,448
2027	815,000	264,594	1,079,594
2028	1,305,000	395,776	1,700,776
2029-2031	2,245,000	739,942	2,984,942
2032-2034	2,565,000	207,098	2,772,098
	<u>\$ 9,225,000</u>	<u>\$ 2,577,716</u>	<u>\$ 11,802,716</u>

The Town's obligation for capital leases is recorded in the government-wide financial statements. Changes in the Town's capital leases during the year ended June 30, 2023 were as follows:

	Date issued	Amount issued	Interest rate	Balance, July 1, 2022	Additions	Retirements	Balance, June 30, 2023	Due within one year	Interest Paid
Governmental activities:									
2015 Freightliner	09/10/15	\$ 385,402	2.92%	\$ 59,775	\$ -	\$ 59,775	\$ -	\$ -	\$ 3,447
2016 John Deere backhoe	11/06/18	89,900	5.75%	17,605	-	13,076	4,529	4,528	671
2020 Computer	07/29/20	114,704	4.00%	60,465	-	29,411	31,054	31,054	2,711
2020 Emergency Medical Vehicle	12/26/20	278,409	3.39%	205,377	-	39,684	165,693	41,030	5,661
				<u>\$ 343,222</u>	<u>\$ -</u>	<u>\$ 141,946</u>	<u>\$ 201,276</u>	<u>\$ 76,612</u>	<u>\$ 12,490</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 5. Long-Term Obligations (continued):**

The following is a schedule of capital leases outstanding and future minimum lease payments under capital leases:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 76,612	\$ 6,782
2025	38,384	4,316
2026	42,421	2,925
2027	43,859	1,487
Total	<u>\$201,276</u>	<u>\$ 15,510</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 6. Fund Balance Classification**

	Major Funds					Non-Major Funds			Total
	General Fund	School Unrestricted	Town Hall Project	Ambulance Reimbursement	American Rescue Plan	Special Revenue	Capital Projects	Permanent Trust	
<b>Fund Balances</b>									
<b>Nonspendable</b>									
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Inventories	54,069	-	-	-	-	-	-	-	54,069
Prepaid expenses	1,911	67,794	-	61,523	-	284	-	-	131,512
<b>Restricted for</b>									
General government	-	-	-	-	-	188,706	-	-	188,706
Cemetery costs	-	-	-	-	-	-	-	102,755	102,755
Educational purposes	-	-	-	-	-	116,160	-	14,243	130,403
Public works	-	-	-	-	-	73,531	-	-	73,531
Public safety	-	-	-	58,802	-	196,936	-	-	255,738
Parks, recreation, and other	-	-	-	-	-	161,948	-	14,652	176,600
Community development	-	-	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-	-	-
<b>Committed to</b>									
Parking lot fund	-	-	-	-	-	-	43,008	-	43,008
Capital expenditures	-	-	-	-	-	-	293,526	-	293,526
Revaluation	-	-	-	-	-	-	50,356	-	50,356
Education Renovation	-	-	-	-	-	-	288,061	-	288,061
Town Hall Projects	-	-	998,453	-	-	-	-	-	998,453
<b>Assigned to</b>									
Reserve for encumbrances	542,654	-	-	-	-	-	-	-	542,654
Educational purposes	-	636,637	-	-	-	-	-	-	636,637
<b>Unassigned</b>	<b>2,741,624</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(103,354)</b>	<b>(34,208)</b>	<b>-</b>	<b>2,604,062</b>
	<u>\$ 3,340,258</u>	<u>\$ 704,431</u>	<u>\$ 998,453</u>	<u>\$ 120,325</u>	<u>\$ -</u>	<u>\$ 634,211</u>	<u>\$ 640,743</u>	<u>\$ 141,650</u>	<u>\$ 6,580,071</u>

**Note 7. Interfund Transactions**

The interfund activity presented below is for the fund statement level only. These balances include both due from/to other funds and intra-equity receivables and payables.

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Other Financing Sources</u>	<u>Other Financing Uses</u>
<b>Major Governmental Funds</b>				
General fund	\$ 405,729	\$ 38,139	\$ -	\$ 139,764
School unrestricted fund	89,913	71,496	-	303,451
Town Hall Project	-	247,029	-	-
<b>Non-Major Governmental Funds</b>				
Special revenue funds	86,564	196,571	-	-
Permanent funds	-	51	-	-
Capital projects	5,288	34,208	443,215	-
Totals	<u>\$ 587,494</u>	<u>\$ 587,494</u>	<u>\$ 443,215</u>	<u>\$ 443,215</u>

## TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

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### Note 8. Pension Plans

#### Employees' Retirement System Defined Benefit Pension Plan (ERS)

##### General Information about the Pension Plan

**Plan description** - Certain employees of the Town of Little Compton, RI, (Town) 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. The report may be obtained at <http://www.ersri.org>.

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

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

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

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

**Contributions** - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2023, the Town's 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 Town 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 Town; the rates were 11.12% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2022 for the state and Town, respectively. The Town contributed \$423,559, \$420,087 and \$402,230 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2023 was \$313,163 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Employees' Retirement System Defined Benefit Pension Plan (ERS) (continued)**

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

At June 30, 2023, the Town reported a liability of \$3,941,305 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town proportionate share of net pension liability	\$ 3,941,305
State's proportionate share of the net pension liability associated with the Town	<u>2,914,872</u>
Total net pension liability	<u><u>\$ 6,856,177</u></u>

The net pension liability was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The Town's proportion of the net pension liability was based on a projection of the Town'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, 2022 the Town's proportion was 0.14593540%.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 8. Pension Plans (continued)**

**Employees' Retirement System Defined Benefit Pension Plan (ERS) (continued)**

For the year ended June 30, 2023 the Town recognized gross pension expense of \$405,992 and revenue of \$187,918 for support provided by the State, resulting in a net pension expense of \$218,074. At June 30, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 58,375	\$ 76,658
Changes of assumptions	79,491	59,091
Net difference between projected and actual earnings on pension plan investments	-	82,468
Changes in proportion and differences between System contributions and proportionate share contributions	256,402	126,078
Contributions subsequent to the measurement date	423,559	-
	\$ 817,827	\$ 344,295
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ 49,973

\$423,559 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 32,103
2025	(2,534)
2026	(94,874)
2027	114,896
2028	4,310
Thereafter	(3,928)
	\$ 49,973

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Employees' Retirement System Defined Benefit Pension Plan (ERS) (continued)**

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

**Note 8. Pension Plans (continued)**

**Employees' Retirement System Defined Benefit Pension Plan (ERS) (continued)**

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

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

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

<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
\$ 4,944,691	\$ 3,941,305	\$ 3,029,616

**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 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. 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 Town recognized pension expense of \$218,074 for the fiscal year ended June 30, 2023.

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 LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

**Note 8. Pension Plans (continued)**

**Teachers' Survivors Defined Benefit Pension Plan (TSB)**

**General Information about the Pension Plan**

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

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

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

**Note 8. Pension Plans (continued)**

**Teachers' Survivors Defined Benefit Pension Plan (TSB) (continued)**

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

Parent and 1 Child	Parent and 2 or more Children	1 Child Alone	2 Children Alone	3 or more Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

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

The Town contributed \$3,910, \$4,140 and \$3,872 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2023 the Town reported an asset of \$962,961 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2022 the Town proportion was 0.54798056%.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 8. Pension Plans (continued)**

**Teachers' Survivors Defined Benefit Pension Plan (TSB) (continued)**

For the year ended June 30, 2023 the Town recognized pension expense of \$85,712 an increase in the net pension asset. At June 30, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Description of Outflows/Inflows</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 23,664	\$ 124,014
Changes of assumptions	23,399	32,254
Net difference between projected and actual earnings on pension plan investments	-	22,271
Changes in proportion and differences between System contributions and proportionate share contributions	139,518	188,015
Contributions subsequent to the measurement date	3,910	-
	<u>\$ 190,491</u>	<u>\$ 366,554</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (179,973)</u>

\$3,910 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2023 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ (14,351)
2025	(63,165)
2026	(74,355)
2027	12,664
2028	(20,367)
Thereafter	(20,399)
	<u>\$ (179,973)</u>

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Teachers' Survivors Defined Benefit Pension Plan (TSB) (continued)**

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

Inflation	2.50%
Salary increases	3.00% to 13.00%
Investment rate of return	7.00%

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

Cost of living adjustment – eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment – for valuation purposes, a 2.50% cost of living adjustment is assumed.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

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

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Teachers' Survivors Defined Benefit Pension Plan (TSB) (continued)**

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

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

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

<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
\$ (845,329)	\$ (962,961)	\$ (1,069,837)

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

**Town Pension Plan, Other than Certified Teachers**

**(a) Plan Administration**

The retirement plan for the Employees of the Town (the Plan) is a single employer, contributory defined benefit pension plan which provides retirement, disability, and death benefits to substantially all full-time employees of the Town except School Department personnel certified by the Rhode Island Department of Education (Certified Employees) who are eligible to participate in the Employee's Retirement System of the State of Rhode Island. The plan was established in accordance with the Town Charter and State Statutes.

The plan is administered by a pension committee consisting of four members appointed annually by the Town Council, plus three members of the various unions. The pension committee can make minor changes while major changes require Financial Town Meeting approval. State law gives the Town Council authority to negotiate union contracts.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Town Pension Plan, Other than Certified Teachers**

***(b) Plan Membership***

At June 30, 2023, pension plan membership consisted of the following:

Active plan members	51
Terminated vested	11
Retirees and Beneficiaries	<u>41</u>
Subtotal	<u><u>103</u></u>

***(c) Benefits Provided***

Plan participation commences on the first day of the month coincident with or following the day of hire, if the employee chose to participate in the Plan. Members of the Town Council and Certified Employees of the School Department are not eligible to participate in the Plan. The normal form of the benefit is a life annuity.

The normal retirement date for police and fire employees is upon completion of twenty-five years of credited service. Any police officer hired after July 1, 2004 must have also attained age 55. The normal retirement date for all other employees is their 62nd birthday.

The normal retirement benefits are a product of 1.65% of the employee's average compensation and the years of service. Compensation is defined as the basic rate of pay in effect on July 1 of each Plan year, exclusive of overtime pay and bonuses. Average compensation is compensation averaged over three consecutive years out of the last ten years producing the highest average prior to termination of employment. For members of the fire and police departments, the annualized rate of pay in effect in the last year of employment is used.

- Effective July 1, 1992, members of the police and fire departments may retire after 25 years of service at 50 percent of their highest annual salary, regardless of age.
- Effective July 1, 1997, members of the police and fire departments will receive an additional 2% of salary for each year of service in excess of 25 years, subject to a maximum of five additional years.
- The minimum annual benefit is \$100 multiplied by the number of years of service.
- Effective July 1, 2000, participants in pay status receive an annual cost-of-living increase of 2%.
- Effective July 1, 2016, the 2% per year cost of living increase shall apply only to the first \$25,000 of a retiree's pension for Fire Department participants hired on or after July 1, 2012, and for Municipal participants who retire after July 1, 2012.
- Effective July 1, 2018, the 2% per year cost-of-living increase shall apply only to the first \$25,000 of a retiree's pension for Police Department participants hired on or after July 1, 2018.

Employees who have reached age 50 and have 20 years of service may retire and receive an early retirement benefit. The amount of the early retirement benefit equals 1.25% of the average compensation times the years of service. Alternatively, the participants may elect to defer payment of the accrued benefit until their normal retirement date.

# TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

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## **Note 8. Pension Plans (continued)**

### **Town Pension Plan, Other than Certified Teachers (continued)**

The Plan includes disability benefits for members who have been credited with ten or more years of service and become totally and permanently disabled; such members shall be entitled to payment of the accrued benefit.

If a participant who is a member of the fire or police departments separates from service by reason of occupational disability, the participant is entitled to a monthly benefit equal to 68% of the participant's compensation at the time of occupational disability. A participant receiving an occupational disability is not eligible for the cost-of-living increases.

All employees with ten years of credited service have a non-forfeitable right to the accrued benefit as of the date of termination of employment payable at their normal retirement date. Notwithstanding this vesting schedule, a participant becomes 100% vested upon reaching the normal retirement date.

*Method used to value investments.*

Investments are reported at fair market value as of the measurement date. By contract, an independent appraisal is obtained once every year to determine the fair market value of the assets.

#### **(d) Contributions**

Contribution requirements are established and may be amended by Town Council ordinance or union contract.

Employees are required to contribute to the Plan as follows:

- Commencing July 1, 1995 and ending June 30, 1997, participants who were members of the fire department (other than the Fire Chief) contributed to the Plan an amount equal to 4.5% of their compensation.
- Effective July 1, 1997, employee contributions for the fire department members were no longer required.
- Commencing July 1, 1994 and ending June 30, 2001, police officers hired after July 1, 1994 were required to contribute 2.5% of their base annual compensation.
- Effective July 1, 2000, employee contributions for the police department members were no longer required.
- Effective July 1, 2012, any fire, police, or municipal employee hired after July 1, 2012 shall contribute to the Plan an amount equal to 7.0% of compensation.

The Town is required to contribute an amount determined in accordance with an actuarial valuation.

### **Investments**

#### **(a) Investment Policy**

The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

# TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

For the Year Ended June 30, 2023

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## Note 8. Pension Plans (continued)

### Town Pension Plan, Other than Certified Teachers (continued)

#### Investments (continued)

The following was the Committee's adopted asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Target Asset Allocation</u>
Cash	1.20%	0.00%
Fixed income	33.60%	35.00%
Large cap equity	35.50%	33.50%
Small cap equity	15.50%	13.50%
International equity	11.40%	15.50%
REITs	2.80%	2.50%
Total	<u>100.0%</u>	<u>100.0%</u>

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

#### *(b) Concentrations*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2023, the Plan had no investments in any one organization that represented 5% or more of the Plan's net position restricted for pension.

#### *(c) Money-Weighted Rate of Return*

For the year ended June 30, 2023 the annual money-weighted rate of return on Plan investments, net of investment expense, was 10.22%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

#### *(d) Custodial Credit Risk*

Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the Plan, and are held by either the counterparty or the counterparty's trust department or agent but not in the Plan's name.

At June 30, 2023, there were no deposits subject to custodial credit risk.



# TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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## **Note 8. Pension Plans (continued)**

### **Town Pension Plan, Other than Certified Teachers (continued)**

#### **Investments (continued)**

##### *(e) Interest Rate Risk*

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. At June 30, 2023, there were no deposits subject to interest rate risk.

##### *(f) Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of June 30, 2023, the Plan has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded.

##### *(g) Credit Risk*

Credit risk is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations to the Plan. There are no Plan-wide policy limitations for credit risk exposures within the portfolio. Each portfolio is managed in accordance with an investment contract that is specific as to permissible credit quality ranges, the average credit quality of the overall portfolios, and issuer concentration.

##### *(h) Foreign Currency Risk*

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit. At June 30, 2023, there were no deposits subject to foreign currency risk.

##### *(i) Derivatives*

Derivatives are financial instruments whose values depend upon, or are derived from, the value of something else, such as one or more underlying investments, indexes or currencies. Derivatives may be used both for hedging and to enhance returns. Derivatives may be traded on organized exchanges, or individually negotiated transactions with other parties, known as over-the-counter derivatives. Derivatives involve special risks and costs and may result in losses to the Plan. The successful use of derivatives requires sophisticated management, and, to the extent that derivatives are used, the Plan will depend on the investment managers and their advisors to analyze and manage derivatives transactions.

Certain commingled funds held by the Plan at the year-end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative holdings of the commingled fund managers can be found in their respective audited financial statements. The plan did not directly own any derivatives as of June 30, 2023.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Town Pension Plan, Other than Certified Teachers (continued)**

**Net Pension Liability of the Plan**

The components of the net pension liability of the Plan at June 30, 2023, were as follows:

Total pension liability	\$	16,035,719
Plan fiduciary net position		<u>(13,153,163)</u>
Town's net pension liability		<u>\$ 2,882,556</u>
Plan fiduciary net position as a percentage of the total pension liability		82.02%

**(a) Actuarial assumptions**

The total pension liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	6.91%
Long term rate of Return on investments	7.00%
Municipal Bond	4.13%, the Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index.
Inflation	2.50%
Mortality	Pub-2010 below median weighted 30% Teacher/ 40% Safety/ 30% General Government with scale MP-2021 Generational Improvements (Male/Female). Separate tables are used for Employees, Healthy Retirees, Contingent Survivors, and Disabled Annuitants.
Salary Scale	2.50%
Retirement Age	Members of the Fire and Police Departments are assumed to retire at the earlier of age 62, or the completion of 30 Years of Service. Participants who are not members of the Fire and Police Departments are assumed to retire at age 62.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period ended June 30, 2023.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Town Pension Plan, Other than Certified Teachers (continued)**

**Net Pension Liability of the Plan (continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.40%
Fixed income	4.00%
Large cap equity	8.40%
Small cap equity	10.20%
International equity	8.40%
REITs	11.30%

**(b) Discount rate**

The discount rate used to measure the total pension liability was 6.91 percent. The projection of cash flows used to determine the discount rate assumed that 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 not 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 20 years and the municipal bond rate for the remaining years of projected benefit payments to determine the total pension liability.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

**Note 8. Pension Plans (continued)**

**Town Pension Plan, Other than Certified Teachers (continued)**

**Net Pension Liability of the Plan (continued)**

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
<b>Balance as of 7/1/2022</b>	\$ 15,954,980	\$ 12,275,554	\$ 3,679,426
<b>Changes for the year:</b>			
Service cost	290,359	-	290,359
Interest on total pension liability	1,083,980	-	1,083,980
Differences between expected and actual experience	(415,071)	-	(415,071)
Changes in assumptions	34,887	-	34,887
Contributions - employer	-	537,861	(537,861)
Contributions - employee	-	73,370	(73,370)
Net investment income	-	1,203,739	(1,203,739)
Benefit payments	(913,416)	(913,416)	-
Administrative expense	-	(23,945)	23,945
<b>Net changes</b>	<b>80,739</b>	<b>877,609</b>	<b>(796,870)</b>
<b>Balance as of 6/30/2023</b>	<b>\$ 16,035,719</b>	<b>\$ 13,153,163</b>	<b>\$ 2,882,556</b>

**(c) Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the Plan, calculated using the discount rate of (6.91 percent), 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 (5.91 percent) or 1-percentage-point higher (7.91 percent) than the current rate:

	<b>1% Decrease Rate (5.91%)</b>	<b>Current Discount Rate (6.91%)</b>	<b>1% Increase Rate (7.91%)</b>
Plan's Net Pension Liability	\$ 4,804,174	\$ 2,882,556	\$ 1,283,578

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Town Pension Plan, Other than Certified Teachers (continued)**

**Net Pension Liability of the Plan (continued)**

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

For the year ended June 30, 2023, the Town recognized pension expense of \$697,074. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 314,657	\$ 621,489
Changes in assumptions	390,558	210,398
Difference between projected and actual earnings on plan investments	1,734,580	1,096,265
Total deferred outflows / (inflows)	\$ 2,439,795	\$ 1,928,152

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

**Year ended June 30:**

2024	\$ 214,125
2025	99,254
2026	487,948
2027	(62,693)
2028	(114,939)
Thereafter	(112,052)
	\$ 511,643

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 8. Pension Plans (continued)**

**Town Pension Plan, Other than Certified Teachers (continued)**

**Net Pension Liability of the Plan (continued)**

**Aggregate Pension Amounts Reported in the Financial Statements:**

As required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions and amendment of GASB Statement No. 34 the table below presents the aggregate amount of pension expense, pension liabilities (assets), and deferred inflows and outflows for the defined benefit plans of the Town of Little Compton, Rhode Island and for the Town’s component unit.

	ERS	TSB	Town Plan	Total
Deferred Outflows of Resources - Pension	\$ 817,827	\$ 190,491	\$2,439,795	\$ 3,448,113
Deferred Inflows of Resources - Pension	344,295	366,554	1,928,152	2,639,001
Net Pension (Asset)	-	962,961	-	962,961
Net Pension Liability	3,941,305	-	2,882,556	6,823,861
Pension Expense	247,338	(85,712)	697,074	858,700
Total	\$ 5,350,765	\$ 1,434,294	\$7,947,577	\$ 14,732,636

**Note 9. Other Post-employment Benefits**

**Plan Description**

In addition to pension benefits, the Town and School Department provide, under the provisions of various union contracts and other employment agreements, post-employment health insurance benefits, or compensation in lieu of post-employment health insurance benefits, to eligible retirees for a specified maximum number of years. Eligibility is determined based on years of service, employee age, and other available health care coverage.

**Plan Types**

The Town and School Department participate in a single employer defined benefit other post-employment benefit plan.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 9. Other Post-employment Benefits (continued)**

**Town Membership**

As of June 30, 2023, the latest available membership census is as follows:

<b>Description</b>	<b>Active Employees</b>	<b>Inactive or Beneficiaries Receiving Benefits</b>	<b>Total</b>
Number	42	13	55

**Funding Policy**

The Town and School Department fund these benefits on a pay-as-you-go basis. During the year ended June 30, 2023, post-employment benefits totaling \$205,700 were received by six participants.

**Investment Policy**

The Town and School’s policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town and School to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town and School’s adopted asset allocation policy as of June 30, 2023:

<b>Asset Class</b>	<b>Target Allocation</b>
Fixed income	35.0%
Domestic equity	47.0%
International equity	15.5%
Real estate	2.5%
Total	100.0%

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 9. Other Post-employment Benefits (continued)**

**Concentrations**

There were no concentrations noted as of June 30, 2023.

**Net OPEB Liability of the Town**

The components of the net OPEB liability of the Town at June 30, 2023 were as follows:

Total OPEB liability	\$ 1,652,880
Plans fiduciary net position	-
Town's net OPEB liability	<u>\$ 1,652,880</u>
Plan net position as a percentage of the total OPEB liability	0.00%

For the year ended June 30, 2023 OPEB expenses totaled \$45,528.

**Actuarial Methods and Assumptions**

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

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2023.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	None noted
<b>Actuarial Assumptions:</b>	
Single Equivalent Discount Rate:	3.6%, net of OPEB plan investment expense, including inflation
Salary Increases:	2.00% annually as of June 30, 2023 and for future periods
Retirement rates:	The probability of remaining employed until retirement age from current and entry age by age comes from The U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Assumed retirement age:	62
Mortality:	Life expectancy by gender comes from the Life Expectancy Table from National Center for Health Statistics updated in 2015.



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 9. Other Post-employment Benefits (continued)**

**Actuarial Methods and Assumptions (continued)**

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 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 target asset allocation as of June 30, 2023 are summarized in the following table:

<b>Asset Class</b>	<b>Long-Term Expected Real Rate of Return</b>
Cash	3.00%
Fixed income	4.38%
Domestic equity	5.88%
International equity	7.78%
Real estate	6.20%

**Discount rate**

The discount rate used to measure the total OPEB liability was 3.8 percent. The projection of cash flows used to determine the discount rate assumed that Town and School contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.8 percent) or 1-percentage-point higher (4.8 percent) than the current discount rate:

	<b>Impact of 1% Change in Discount Rate</b>		
	<b>1% Decrease (2.80%)</b>	<b>Current discount rate (3.80%)</b>	<b>1% Increase (4.80%)</b>
Total OPEB liability	\$ 1,742,178	\$ 1,652,880	\$ 1,566,192

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 9. Other Post-employment Benefits (continued)**

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates**

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.0 percent) or 1- percentage-point higher (6.0 percent) than the current healthcare cost trend rates:

	<b>Impact of 1% Change in Healthcare Trend Rate</b>		
	<b>1% Decrease (4.00%)</b>	<b>Current trend rate (5.00%)</b>	<b>1% Increase (6.00%)</b>
Total OPEB liability	\$ 1,561,611	\$ 1,652,880	\$ 1,754,508

**Note 10. Commitments and Contingencies**

Various lawsuits and claims are pending against the Town and the Agricultural Trust. A number of lawsuits are being defended by the Town's insurers and the claims are within the limits of coverage; therefore, they pose no risk of loss. With the exception of the Hartley v. Little Compton case described in Note 11. Risk Management, the outcome of the remaining lawsuits and claims cannot be estimated at this time and, accordingly, the Town and the Agricultural Trust have not established a reserve for loss contingencies.

Amounts received or receivable from grantor agencies are subject to audit and adjustments by 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.

**Note 11. Fund Deficits**

Individual funds had the following deficit fund balances at June 30, 2023:

<b>Town Special Revenue</b>	
Basketball Court	\$ 52
AFG	6,419
Coronavirus Relief	9,505
Municipal Reiliency	108,089
 <b>Capital Projects</b>	
School Renovations	33,856
Pike's Peak	352
	\$ 158,273

The deficit fund balances noted above will be eliminated through transfers of other funds and through reimbursement.

# TOWN OF LITTLE COMPTON, RHODE ISLAND

## Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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### **Note 12. Risk Management**

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

The School Department purchases commercial insurance for all of its risks of loss. There were no significant reductions in insurance coverage during the year ended June 30, 2023.

The Town also participates in the Health Pool (the Pool), a non-profit, public entity risk pool which provides programs of liability, workers' compensation, and health insurance coverage to Rhode Island cities, towns and other governmental units. Upon joining the Pool, members execute a member agreement. That document, pursuant to which the Pool was established and operates, outlines the rights and responsibilities of both the members and the Pool. Members of the Pool participate in the Pool's health insurance plan administered through the Trust and Blue Cross Blue Shield of Rhode Island (BCBSRI). Using the rate calculations prepared by BCBSRI, the Pool sets annual contribution rates for the subscribers of each member for each program offered. The Pool agreement requires that those contribution rates be set at a level sufficient, in the aggregate, to satisfy the funding requirements of the Pool. The contributions of each member are deposited into the General Fund and are used to pay for claims, reinsurance and all administrative expenses.

### **Note 13. Joint Venture**

The Little Compton School Department (LCSD), in conjunction with three other member school departments, participates in a joint venture entitled the Newport County Regional Special Education Program (NCRSEP). NCRSEP was formed to provide services to qualified special needs students in the four towns. Each town is assessed its share of the NCRSEP annual operating budget based on each town's share of total students in the region averaged with each town's share of students in the special education program. NCRSEP also administers the federally funded IDEA Part B program for each of the towns. Each town pays salaries and employee benefits directly to the teachers and aides on their respective payroll that work directly for the program; such amounts are deducted from the gross annual assessment. LCSD's net assessment for 2023, net of IDEA funds was approximately \$209,000.

At June 30, 2023, a total of \$34,106 in Medicaid reimbursements due to the LCSD has been recorded as a liability of NCRSEP. This amount represents Medicaid reimbursements received by NCRSEP over a number of years in excess of the budgeted receipts for Little Compton.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Notes to the Financial Statements

*For the Year Ended June 30, 2023*

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**Note 13. Joint Venture (Continued)**

During fiscal year 2023, the Board of Directors of NCRSEP voted to terminate the joint venture effective June 30, 2023. Accordingly, the educational services provided by the NCRSEP will now need to be provided by each member's school district. LCSD has formed a student services department which will provide the required special need services for the students of LCSD. The cost associated with the newly formed department has been sufficiently provided for in the Fiscal Year 2024 Budget. Accordingly, there will be no budgetary financial impact for the year ending June 30, 2024. NCRSEP is currently winding down their operations and has engaged a third party to assist in the liquidation of the entity. Based on the latest financial information provided there is an excess of assets over liabilities. A distribution of the net assets to the existing member school departments is anticipated to be made by the end of the current fiscal year.

**Note 14. Restatement**

In some instances, beginning fund balances have been restated as a result of adjustments made to correct or reclassify prior year balances. Such adjustments are summarized as follows:

	<u>Major Fund</u> <u>Special Revenue</u> <u>Ambulance Receivable</u>
Beginning balance, July 1, 2022	\$ 225,040
To record deferred revenue related to the Emergency Medical Service	<u>(146,637)</u>
Beginning balance, July 1, 2022, restated	<u>\$ 78,403</u>

**Note 15. Subsequent Events**

Management has evaluated events that have occurred subsequent to June 30, 2023 and through March 1, 2024 and does not have any significant subsequent events to disclose.

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
 Budgetary Comparison Schedule - General Fund

*For the Year Ended June 30, 2023*

	<u>Original Budget</u>		Appropriations and Transfers	Total Available	Actual	Encumbrances Carried Forward to FY24	Variance Favorable (Unfavorable)
	Encumbrances Carried Forward from FY22	Budget As Adopted					
<b>Revenues</b>							
General property taxes and penalties	\$ -	\$ 13,780,996	\$ -	\$ 13,780,996	\$ 13,299,221	\$ -	\$ (481,775)
Intergovernmental	-	1,086,708	-	1,086,708	731,424	-	(355,284)
Licenses, permits, and fees	-	623,000	-	623,000	469,041	-	(153,959)
Beach receipts	-	185,000	-	185,000	285,045	-	100,045
Investment income	-	5,500	-	5,500	28,644	-	23,144
Miscellaneous	-	46,567	-	46,567	56,086	-	9,519
<b>Total revenues</b>	<b>-</b>	<b>15,727,771</b>	<b>-</b>	<b>15,727,771</b>	<b>14,869,461</b>	<b>-</b>	<b>(858,310)</b>
<b>Expenditures</b>							
General government	14,900	2,647,172	(209,364)	2,452,708	1,531,303	89,518	831,887
Financial administration	2,000	151,817	2,056	155,873	200,678	4,000	(48,805)
Public safety	11,000	2,583,689	48,298	2,642,987	3,195,291	12,000	(564,304)
Public works	179,500	670,960	-	850,460	528,258	344,995	(22,793)
Transfer station	-	230,247	-	230,247	186,673	40,000	3,574
Parks, recreation, and other services	37,014	523,753	19,246	580,013	509,460	52,141	18,412
Capital expenditures	-	426,689	-	426,689	331,025	-	95,664
<b>Debt service:</b>							
Principal payments	-	495,000	-	495,000	495,000	-	-
Interest and fiscal charges	-	359,988	-	359,988	359,055	-	933
<b>Total expenditures</b>	<b>244,414</b>	<b>8,089,315</b>	<b>(139,764)</b>	<b>8,193,965</b>	<b>7,336,743</b>	<b>542,654</b>	<b>314,568</b>
Excess (deficiency) of revenues over expenditures	(244,414)	7,638,456	139,764	7,533,806	7,532,718	(542,654)	(543,742)
<b>Other financing sources and (uses)</b>							
School Appropriation	-	(7,638,456)	-	(7,638,456)	(7,638,456)	-	-
Transfers from (to) other funds	-	-	(139,764)	(139,764)	(139,764)	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(7,638,456)</b>	<b>(139,764)</b>	<b>(7,778,220)</b>	<b>(7,778,220)</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis</b>	<b>\$ (244,414)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (244,414)</b>	<b>(245,502)</b>	<b>\$ (542,654)</b>	<b>\$ (543,742)</b>
Adjustment of budgetary basis to U.S. GAAP					-		
Excess (deficiency) of revenues and other sources over expenditures and other uses, GAAP basis					(245,502)		
Fund balance, July 1, 2022					3,585,760		
Fund balance, June 30, 2023					<u>\$ 3,340,258</u>		

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
Notes to Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2023*

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**Budgetary – GAAP Reporting Reconciliation – *General Fund***

In accordance with the Town’s Charter, the Town has formally established budgetary accounting control for its General Fund. The General Fund is subject to an annual operating budget legally adopted by the Town Council. The annual operating budget’s appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund operating budget is in conformity with the legally enacted budgetary basis, which is not in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

The accompanying Statement of Revenues, Expenditures Budget and Actual (Non-GAAP Budgetary Basis) – General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the Generally Accepted Accounting Principles (“GAAP”) basis are normally that:

- Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis)
- Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liabilities are incurred (GAAP basis)
- Encumbrances are reported as a use of fund (budgetary basis) as opposed to a reservation of fund balance (GAAP basis)

For the year ended June 30, 2023 there were no significant timing perspectives or differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses, therefore, there were no differences when presenting the budgetary and GAAP basis presentation.

Appropriations in addition to those contained in the annual operating budget require Town Council approval. Amendments to the operating budget that do not result in additional appropriations may be made within departments through transfers. Transfers made within and outside the departmental level require Town Council approval. The level at which the General Fund budgeted expenditures may not legally exceed appropriations is at the departmental level.

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
 Budgetary Comparison Schedule – Unrestricted School Fund  
 For the Year Ended June 30, 2023

	Budget As Adopted	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
State Aid to Education	\$ 432,020	\$ 448,877	\$ 16,857
Out of district student tuitions	48,000	54,600	6,600
Medicaid reimbursement	19,000	11,220	(7,780)
On behalf payments- Teacher's contribution	313,163	313,163	-
Miscellaneous receipts	-	75,951	75,951
Total revenues	812,183	903,811	91,628
<b>Expenditures:</b>			
Salaries	3,718,650	3,732,425	(13,775)
Fringe benefits	1,337,050	1,263,752	73,298
Technical and professional services	616,065	624,922	(8,857)
Purchased property services	149,625	153,551	(3,926)
Purchased other services	2,164,900	1,926,882	238,018
Materials and supplies	315,050	329,420	(14,370)
Capital outlay	127,799	71,147	56,652
Other operating expenses	21,500	22,402	(902)
Total expenditures	8,450,639	8,124,501	326,137
Excess of expenditures over revenues	(7,638,456)	(7,220,691)	417,764
<b>Other financing sources (uses):</b>			
Transfer from Town appropriations	7,638,456	7,638,456	-
Transfer to other funds	-	(303,451)	(303,451)
Total other financing sources (uses)	7,638,456	7,335,005	(303,451)
Excess of expenditures over revenues and other financing sources, budgetary basis	\$ -	114,315	\$ 114,314
Adjustment of budgetary basis to U.S. GAAP basis		-	
Excess of expenditures over revenues and other financing sources, U.S. GAAP basis		114,314	
Fund balance, July 1, 2022		590,117	
Fund balance, June 30, 2023		\$ 704,431	

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Notes to Required Supplementary Information*  
 Budgetary Comparison Schedule – Unrestricted School Fund

*For the Year Ended June 30, 2023*

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Budgetary – GAAP Reporting Reconciliation – *Unrestricted School Fund*

The accompanying Statement of Revenues, Expenditures Budget and Actual (Non-GAAP Budgetary Basis) – School Unrestricted is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budgetary basis and the Generally Accepted Accounting Principles (“GAAP”) basis are that:

- Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis)
- Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liabilities are incurred (GAAP basis)
- Encumbrances are reported as a use of fund (budgetary basis) as opposed to a reservation of fund balance (GAAP basis)

Therefore, timing perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses for the year ended June 30, 2023 are as follows:

	<b>School Unrestricted</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) (Non-GAAP Budgetary Basis)	\$ 114,315
State contribution to teachers' pension plan revenue on behalf	313,163
State contribution to teacher's pension plan expense on behalf	(313,163)
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	\$ 114,315

*See independent auditor's report*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Proportionate Share of Net Pension Liability – Employee’s Retirement System (ERS)

*Last 10 Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.14593540%	0.14694049%	0.14215256%	0.14354785%	0.13937877%	0.12817260%	0.13503440%	0.12442040%	0.66537331%
Employer's proportionate share of the net pension liability	\$ 3,941,305	\$ 3,458,095	\$ 4,541,783	\$ 4,580,280	\$ 4,428,409	\$ 4,042,675	\$ 4,028,856	\$ 3,425,297	\$ 4,602,965
State's proportionate share of the net pension liability associated with the school district	<u>2,914,872</u>	<u>2,564,487</u>	<u>3,374,656</u>	<u>3,431,104</u>	<u>3,303,275</u>	<u>3,055,291</u>	<u>2,759,175</u>	<u>2,340,055</u>	<u>3,156,465</u>
Total	<u>\$ 6,856,177</u>	<u>\$ 6,022,582</u>	<u>\$ 7,916,439</u>	<u>\$ 8,011,384</u>	<u>\$ 7,731,684</u>	<u>\$ 7,097,966</u>	<u>\$ 6,788,031</u>	<u>\$ 5,765,352</u>	<u>\$ 7,759,430</u>
Employer's covered payroll	2,816,216	2,842,265	2,794,696	2,678,301	2,671,179	2,515,703	2,392,194	2,834,252	2,309,723
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	139.95%	121.67%	162.51%	171.01%	165.78%	160.70%	168.42%	120.85%	199.29%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years – additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Contributions - Employees Retirement System (ERS)

*Last 10 Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 423,559	\$ 420,087	\$ 402,230	\$ 378,175	\$ 358,346	\$ 333,080	\$ 299,704	\$ 304,597	\$ 282,371
Contributions in relation to the actuarially determined contribution	<u>423,559</u>	<u>420,087</u>	<u>402,230</u>	<u>378,175</u>	<u>358,346</u>	<u>333,080</u>	<u>299,704</u>	<u>304,597</u>	<u>282,371</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,816,216	\$ 2,842,265	\$ 2,794,696	\$ 2,678,301	\$ 2,671,179	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252	\$ 2,309,723
Contributions as a percentage of covered- employee payroll	15.04%	14.78%	14.39%	14.12%	13.42%	13.24%	12.53%	10.75%	12.23%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years – additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Proportionate Share of Net Pension Asset – Employee’s Retirement System- Teachers’ Survivors Benefit Plan (TSB)

*Last 10 Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension asset	0.54798056%	0.52590265%	0.50887672%	0.52422974%	0.51005638%	0.38891074%	0.61972762%	0.27774680%	0.66537331%
Employer's proportionate share of the net pension asset	\$ 962,961	\$ 1,029,156	\$ 604,360	\$ 594,717	\$ 455,120	\$ 321,732	\$ 617,074	\$ 259,292	\$ 827,197
Employer's covered employee payroll	\$ 2,816,216	\$ 2,842,265	\$ 2,794,696	\$ 2,678,301	\$ 2,671,719	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252	\$ 2,309,723
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	34.19%	36.21%	21.63%	22.21%	17.03%	12.79%	25.80%	9.15%	35.81%
Plan fiduciary net position as a percentage of the total pension asset	177.7%	185.7%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years – additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Contributions – Employees Retirement System – Teachers’ Survivors Benefit Plan (TSB)

*Last 10 Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 3,910	\$ 4,140	\$ 3,872	\$ 3,795	\$ 3,910	\$ 3,795	\$ 2,294	\$ 3,980	\$ 2,371
Contributions in relation to the statutorily determined contribution	<u>3,910</u>	<u>4,140</u>	<u>3,872</u>	<u>3,795</u>	<u>3,910</u>	<u>3,795</u>	<u>2,294</u>	<u>3,980</u>	<u>2,371</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,816,216	\$ 2,842,265	\$ 2,794,696	\$ 2,678,301	\$ 2,671,719	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252	\$ 2,309,723
Contributions as a percentage of covered-employee payroll	0.14%	0.15%	0.14%	0.14%	0.15%	0.15%	0.10%	0.14%	0.10%

**Notes:**

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years – additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Notes to ERS and TSB Pension Plans

*For the Year Ended June 30, 2023*

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**Schedule of Proportionate Share of Net Pension Liability (Asset) Notes**

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end. The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

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

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

Employers participating in the Teachers’ Survivors Benefit Plan contribute at a rate established by RI General Laws, Section 16-16-35.

***June 30, 2022 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2022 measurement date compared to the June 30, 2020 measurement date.

***June 30, 2021 measurement date –***

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

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

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

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

***June 30, 2019 measurement date –***

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

***June 30, 2018 measurement date –***

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

*See independent auditor's report*

## TOWN OF LITTLE COMPTON, RHODE ISLAND

### *Required Supplementary Information*

#### Notes to ERS and TSB Pension Plans

*For the Year Ended June 30, 2023*

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#### ***June 30, 2017 measurement date –***

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

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

#### ***June 30, 2016 measurement date –***

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

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

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

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Notes to ERS and TSB Pension Plans

*For the Year Ended June 30, 2023*

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- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return – 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

**Teachers Survivor Benefit Plan** – the employee and employer contribution rates were applied to the first \$11,500 of member salary for fiscal 2018. In fiscal 2017 and prior the rate was applied to a salary up to \$9,600.

Covered employee payroll is the full amount of employer payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Changes in Net Pension Liability and Related Ratios - Town Municipal Employees Pension Plan

*Last 10 Years\**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
<b>Total pension liability</b>										
Service cost	\$ 290,359	\$ 317,276	\$ 303,084	\$ 299,075	\$ 271,077	\$ 250,767	\$ 269,172	\$ 270,130	\$ 266,835	\$ 256,046
Interest	1,083,980	1,066,689	1,004,390	978,096	922,937	883,940	870,084	830,306	772,020	728,998
Differences between expected and actual experience	(415,071)	(238,221)	556,349	(50,971)	(247,752)	58,926	(206,907)	198,548	44,212	6,609
Changes of assumptions	34,887	(251,255)	451,630	(66,529)	400,567	(36,586)	(227,429)	(56,558)	688,557	16,807
Changes of benefit terms	-	-	-	-	-	-	-	(37,946)	-	-
Benefit payments, including refunds of participant contributions	(913,416)	(922,815)	(751,757)	(682,810)	(653,465)	(543,497)	(503,890)	(478,818)	(472,018)	(399,323)
<b>Net change in total pension liability</b>	<u>80,739</u>	<u>(28,326)</u>	<u>1,563,696</u>	<u>476,861</u>	<u>693,364</u>	<u>613,550</u>	<u>201,030</u>	<u>725,662</u>	<u>1,299,606</u>	<u>609,137</u>
<b>Total pension liability - beginning</b>	<u>15,954,980</u>	<u>15,983,306</u>	<u>14,419,610</u>	<u>13,942,749</u>	<u>13,249,385</u>	<u>12,635,835</u>	<u>12,434,805</u>	<u>11,709,143</u>	<u>10,409,537</u>	<u>9,800,400</u>
<b>Total pension liability - ending</b>	<u>\$ 16,035,719</u>	<u>\$ 15,954,980</u>	<u>\$ 15,983,306</u>	<u>\$ 14,419,610</u>	<u>\$ 13,942,749</u>	<u>\$ 13,249,385</u>	<u>\$ 12,635,835</u>	<u>\$ 12,434,805</u>	<u>\$ 11,709,143</u>	<u>\$ 10,409,537</u>
<b>Pension fiduciary net position</b>										
Contributions - employer	537,861	363,054	477,135	433,569	442,000	391,670	492,988	\$ 434,295	\$ 412,141	\$ 412,141
Contributions - employee	73,370	54,355	48,622	40,650	41,973	31,692	19,420	15,640	14,236	8,243
Net investment income	1,203,739	(1,710,337)	2,880,371	301,120	680,815	779,211	1,098,148	37,653	300,430	1,223,353
Benefit payments, including refunds of participant contributions	(913,416)	(922,815)	(751,757)	(682,810)	(653,465)	(543,497)	(503,890)	(478,818)	(472,018)	(399,323)
Administrative expense	(23,945)	(12,800)	(16,206)	(6,418)	(9,635)	(11,078)	(6,304)	(7,910)	(4,220)	(70,150)
<b>Net change in plan fiduciary net position</b>	<u>877,609</u>	<u>(2,228,543)</u>	<u>2,638,165</u>	<u>86,111</u>	<u>501,688</u>	<u>647,998</u>	<u>1,100,362</u>	<u>860</u>	<u>250,569</u>	<u>1,174,264</u>
<b>Plan fiduciary net position - beginning</b>	<u>12,275,554</u>	<u>14,504,097</u>	<u>11,865,932</u>	<u>11,779,821</u>	<u>11,278,133</u>	<u>10,630,135</u>	<u>9,529,773</u>	<u>9,528,913</u>	<u>9,278,344</u>	<u>8,104,080</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 13,153,163</u>	<u>\$ 12,275,554</u>	<u>\$ 14,504,097</u>	<u>\$ 11,865,932</u>	<u>\$ 11,779,821</u>	<u>\$ 11,278,133</u>	<u>\$ 10,630,135</u>	<u>\$ 9,529,773</u>	<u>\$ 9,528,913</u>	<u>\$ 9,278,344</u>
<b>Town's net pension liability - ending</b>	<u>\$ 2,882,556</u>	<u>\$ 3,679,426</u>	<u>\$ 1,479,209</u>	<u>\$ 2,553,678</u>	<u>\$ 2,162,928</u>	<u>\$ 1,971,252</u>	<u>\$ 2,005,700</u>	<u>\$ 2,905,032</u>	<u>\$ 2,180,230</u>	<u>\$ 1,131,193</u>

**Notes:**

1) *Schedule is intended to show information for 10 years*

*See independent auditor's report and notes to required supplementary information*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Changes in Net Pension Liability and Related Ratios - Town Municipal Employees Pension Plan

*Last 10 Years\**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability	\$ 16,035,719	\$ 15,954,980	\$ 15,983,306	\$ 14,419,610	\$ 13,942,749	\$ 13,249,385	\$12,635,835	\$12,434,805	\$11,709,143	\$10,409,537
Plan fiduciary net position	13,153,163	12,275,554	14,504,097	11,865,932	11,779,821	11,278,133	10,630,135	9,529,173	9,528,913	9,278,344
Town's net pension liability	<u>\$ 2,882,556</u>	<u>\$ 3,679,426</u>	<u>\$ 1,479,209</u>	<u>\$ 2,553,678</u>	<u>\$ 2,162,928</u>	<u>\$ 1,971,252</u>	<u>\$ 2,005,700</u>	<u>\$ 2,905,632</u>	<u>\$ 2,180,230</u>	<u>\$ 1,131,193</u>
Plan fiduciary net position as a percentage of the total pension liability	82.02%	76.94%	90.75%	82.29%	84.49%	85.12%	84.13%	76.63%	81.38%	89.13%
Covered-employee payroll	2,608,369	2,218,924	2,203,176	2,270,980	2,204,191	2,160,776	2,173,104	2,119,651	1,992,934	1,951,935
Net pension liability as a percentage of covered-employee payroll	110.51%	165.82%	67.14%	112.45%	98.13%	91.23%	92.30%	137.08%	109.40%	57.95%

**Notes:**

1.) Schedule is intended to show information for 10 years

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
 Schedule of Employers Contributions - Town Municipal Employees' Pension Plan

*Last 10 Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 537,861	\$ 363,054	\$ 462,349	\$ 433,569	\$ 391,779	\$ 391,670	\$ 492,988	\$ 434,295	\$ 375,537	\$ 412,141
Contributions in relation to the actuarially determined contribution	<u>537,861</u>	<u>363,054</u>	<u>477,135</u>	<u>433,569</u>	<u>442,000</u>	<u>391,670</u>	<u>492,988</u>	<u>434,295</u>	<u>412,141</u>	<u>412,141</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,786)</u>	<u>\$ -</u>	<u>\$ (50,221)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,604)</u>	<u>\$ -</u>
Covered-employee payroll	2,608,369	2,218,924	2,203,176	2,270,980	2,204,191	2,160,776	2,173,104	2,119,651	1,992,934	1,951,935
Contributions as a percentage of covered-employee payroll	20.62%	16.36%	21.66%	19.09%	20.05%	18.13%	22.69%	20.49%	20.68%	21.11%

**Notes:**

1.) *Schedule is intended to show information for 10 years*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
Schedule of Investment Returns - Town Municipal Employees' Pension Plan

*Last 10 Years\**

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	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	10.22%	-12.20%	25.13%	2.64%	6.24%	7.85%	12.07%	0.58%	3.49%	15.09%

**Notes:**

- 1.) *Schedule is intended to show information for 10 years*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
Notes to the Town Municipal Employees' Pension Plan

June 30, 2023

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Valuation Date: Actuarially determined contribution rates are calculated as of June 30, 2023

Methods and assumptions used to determine contribution rates:

Discount rate	6.91% for purposed of determining Net Pension Liability
Expected Long Term Rate of Return	7.00%
Municipal bond	4.13%
Inflation	2.50%
Pre and post retirement mortality	Pub-2010 below median weighted 30% teacher / 40% safety / 30% general government with scale MP-2021 generational improvements (Male/Female.) Separate tables are used for Employees, Healthy Retirees, Contingent Survivors, and Disabled Annuitants.
Salary scale	2.50%
Retirement Age	Members of the Fire and Police Departments are assumed to retire at the earlier of age 62, or the completion of 30 Years of Service. Participants who are not members of the Fire and Police Departments are assumed to retire at age 62.

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
Schedule of Changes in Net Liability and Related Ratios - OPEB

*Last 10 Years\**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
<b>Total OPEB liability</b>						
Service cost	\$ 45,528	\$ 45,227	\$ 54,615	\$ 49,964	\$ 75,673	\$ 72,620
Interest on net OPEB liability and service cost	69,457	3,813	50,409	79,363	91,747	98,938
Differences between actual and expected experience	(185,766)	158,084	82,724	(601,314)	(14,387)	(86,535)
Changes of assumptions	-	71	-	-	-	-
Benefit payments, including refunds	(205,700)	(161,717)	(136,911)	(136,911)	(125,461)	(144,114)
Net change in total OPEB liability	(276,481)	45,478	50,837	(608,898)	27,572	(59,091)
Total OPEB liability - beginning	1,929,361	1,883,883	1,833,046	2,441,944	2,414,372	2,473,463
Total OPEB liability - ending	<u>\$ 1,652,880</u>	<u>\$ 1,929,361</u>	<u>\$ 1,883,883</u>	<u>\$ 1,833,046</u>	<u>\$ 2,441,944</u>	<u>\$ 2,414,372</u>
<b>OPEB fiduciary net position</b>						
Benefit payments, including refunds	\$ (205,700)	\$ (161,717)	\$ (136,911)	\$ (136,911)	\$ (125,461)	\$ (144,114)
Trust administrative expenses	-	-	-	-	-	-
Contributions - employer	205,700	161,717	136,911	136,911	125,461	144,114
Contribution - Active employees	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan's net pension liability - ending	<u>\$ 1,652,880</u>	<u>\$ 1,929,361</u>	<u>\$ 1,883,883</u>	<u>\$ 1,833,046</u>	<u>\$ 2,441,944</u>	<u>\$ 2,414,372</u>
Plan fiduciary net position as % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	3,246,660	3,254,819	2,612,310	2,612,310	2,639,408	2,639,408
Plan NOL as % of covered employee payroll	50.91%	59.28%	72.12%	70.17%	92.52%	91.47%

**Notes:**

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

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
Schedule of Employers Contributions– OPEB

*Last 10 Years\**

	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>
Actuarial determined contribution	\$ 205,700	\$ 161,717	\$ 136,911	\$ 136,911	\$ 125,461	\$ 144,114
Contributions in relation to the actuarially determined contribution	205,700	161,717	136,911	136,911	125,461	144,114
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered-employee payroll	 \$ 3,246,660	 \$ 3,254,819	 \$ 2,612,310	 \$ 2,612,310	 \$ 2,639,408	 \$ 2,639,408
 Contributions as a percentage of covered-employee payroll	 6.34%	 4.97%	 5.24%	 5.24%	 4.75%	 5.46%

**Notes:**

1.) *Schedule is intended to show information for 10 years – additional years will be displayed as they become available*

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Required Supplementary Information*  
Notes to the Other Post-Employment Benefit Plan – OPEB

*Last 10 Years\**

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**Notes to Required Supplementary Information:**

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2023.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	None noted
<b>Actuarial Assumptions:</b>	
Single Equivalent Discount Rate:	3.6%, net of OPEB plan investment expense, including inflation
Salary Increases:	2.00% annually as of June 30, 2023 and for future periods
Retirement rates:	The probability of remaining employed until retirement age from current and entry age by age comes from The U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Assumed retirement age:	62
Mortality:	Life expectancy by gender comes from the Life Expectancy Table from National Center for Health Statistics updated in 2015.

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Tax Collector's Annual Report

*For the Year Ended June 30, 2023*

Tax Roll Year	Balance, July 1, 2022	Current Year Assessment	Adjustments/ abatements	Transfers	Amount to be collected	Collections	Balance, June 30, 2023	FY2023 Cash Collections Summary			
								July - August 2022 Collections Subject to 60 days FY22 Accrual	September- June 2023 Collections	Total FY 2023 Cash Collections	July - August 2023 Collections Subject to 60 days FY23 Accrual
2022	\$ -	\$ 13,188,939	\$ (74,303)	\$ (35,453)	13,079,183	\$ 12,896,162	183,021	\$ -	\$ 12,896,162	12,896,162	\$ 148,296
2021	363,787	-	(1,186)	13,034	375,635	305,462	70,173	175,803	129,659	305,462	1,937
2020	74,395	-	234	140	74,769	29,351	45,418	9,036	20,315	29,351	1,845
2019	45,495	-	(3,743)	10	41,762	13,737	28,025	329	13,408	13,737	574
2018	22,753	-	2,129	34	24,916	4,234	20,682	192	4,042	4,234	226
2017	19,124	-	(1,958)	-	17,166	4,076	13,090	269	3,807	4,076	-
2016	16,837	-	(22,294)	22,269	16,812	3,161	13,651	-	3,161	3,161	-
2015	16,194	-	-	-	16,194	3,190	13,004	-	3,190	3,190	-
2014	16,113	-	(92)	-	16,021	3,126	12,895	-	3,126	3,126	-
2013	14,304	-	(371)	-	13,933	2,982	10,951	11	2,971	2,982	1,000
2012	13,812	-	(32)	-	13,780	4,081	9,699	1,489	2,592	4,081	-
2011	11,144	-	(51)	-	11,093	5,275	5,818	1,622	3,653	5,275	11
2010	7,069	-	(19)	-	7,050	2,619	4,431	648	1,971	2,619	289
2009	11,423	-	(9)	-	11,414	2,245	9,169	265	1,980	2,245	-
2008	5,108	-	(9)	-	5,099	1,416	3,683	-	1,416	1,416	-
2007	2,653	-	-	-	2,653	1,355	1,298	-	1,355	1,355	-
2006	2,077	-	-	-	2,077	1,124	953	-	1,124	1,124	-
2005 (and prior)	3,784	-	-	-	3,784	-	3,784	-	-	-	-
<b>Total</b>	<b>\$ 646,072</b>	<b>\$ 13,188,939</b>	<b>\$ (101,704)</b>	<b>\$ 34</b>	<b>\$ 13,733,341</b>	<b>\$ 13,283,597</b>	<b>\$ 449,745</b>	<b>\$ 189,663</b>	<b>\$ 13,093,933</b>	<b>\$ 13,283,597</b>	<b>\$ 154,178</b>
Allowance for Incollectable Accounts	(23,387)						(23,387)				
Net Property Tax Receivable	<u>\$ 622,685</u>						<u>\$ 426,358</u>				

*\*When compared to the budgetary comparison schedule, the tax revenue includes interest and penalties.*

*See independent auditor's report and notes to required supplementary information*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Tax Collector's Annual Report

*For the Year Ended June 30, 2023*

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**Reconciliation of Current Year Property Tax Revenue**

Current Year Collections	\$ 13,283,597
<i>July-August 2023 Collections</i>	
60-day FY23 Accrual	154,178
	13,437,775
<i>July-August 2022 Collections</i>	
60-day FY23 Accrual	(189,663)
Current Year Property Tax Revenue	<u>\$ 13,248,112</u>

*\*When compared to the budgetary comparison schedule, the tax revenue includes interest and penalties.*

Description of property	Valuations	Levy
Real property	\$ 2,679,385,824	\$ 13,070,741
Tangible personal	12,061,024	118,198
Total	2,691,446,848	13,188,939
<b>Less: Exemptions and motor vehicle phase out</b>		
Real Property	(11,884,700)	-
Current year assessment	<u>\$ 2,679,562,148</u>	<u>\$ 13,188,939</u>

*See independent auditor's report and notes to required supplementary information*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Balance Sheet

June 30, 2023

	<b>Special Revenue Town</b>	<b>Special Revenue School</b>	<b>Permanent Trust Funds</b>	<b>Capital Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 622,254	\$ 73,553	\$ 105,103	\$ 669,663	\$ 1,470,573
Short-Term investments	-	-	37,125	-	37,125
Receivables					
Intergovernmental	7,069	110,086	-	-	117,155
Other	24,504	-	-	-	24,504
Prepaid expenses	-	-	-	-	-
Inventories	-	284	-	-	284
Due from other funds	14,382	72,182	-	5,288	91,852
Total assets	<u>668,209</u>	<u>256,105</u>	<u>142,228</u>	<u>674,951</u>	<u>1,741,493</u>
<b>Deferred outflows of resources</b>					
None	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 668,209</u>	<u>\$ 256,105</u>	<u>\$ 142,228</u>	<u>\$ 674,951</u>	<u>\$ 1,741,493</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ 23,955	\$ 69,577	\$ 527	\$ -	\$ 94,059
Due to other funds	126,487	70,084	51	34,208	230,830
Total liabilities	<u>150,442</u>	<u>139,661</u>	<u>578</u>	<u>34,208</u>	<u>324,889</u>
<b>Deferred inflows of resources</b>					
Deferred revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance</b>					
Nonspendable	-	284	10,000	-	10,284
Restricted	621,121	116,160	131,650	-	868,931
Committed	-	-	-	674,951	674,951
Assigned	-	-	-	-	-
Unassigned	(103,354)	-	-	(34,208)	(137,562)
Total fund balances	<u>517,767</u>	<u>116,444</u>	<u>141,650</u>	<u>640,743</u>	<u>1,416,604</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 668,209</u>	<u>\$ 256,105</u>	<u>\$ 142,228</u>	<u>\$ 674,951</u>	<u>\$ 1,741,493</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

*For the Year Ended June 30, 2023*

	<b>Special Revenue Town</b>	<b>Special Revenue School</b>	<b>Permanent Trust Funds</b>	<b>Capital Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>					
Intergovernmental revenue	\$ 75,073	\$ 393,977	\$ -	\$ 50,000	\$ 519,050
Donation revenues	302	-	10,465	-	10,767
Departmental and other revenue	173,336	182,967	-	-	356,303
Investment income	187	-	392	-	579
Total revenues	<u>248,898</u>	<u>576,944</u>	<u>10,857</u>	<u>50,000</u>	<u>886,699</u>
<b>Expenditures</b>					
General government	183,694	-	-	-	183,694
Public safety	8,658	-	-	-	8,658
Education	-	520,390	450	-	520,840
Public works	51,311	-	-	-	51,311
Parks, recreation and other services	52,764	-	21,218	-	73,982
Capital outlay	56,478	-	-	15,390	71,868
Debt Services	-	-	-	-	-
Bond issuance costs and fees	-	-	-	-	-
Total expenditures	<u>352,905</u>	<u>520,390</u>	<u>21,668</u>	<u>15,390</u>	<u>910,353</u>
Excess (deficiency) of revenues over expenditures	(104,007)	56,554	(10,811)	34,610	(23,654)
<b>Other financing sources (uses)</b>					
Bond proceeds	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Transfers in	-	-	-	443,215	443,215
Transfers out	-	-	-	-	-
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>443,215</u>	<u>443,215</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>	(104,007)	56,554	(10,811)	477,825	419,561
Fund balance, July 1, 2022, restated	<u>621,774</u>	<u>59,890</u>	<u>152,461</u>	<u>162,918</u>	<u>997,043</u>
Fund balance, June 30, 2023	<u>\$ 517,767</u>	<u>\$ 116,444</u>	<u>\$ 141,650</u>	<u>\$ 640,743</u>	<u>\$ 1,416,604</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Balance Sheet – Town Special Revenue

*June 30, 2023*

	Brownfield Library Prof Dev	Van Beuren Grant	Library Resource Sharing	Substance Abuse Fund	Cell Tower Reserve Fund	Legislative Grant	Recreation Conservation	Basketball Court
<b>Assets</b>								
Cash and cash equivalents	\$ 4,724	\$ 10,960	\$ 3,924	\$ 23,129	\$ 140,341	\$ 5,495	\$ 102,674	\$ -
Investments	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	14,573	-	-	-
Prepaid	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>4,724</u>	<u>10,960</u>	<u>3,924</u>	<u>23,129</u>	<u>154,914</u>	<u>5,495</u>	<u>102,674</u>	<u>-</u>
<b>Deferred outflows of resources</b>								
Unearned revenues	-	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred outflows of resources and assets</b>	<u>4,724</u>	<u>10,960</u>	<u>3,924</u>	<u>23,129</u>	<u>154,914</u>	<u>5,495</u>	<u>102,674</u>	<u>-</u>
<b>Liabilities</b>								
Accounts payable and accrued expenses	-	-	-	-	562	-	1,250	52
Due to other funds	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>562</u>	<u>-</u>	<u>1,250</u>	<u>52</u>
<b>Deferred inflows of resources</b>								
Deferred revenue	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	4,724	10,960	3,924	23,129	154,352	5,495	101,424	-
Unassigned	-	-	-	-	-	-	-	(52)
<b>Total fund balances (deficits)</b>	<u>4,724</u>	<u>10,960</u>	<u>3,924</u>	<u>23,129</u>	<u>154,352</u>	<u>5,495</u>	<u>101,424</u>	<u>(52)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 4,724</u>	<u>\$ 10,960</u>	<u>\$ 3,924</u>	<u>\$ 23,129</u>	<u>\$ 154,914</u>	<u>\$ 5,495</u>	<u>\$ 102,674</u>	<u>\$ -</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Balance Sheet - Town Special Revenue

*June 30, 2023*

	Discover Newport	Drug Forfeiture	CDBG	DEM Wastewater Grant	Stormwater Management	Law Enforcement Block Grant	EOP and Cert Grants
<b>Assets</b>							
Cash and cash equivalents	\$ 7,500	\$ 25,792	\$ 10,612	\$ 741	\$ 9,050	\$ 518	\$ 45,498
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	2,750
Other receivables	-	8,758	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	8,580	-	-	-	-	-
<b>Total assets</b>	<b>7,500</b>	<b>43,130</b>	<b>10,612</b>	<b>741</b>	<b>9,050</b>	<b>518</b>	<b>48,248</b>
<b>Deferred outflows of resources</b>							
Unearned revenues	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total deferred outflows of resources and assets</b>	<b>7,500</b>	<b>43,130</b>	<b>10,612</b>	<b>741</b>	<b>9,050</b>	<b>518</b>	<b>48,248</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	4,140	145	-	-	-	524
Due to other funds	-	377	-	51	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>4,517</b>	<b>145</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>524</b>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,500	38,613	10,467	690	9,050	518	47,724
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>7,500</b>	<b>38,613</b>	<b>10,467</b>	<b>690</b>	<b>9,050</b>	<b>518</b>	<b>47,724</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 7,500</b>	<b>\$ 43,130</b>	<b>\$ 10,612</b>	<b>\$ 741</b>	<b>\$ 9,050</b>	<b>\$ 518</b>	<b>\$ 48,248</b>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Balance Sheet - Town Special Revenue

*June 30, 2023*

	National Opiod Litigation	Clerk Restoration Grant	Historical Records Preservation	Rec Fees Historical Grant Funds	CTCL	Spay / Neuter Fund	Cybersecurity
<b>Assets</b>							
Cash and cash equivalents	\$ 26,074	\$ 400	\$ 28,459	\$ 21,563	\$ 242	\$ 1,544	\$ -
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
<b>Total assets</b>	<u>26,074</u>	<u>400</u>	<u>28,459</u>	<u>21,563</u>	<u>242</u>	<u>1,544</u>	<u>-</u>
<b>Deferred outflows of resources</b>							
Unearned revenues	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred outflows of resources and assets</b>	<u>26,074</u>	<u>400</u>	<u>28,459</u>	<u>21,563</u>	<u>242</u>	<u>1,544</u>	<u>-</u>
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	26,074	400	28,459	21,563	242	1,544	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>26,074</u>	<u>400</u>	<u>28,459</u>	<u>21,563</u>	<u>242</u>	<u>1,544</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 26,074</u>	<u>\$ 400</u>	<u>\$ 28,459</u>	<u>\$ 21,563</u>	<u>\$ 242</u>	<u>\$ 1,544</u>	<u>\$ -</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Balance Sheet - Town Special Revenue

June 30, 2023

	Municipal Resiliency	Homeland Security	AFG Grant	FEMA Snow Removal	Road Detail	Police and Fire	Coronavirus Relief
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ 1,158	\$ -	\$ 1,933	\$ 22,665	\$ 53,415	\$ -
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	4,319	-	-
Other receivables	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	-	-	3,756	-	-	-
<b>Total assets</b>	<b>-</b>	<b>1,158</b>	<b>-</b>	<b>5,689</b>	<b>26,984</b>	<b>53,415</b>	<b>-</b>
<b>Deferred outflows of resources</b>							
Unearned revenues	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total deferred outflows of resources and assets</b>	<b>-</b>	<b>1,158</b>	<b>-</b>	<b>5,689</b>	<b>26,984</b>	<b>53,415</b>	<b>-</b>
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	-	-	-	6,273	9,704	-
Due to other funds	108,089	-	6,419	-	-	-	9,505
<b>Total liabilities</b>	<b>108,089</b>	<b>-</b>	<b>6,419</b>	<b>-</b>	<b>6,273</b>	<b>9,704</b>	<b>9,505</b>
<b>Deferred inflows of resources</b>							
Deferred revenue	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	1,158	-	5,689	-	43,711	-
Unassigned	(108,089)	-	(6,419)	-	20,711	-	(9,505)
<b>Total fund balances (deficits)</b>	<b>(108,089)</b>	<b>1,158</b>	<b>(6,419)</b>	<b>5,689</b>	<b>20,711</b>	<b>43,711</b>	<b>(9,505)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 1,158</b>	<b>\$ -</b>	<b>\$ 5,689</b>	<b>\$ 26,984</b>	<b>\$ 53,415</b>	<b>\$ -</b>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Non Major Governmental Funds  
Combining Balance Sheet - Town Special Revenue

*June 30, 2023*

	Fire Alarm Inspections	Fourth of July	Harbor Management	Total Town Special Revenue
<b>Assets</b>				
Cash and cash equivalents	\$ 11,803	\$ 1,386	\$ 60,654	\$ 622,254
Investments	-	-	-	-
Intergovernmental receivables	-	-	-	7,069
Other receivables	1,173	-	-	24,504
Prepaid	-	-	-	-
Due from other funds	2,046	-	-	14,382
<b>Total assets</b>	<u>15,022</u>	<u>1,386</u>	<u>60,654</u>	<u>668,209</u>
<b>Deferred outflows of resources</b>				
Unearned revenues	-	-	-	-
<b>Total deferred outflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred outflows of resources and assets</b>	<u>15,022</u>	<u>1,386</u>	<u>60,654</u>	<u>668,209</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	557	-	748	23,955
Due to other funds	-	-	2,046	126,487
<b>Total liabilities</b>	<u>557</u>	<u>-</u>	<u>2,794</u>	<u>150,442</u>
<b>Deferred inflows of resources</b>				
Deferred revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>				
Nonspendable	-	-	-	-
Restricted	14,465	1,386	57,860	621,121
Unassigned	-	-	-	(103,354)
<b>Total fund balances (deficits)</b>	<u>14,465</u>	<u>1,386</u>	<u>57,860</u>	<u>517,767</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 15,022</u>	<u>\$ 1,386</u>	<u>\$ 60,654</u>	<u>\$ 668,209</u>

*See independent auditor's report*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Town

*For the Year Ended June 30, 2023*

	Brownfield Library Prof Dev	Van Beuren Grant	Library Resource Sharing	Substance Abuse Fund	Cell Tower Reserve Fund	Legislative Grant	Recreation Conservation	Basketball Court
<b>Revenues</b>								
Intergovernmental revenues	\$ -	\$ 20,000	\$ 43,716	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-	-
Departmental and other revenue	-	-	-	-	49,085	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>20,000</b>	<b>43,716</b>	<b>-</b>	<b>49,085</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>								
General government	-	-	-	-	49,085	-	17,374	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Parks, recreation, and other services	-	9,040	43,724	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>9,040</b>	<b>43,724</b>	<b>-</b>	<b>49,085</b>	<b>-</b>	<b>17,374</b>	<b>-</b>
Excess (deficiency) of revenue over expenditures	-	10,960	(8)	-	-	-	(17,374)	-
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>-</b>	<b>10,960</b>	<b>(8)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,374)</b>	<b>-</b>
Fund balance, July 1, 2022, restated	4,724	-	3,932	23,129	154,352	5,495	118,798	(52)
<b>Fund balance, June 30, 2023</b>	<b>\$ 4,724</b>	<b>\$ 10,960</b>	<b>\$ 3,924</b>	<b>\$ 23,129</b>	<b>\$ 154,352</b>	<b>\$ 5,495</b>	<b>\$ 101,424</b>	<b>\$ (52)</b>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Town

*For the Year Ended June 30, 2023*

	Discover Newport	Drug Forfeiture	CDBG	DEM Wastewater Grant	Stormwater Management	Law Enforcement Block Grant	EOP and Cert Grants
<b>Revenues</b>							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,500
Investment income	-	158	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>158</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,500</b>
<b>Expenditures</b>							
General government	-	-	-	-	-	-	-
Public safety	-	4,166	-	-	-	-	528
Public works	-	-	-	-	-	-	-
Parks, recreation, and other services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>4,166</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>528</b>
Excess (deficiency) of revenue over expenditures	-	(4,008)	-	-	-	-	3,972
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<b>-</b>	<b>(4,008)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,972</b>
Fund balance, July 1, 2022, restated	7,500	42,621	10,467	690	9,050	518	43,752
Fund balance, June 30, 2023	<u>\$ 7,500</u>	<u>\$ 38,613</u>	<u>\$ 10,467</u>	<u>\$ 690</u>	<u>\$ 9,050</u>	<u>\$ 518</u>	<u>\$ 47,724</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Town

*For the Year Ended June 30, 2023*

	National Opiod Litigation	Clerk Restoration Grant	Historical Records Preservation	Rec Fees Historical Grant Funds	CTCL	Spay / Neuter Fund	Cybersecurity
<b>Revenues</b>							
Intergovernmental revenues	\$ 2,172	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	8,723	-	695	4,402	-	211	-
Total revenues	<u>10,895</u>	<u>-</u>	<u>695</u>	<u>4,402</u>	<u>-</u>	<u>211</u>	<u>-</u>
<b>Expenditures</b>							
General government	-	-	623	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks, recreation, and other services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	10,895	-	72	4,402	-	211	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	10,895	-	72	4,402	-	211	-
Fund balance, July 1, 2022, restated	15,179	400	28,387	17,161	242	1,333	-
Fund balance, June 30, 2023	<u>\$ 26,074</u>	<u>\$ 400</u>	<u>\$ 28,459</u>	<u>\$ 21,563</u>	<u>\$ 242</u>	<u>\$ 1,544</u>	<u>\$ -</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Town

*For the Year Ended June 30, 2023*

	Municipal Resiliency	Homeland Security	AFG Grant	FEMA Snow Removal	Road Detail	Police and Fire	Coronavirus Relief
<b>Revenues</b>							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 4,685	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	-	-	-	-	52,080	2,889	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56,765</u>	<u>2,889</u>	<u>-</u>
<b>Expenditures</b>							
General government	108,089	-	-	-	-	2,972	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	51,311	-	-
Parks, recreation, and other services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>108,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,311</u>	<u>2,972</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(108,089)	-	-	-	5,454	(83)	-
<b>Other financing sources (uses)</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	(108,089)	-	-	-	5,454	(83)	-
Fund balance, July 1, 2022, restated	-	1,158	(6,419)	5,689	15,257	43,794	(9,505)
Fund balance, June 30, 2023	<u>\$ (108,089)</u>	<u>\$ 1,158</u>	<u>\$ (6,419)</u>	<u>\$ 5,689</u>	<u>\$ 20,711</u>	<u>\$ 43,711</u>	<u>\$ (9,505)</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Town

*For the Year Ended June 30, 2023*

	Fire Alarm Inspections	Fourth of July	Harbor Management	Total Town Special Revenue
<b>Revenues</b>				
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 75,073
Investment income	-	29	-	187
Donation revenues	-	302	-	302
Departmental and other revenue	8,330	-	46,921	173,336
<b>Total revenues</b>	<b>8,330</b>	<b>331</b>	<b>46,921</b>	<b>248,898</b>
<b>Expenditures</b>				
General government	-	-	5,551	183,694
Public safety	3,764	200	-	8,658
Public works	-	-	-	51,311
Parks, recreation, and other services	-	-	-	52,764
Capital outlay	-	-	56,478	56,478
<b>Total expenditures</b>	<b>3,764</b>	<b>200</b>	<b>62,029</b>	<b>352,905</b>
Excess (deficiency) of revenue over expenditures	4,566	131	(15,108)	(104,007)
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	4,566	131	(15,108)	(104,007)
Fund balance, July 1, 2022, restated	9,899	1,255	72,968	621,774
Fund balance, June 30, 2023	<b>\$ 14,465</b>	<b>\$ 1,386</b>	<b>\$ 57,860</b>	<b>\$ 517,767</b>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
**Combining Balance Sheet - Special Revenue School**

*June 30, 2023*

	SPED Part B	SPED Preschool	Title I Part A	ESSER III Back to School	ESSER III Other Priority	Title IIA Teacher Quality	Title IV	ESSER II Back to School	ESSER II Extended Learning
<b>Assets</b>									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	-	-	-	-	-	-	-	-	-
Intergovernmental	15,146	22	12,741	-	-	14,782	5,111	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
<b>Total assets</b>	<b>15,146</b>	<b>22</b>	<b>12,741</b>	<b>-</b>	<b>-</b>	<b>14,782</b>	<b>5,111</b>	<b>-</b>	<b>-</b>
<b>Deferred Outflows of Resources</b>									
None	-	-	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 15,146</b>	<b>\$ 22</b>	<b>\$ 12,741</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,782</b>	<b>\$ 5,111</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>									
Accounts payable and accrued expenses	-	-	-	-	-	-	-	-	-
Due to other funds	15,146	22	12,741	-	-	14,762	5,111	-	-
<b>Total liabilities</b>	<b>15,146</b>	<b>22</b>	<b>12,741</b>	<b>-</b>	<b>-</b>	<b>14,762</b>	<b>5,111</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>									
None	-	-	-	-	-	-	-	-	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	20	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 15,146</b>	<b>\$ 22</b>	<b>\$ 12,741</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 14,782</b>	<b>\$ 5,111</b>	<b>\$ -</b>	<b>\$ -</b>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
**Combining Balance Sheet - Special Revenue School**

*June 30, 2023*

	ARP IDEA Part B	ARP IDEA Pre-school	REAP Small Rural School Program	ELC Grant	SBA COVID	Education Foundation	Private Donation	School Lunch	Student Activities	Total School Special Revenue
<b>Assets</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 24,725	48,828	\$ 73,553
Inventories	-	-	-	-	-	-	-	284	-	284
Intergovernmental	20,107	2,326	-	4,851	35,000	-	-	-	-	110,086
Due from other funds	-	-	-	-	-	67	103	72,012	-	72,182
Total assets	20,107	2,326	-	4,851	35,000	67	103	97,021	48,828	256,105
<b>Deferred Outflows of Resources</b>										
None	-	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	20,107	2,326	-	4,851	35,000	67	103	97,021	48,828	256,105
<b>Liabilities</b>										
Accounts payable and accrued expenses	5,600	-	-	-	33,000	-	-	5,344	25,633	69,577
Due to other funds	13,125	2,326	-	4,851	2,000	-	-	-	-	70,084
Total liabilities	18,725	2,326	-	4,851	35,000	-	-	5,344	25,633	139,661
<b>Deferred Inflows of Resources</b>										
None	-	-	-	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-	-	-	-
<b>Fund balances</b>										
Nonspendable	-	-	-	-	-	-	-	284	-	284
Restricted	1,382	-	-	-	-	67	103	91,393	23,195	116,160
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	1,382	-	-	-	-	67	103	91,677	23,195	116,444
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 20,107	\$ 2,326	\$ -	\$ 4,851	\$ 35,000	\$ 67	\$ 103	\$ 97,021	\$ 48,828	\$ 256,105

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue School

*For the Year Ended June 30, 2023*

	SPED Part B	SPED Preschool	Title I Part A	ESSER III Back to School	ESSER III Other Priority	Title IIA Teacher Quality	Title IV	ESSER II Back to School	ESSER II Extended Learning
<b>Revenues</b>									
Intergovernmental revenues	\$ 119,245	\$ 2,363	\$ 48,496	\$ 83,171	\$ 1,541	\$ 24,182	\$ 13,937	\$ -	\$ 18,388
Departmental and other revenues	-	-	-	-	-	-	-	-	-
Total revenues	119,245	2,363	48,496	83,171	1,541	24,182	13,937	-	18,388
<b>Expenditures</b>									
Education	119,245	2,363	48,496	60,171	-	24,162	13,937	-	42,929
Total expenditures	119,245	2,363	48,496	60,171	-	24,162	13,937	-	42,929
Excess (deficiency) of revenue over expenditures	-	-	-	23,000	1,541	20	-	-	(24,541)
<b>Other financing sources (uses)</b>									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	-	-	-	23,000	1,541	20	-	-	(24,541)
Fund balance, July 1, 2022	-	-	-	(23,000)	(1,541)	-	-	-	24,541
Fund balance, June 30, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20	\$ -	\$ -	\$ -

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**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue School

*For the Year Ended June 30, 2023*

	ARP IDEA Part B	ARP IDEA Pre-school	REAP Small Rural School Program	ELC Grant	SBA COVID	Education Foundation	Private Donation	School Lunch	Student Activities	Total School Special Revenue
<b>Revenues</b>										
Intergovernmental revenues	\$ 20,107	2,326	15,990	\$ 8,867	\$ 35,000	\$ -	\$ -	\$ 364	\$ -	\$ 393,977
Departmental and other revenues	-	-	-	-	-	-	-	110,896	72,071	182,967
Total revenues	20,107	2,326	15,990	8,867	35,000	-	-	111,260	72,071	576,944
<b>Expenditures</b>										
Education	18,725	2,326	15,990	4,851	35,000	-	-	70,446	61,749	520,390
Total expenditures	18,725	2,326	15,990	4,851	35,000	-	-	70,446	61,749	520,390
Excess (deficiency) of revenue over expenditures	1,382	-	-	4,016	-	-	-	40,814	10,322	56,554
<b>Other financing sources (uses)</b>										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	1,382	-	-	4,016	-	-	-	40,814	10,322	56,554
Fund balance, July 1, 2022	-	-	-	(4,016)	-	67	103	50,863	12,873	59,890
Fund balance, June 30, 2023	\$ 1,382	\$ -	\$ -	\$ -	\$ -	\$ 67	\$ 103	\$ 91,677	\$ 23,195	\$ 116,444

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet - Permanent Trust Funds

June 30, 2023

	Cemetery	Historical Cemetery	Raposa Education Trust	Doris Simmons Mem
<b>Assets</b>				
Cash	\$ 44,038	\$ 31,959	\$ 11,963	\$ 2,280
Short-Term investments	37,125	-	-	-
Total assets	<u>81,163</u>	<u>31,959</u>	<u>11,963</u>	<u>2,280</u>
<b>Deferred Outflows of Resources</b>				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred outflows of resources and assets</b>	<u>\$ 81,163</u>	<u>\$ 31,959</u>	<u>\$ 11,963</u>	<u>\$ 2,280</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	\$ 367	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>367</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>				
Nonspendable	-	10,000	-	-
Restricted	80,796	21,959	11,963	2,280
Total fund balances (deficits)	<u>80,796</u>	<u>31,959</u>	<u>11,963</u>	<u>2,280</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 81,163</u>	<u>\$ 31,959</u>	<u>\$ 11,963</u>	<u>\$ 2,280</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet - Permanent Trust Funds

June 30, 2023

	R. Peckham	Tree Fund	Philip Wilbur Mem	Adamsville Historical Assoc	<b>Total</b>
<b>Assets</b>					
Cash	\$ 1,358	\$ 8,226	\$ 3,083	\$ 2,196	\$ 105,103
Short-Term investments	-	-	-	-	37,125
Total assets	<u>1,358</u>	<u>8,226</u>	<u>3,083</u>	<u>2,196</u>	<u>142,228</u>
<b>Deferred Outflows of Resources</b>					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total deferred outflows of resources and assets</b>	<u>\$ 1,358</u>	<u>\$ 8,226</u>	<u>\$ 3,083</u>	<u>\$ 2,196</u>	<u>\$ 142,228</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	\$ -	\$ 160	\$ -	\$ -	\$ 527
Due to other funds	51	-	-	-	51
Total liabilities	<u>51</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>578</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>					
Nonspendable	-	-	-	-	10,000
Restricted	1,307	8,066	3,083	2,196	131,650
Total fund balances (deficits)	<u>1,307</u>	<u>8,066</u>	<u>3,083</u>	<u>2,196</u>	<u>141,650</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,358</u>	<u>\$ 8,226</u>	<u>\$ 3,083</u>	<u>\$ 2,196</u>	<u>\$ 142,228</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Permanent Trust Funds

*For the Year Ended June 30, 2023*

	Cemetery	Historical Cemetery	Raposa Education Trust	Doris Simmons Mem
<b>Revenues</b>				
Investment income	\$ -	\$ 3	\$ 155	\$ 10
Donation revenues	-	-	-	-
Total revenues	<u>-</u>	<u>3</u>	<u>155</u>	<u>10</u>
<b>Expenditures</b>				
Education	-	-	300	150
Parks, recreation, and other	7,657	-	-	-
Total expenditures	<u>7,657</u>	<u>-</u>	<u>300</u>	<u>150</u>
Excess (Deficiency) of Revenue Over Expenditures	(7,657)	3	(145)	(140)
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess of revenues and other sources over expenditures and other uses</b>	(7,657)	3	(145)	(140)
Fund balance, July 1, 2022	<u>88,453</u>	<u>31,956</u>	<u>12,108</u>	<u>2,420</u>
Fund balance, June 30, 2023	<u>\$ 80,796</u>	<u>\$ 31,959</u>	<u>\$ 11,963</u>	<u>\$ 2,280</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Permanent Trust Funds

*For the Year Ended June 30, 2023*

	R. Peckham	Tree Fund	Philip Wilbur Mem	Adamsville Historical Assoc	Total
<b>Revenues</b>					
Investment income	\$ -	\$ 172	\$ 40	\$ 12	\$ 392
Donation revenues	-	10,465	-	-	10,465
Total revenues	-	10,637	40	12	10,857
<b>Expenditures</b>					
Education	-	-	-	-	450
Parks, recreation, and other	13	13,548	-	-	21,218
Total expenditures	13	13,548	-	-	21,668
Excess (Deficiency) of Revenue Over Expenditures	(13)	(2,911)	40	12	(10,811)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
<b>Excess of revenues and other sources over expenditures and other uses</b>	(13)	(2,911)	40	12	(10,811)
Fund balance, July 1, 2022	1,320	10,977	3,043	2,184	152,461
Fund balance, June 30, 2023	\$ 1,307	\$ 8,066	\$ 3,083	\$ 2,196	\$ 141,650

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
Combining Balance Sheet - Capital Project Funds

June 30, 2023

	Parking Lot Fund	Capital Expenditures	School Renovation-Town	Revaluation	School Renovation - School	School Housing Aid	Pike's Peak	Capital Projects Total
<b>Assets</b>								
Cash and cash equivalents	\$ 43,008	\$ 288,238	\$ -	\$ 50,356	\$ -	\$ 288,061	\$ -	\$ 669,663
Due from other funds	-	5,288	-	-	-	-	-	5,288
<b>Total assets</b>	<b>43,008</b>	<b>293,526</b>	<b>-</b>	<b>50,356</b>	<b>-</b>	<b>288,061</b>	<b>-</b>	<b>674,951</b>
<b>Deferred Outflows of Resources</b>								
Deferred outflows	-	-	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total outflows of resources and assets</b>	<b>43,008</b>	<b>293,526</b>	<b>-</b>	<b>50,356</b>	<b>-</b>	<b>288,061</b>	<b>-</b>	<b>674,951</b>
<b>Liabilities</b>								
Due to other funds	-	-	33,856	-	-	-	352	34,208
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>33,856</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>352</b>	<b>34,208</b>
<b>Deferred Inflows of Resources:</b>								
Unearned revenues - other	-	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>								
Committed	43,008	293,526	-	50,356	-	288,061	-	674,951
Unassigned	-	-	(33,856)	-	-	-	(352)	(34,208)
<b>Total fund balances (deficits)</b>	<b>43,008</b>	<b>293,526</b>	<b>(33,856)</b>	<b>50,356</b>	<b>-</b>	<b>288,061</b>	<b>(352)</b>	<b>640,743</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 43,008</b>	<b>\$ 293,526</b>	<b>\$ -</b>	<b>\$ 50,356</b>	<b>\$ -</b>	<b>\$ 288,061</b>	<b>\$ -</b>	<b>\$ 674,951</b>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*

Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Capital Project Funds

*For the Year Ended June 30, 2023*

	Parking Lot Fund	Capital Expenditures	School Renovation-Town	Revaluation	School Renovation - School	School Housing Aid	Pike's Peak	Capital Projects Total
<b>Revenues</b>								
Intergovernmental revenues	\$ -	\$ 50,000	\$ -	\$ -	\$ -	-	\$ -	\$ 50,000
Investment income	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
<b>Expenditures</b>								
Public works	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	15,390	-	15,390
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,390</u>	<u>-</u>	<u>15,390</u>
Excess (deficiency) of revenue over expenditures	-	50,000	-	-	-	(15,390)	-	34,610
<b>Other financing sources (uses)</b>								
Transfers in (out)	-	139,764	-	-	-	303,451	-	443,215
Total other financing sources (uses)	<u>-</u>	<u>139,764</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>303,451</u>	<u>-</u>	<u>443,215</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	-	189,764	-	-	-	288,061	-	477,825
Fund balance, July 1, 2022	<u>43,008</u>	<u>103,762</u>	<u>(33,856)</u>	<u>50,356</u>	<u>-</u>	<u>-</u>	<u>(352)</u>	<u>162,918</u>
Fund balance, June 30, 2023	<u>\$ 43,008</u>	<u>\$ 293,526</u>	<u>\$ (33,856)</u>	<u>\$ 50,356</u>	<u>\$ -</u>	<u>\$ 288,061</u>	<u>\$ (352)</u>	<u>\$ 640,743</u>

*See independent auditor's report*

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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**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)

*See independent auditor's report*



**TOWN OF LITTLE COMPTON, RHODE ISLAND**

*Supplementary Information*  
Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 13,044,458	\$ -
Last Year's Levy Tax Collection	131,596	-
Prior Years Property Tax Collection	72,056	-
Interest & Penalty	51,111	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	381,651	-
Fines and Forfeitures	158	-
Investment Income	70,076	-
Departmental	285,045	-
Rescue Run Revenue	172,688	-
Police & Fire Detail	59,654	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	54,600
Impact Aid	-	-
Medicaid	-	11,220
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	110,152
CDBG	-	-
COFS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	208,223
COVID - ESSER	-	123,992
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	100,230	24,857
MV Excise Tax Reimbursement	13,465	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	43,716	-
Library Construction Aid	-	-
Public Service Corporation Tax	43,310	-
Meals & Beverage Tax / Hotel Tax	89,069	-
LEA Aid	-	448,877
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	332,029	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	36,107
Motor Vehicle Phase Out	353,311	-
Other Revenue	-	148,022
Local Appropriation for Education	-	7,638,456
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 15,243,623</u>	<u>\$ 8,804,506</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>

*See independent auditor's report*

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information  
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 273,804	\$ 209,186	\$ 6,970	\$ -	\$ 98,057	\$ 154,092	\$ 198,623	\$ 177,819	\$ 773,781
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	2,303	-	-	-	-	-	6,806	-	126,078
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	55,740
Active Medical Insurance - Group A	94,738	78,589	-	-	16,914	9,309	23,200	-	170,928
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	4,110	2,456	-	-	2,456	4,814	850	-	5,875
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	19,883	17,103	524	-	7,340	11,997	17,562	14,648	67,801
Life Insurance	191	192	-	-	44	4,716	191	-	501
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	96,040	21,866	-	-	4,308	10,676	17,656	-	114,182
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	-	-	-	-	-	-	-	-	-
Purchased Services	63,093	12,162	-	96,846	-	-	30,916	1,167	34,418
Materials/Supplies	71,358	16,845	104	3,844	8,625	15,415	42,115	28,430	14,847
Software Licenses	-	-	-	-	-	-	-	-	-
Capital Outlays	1,449,128	4,681	-	9,155	-	-	-	21,952	-
Insurance	37,002	-	-	-	-	-	-	-	-
Maintenance	8,405	1,787	-	-	-	-	5,568	17,837	8,701
Vehicle Operations	-	-	-	-	1,905	-	49,065	-	48,795
Utilities	22,401	-	-	1,053	200	1,018	11,502	15,520	4,320
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	8,519	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	48,874	-	-
Trash Removal & Recycling	-	-	-	-	-	-	85,479	-	-
Claims & Settlements	62,232	-	-	-	-	-	-	-	-
Community Support	22,150	-	-	-	-	-	-	-	-
Other Operation Expenditures	130,411	5,345	4,999	-	1,372	-	3,000	1,088	46,436
Tipping Fees	-	-	-	-	-	-	93,955	-	-
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 2,357,249</b>	<b>\$ 370,212</b>	<b>\$ 12,597</b>	<b>\$ 110,898</b>	<b>\$ 141,221</b>	<b>\$ 212,037</b>	<b>\$ 643,881</b>	<b>\$ 278,461</b>	<b>\$ 1,472,403</b>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information  
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 598,933	\$ 162,616	\$ -	\$ -	\$ -	\$ -	\$ 2,653,901	\$ 2,942,079
Compensation - Group B	-	-	-	-	-	-	-	351,575
Compensation - Group C	-	-	-	-	-	-	-	521,009
Compensation -Volunteer	16,660	-	-	-	-	-	16,660	-
Overtime- Group A	301,113	63,345	-	-	-	-	499,647	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	22,744
Police & Fire Detail	-	-	-	-	-	-	55,740	-
Active Medical Insurance - Group A	178,307	93,365	-	-	-	-	665,350	483,859
Active Medical Insurance- Group B	-	-	-	-	-	-	-	18,973
Active Medical Insurance- Group C	-	-	-	-	-	-	-	99,895
Active Dental Insurance- Group A	7,135	3,825	-	-	-	-	31,521	20,851
Active Dental Insurance- Group B	-	-	-	-	-	-	-	1,786
Active Dental Insurance- Group C	-	-	-	-	-	-	-	2,746
Payroll Taxes	72,212	16,683	-	-	-	-	245,753	101,292
Life Insurance	1,560	191	-	-	-	-	7,586	13,235
State Defined Contribution- Group A	-	-	-	-	-	-	-	82,066
State Defined Contribution - Group B	-	-	-	-	-	-	-	1,686
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	3,059
Other Benefits- Group B	-	-	-	-	-	-	-	92
Other Benefits- Group C	-	-	-	-	-	-	-	12,169
Local Defined Benefit Pension- Group A	95,292	17,342	-	-	-	-	377,362	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	406,154
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	17,735
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	1,311	-	20,079	-	-	-	259,992	2,510,980
Materials/Supplies	11,135	-	426	-	-	-	213,144	170,310
Software Licenses	-	-	-	-	-	-	-	23,992
Capital Outlays	46,644	-	-	-	-	-	1,531,560	134,710
Insurance	-	-	-	-	-	-	37,002	35,533
Maintenance	31,844	-	16,180	-	-	-	90,322	88,696
Vehicle Operations	19,501	-	-	-	-	-	119,266	-
Utilities	4,586	-	26,193	-	-	-	86,793	176,036
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	8,519	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	48,874	-
Trash Removal & Recycling	-	-	-	-	-	-	85,479	-
Claims & Settlements	-	-	-	-	-	-	62,232	-
Community Support	-	-	-	-	-	-	22,150	-
Other Operation Expenditures	22,686	244	-	-	-	-	215,581	102,194
Tipping Fees	-	-	-	-	-	-	93,855	-
Local Appropriation for Education	-	-	-	7,638,456	-	-	7,638,456	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	140,000	-	140,000	-
Municipal Debt- Interest	-	-	-	-	36,869	-	36,869	-
School Debt- Principal	-	-	-	-	660,000	-	660,000	-
School Debt- Interest	-	-	-	-	194,055	-	194,055	-
Retiree Medical Insurance-Total	-	-	-	-	-	181,652	181,652	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 1,408,941</b>	<b>\$ 357,611</b>	<b>\$ 62,878</b>	<b>\$ 7,638,456</b>	<b>\$ 1,030,924</b>	<b>\$ 181,652</b>	<b>\$ 16,279,421</b>	<b>\$ 8,345,578</b>
Financing Uses: Transfer to Capital Funds							\$ -	\$ -
Financing Uses: Transfer to Other Funds							139,764	-
Financing Uses: Payment to Bond Escrow Agent							-	-
Financing Uses: Other							-	-
<b>Total Other Financing Uses</b>							<b>\$ 139,764</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>							<b>(1,175,562)</b>	<b>458,928</b>
<b>Fund Balance<sup>1</sup>- beginning of year</b>							<b>\$3,951,131</b>	<b>\$650,007</b>
Funds removed from Reportable Government Services (RGS)							-	-
Funds added to Reportable Government Services (RGS)							1,987,055	-
Prior period adjustments							(139,730)	-
Misc. Adjustment							-	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>							<b>5,798,456</b>	<b>650,007</b>
Rounding							-	-
<b>Fund Balance<sup>1</sup> - end of year</b>							<b>\$ 4,622,894</b>	<b>\$ 1,108,935</b>

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

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information  
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2022 adjusted</b>						\$ 3,951,131	-	\$ 3,951,131	
<i>Funds removed from RGS for fiscal 2022</i>						-	(139,730)	(139,730)	
<i>Funds added to RGS for Fiscal 2022</i>						1,987,055	-	1,987,055	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 5,938,186</u>	<u>(139,730)</u>	<u>\$ 5,798,456</u>	
General Fund	\$ 14,869,461	\$ -	\$ 7,336,743	\$ 7,778,220	\$ (245,502)	\$ 3,585,760	\$ -	\$ 3,585,760	\$ 3,340,258
CDBG-360	-	-	-	-	-	10,467	-	10,467	10,467
Special Revenue-Ambulance Reimbursement-405	172,688	-	130,766	-	41,922	225,040	(146,637)	78,403	120,325
Special Revenue-American Rescue Plan Act (ARPA)-408	100,230	-	100,230	-	-	-	-	-	-
Special Revenue-Police & Fire Detail-395	56,765	-	51,311	-	5,454	15,257	-	15,257	20,711
Special Revenue-Road Detail-395	2,889	-	2,972	-	(83)	43,794	-	43,794	43,711
Special Revenue-Drug Forfeiture-340	158	-	4,166	-	(4,008)	42,621	-	42,621	38,613
Capital Funds - Revaluation-430	-	-	-	-	-	43,449	6,907	50,356	50,356
Special Revenue-Town Hall Project Bond-435	41,432	-	1,014,777	-	(973,345)	1,971,798	-	1,971,798	998,453
<b>Totals per audited financial statements</b>	<u>\$ 15,243,623</u>	<u>\$ -</u>	<u>\$ 8,640,965</u>	<u>\$ 7,778,220</u>	<u>\$ (1,175,562)</u>	<u>\$ 5,938,186</u>	<u>\$ (139,730)</u>	<u>\$ 5,798,456</u>	<u>\$ 4,622,894</u>
<b>Reconciliation from financial statements to MTP2</b>									
School Appropriation from Town to School	\$ -	\$ -	\$ 7,638,456	\$ (7,638,456)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 15,243,623</u>	<u>\$ -</u>	<u>\$ 16,279,421</u>	<u>\$ 139,764</u>	<u>\$ (1,175,562)</u>	<u>\$ 5,938,186</u>	<u>\$ (139,730)</u>	<u>\$ 5,798,456</u>	<u>\$ 4,622,894</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information  
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2022 adjusted <i>No misc. adjustments made for fiscal 2022</i>						\$ 650,007		\$ 650,007	
Fund Balance <sup>1</sup> - per MTP-2 at June 30, 2023 adjusted						<u>\$ 650,007</u>		<u>\$ 650,007</u>	
School Unrestricted Fund	\$ 903,811	\$ 7,638,456	\$ 8,124,502	\$ 303,451	\$ 114,314	\$ 590,117	\$ -	\$ 590,117	\$ 704,431
SBA School Capital Project Fund	-	303,451	15,390	-	\$ 288,061	-	-	-	288,061
School Special Revenue Funds	576,944	-	520,390	-	\$ 56,554	59,890	-	59,890	116,444
<b>Totals per audited financial statements</b>	<u>\$ 1,480,755</u>	<u>\$ 7,941,907</u>	<u>\$ 8,660,282</u>	<u>\$ 303,451</u>	<u>\$ 458,929</u>	<u>\$ 650,007</u>	<u>\$ -</u>	<u>\$ 650,007</u>	<u>\$ 1,108,936</u>
<b>Reconciliation from financial statements to MTP2</b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 7,638,456	\$ (7,638,456)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(313,163)	-	(313,163)	-	-	-	-	-	-
Transfer from School Unrestricted to the School SBA Capital Projects Fund) is reported as an Other Financing Sources and Use for GAAP while it is not reported in UCOA or the MTP2 because the transfers net out to zero.	-	(303,451)	-	(303,451)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 8,804,506</u>	<u>\$ -</u>	<u>\$ 8,345,578</u>	<u>\$ -</u>	<u>\$ 458,928</u>	<u>\$ 650,007</u>	<u>\$ -</u>	<u>\$ 650,007</u>	<u>\$ 1,108,935</u>
<b>Reconciliation from MTP2 to UCOA</b>									
Miscellaneous Variance between MTP2 and UCOA	\$ (1,542)		\$ (1,541)						
<b>Totals per UCOA Validated Totals Report Dated 2/27/24</b>	<u>\$ 8,804,506</u>		<u>\$ 8,345,578</u>						

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

See independent auditor's report

## TOWN OF LITTLE COMPTON, RHODE ISLAND

### *Supplementary Information* Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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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 audit report 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 City's (or Town's) budget and accounting system. To report these costs, the City (or 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/>.*

*See independent auditor's report*

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*Independent Auditors' 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*

The Honorable President and Members of the Town Council  
Town of Little Compton, Rhode Island  
Little Compton, 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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Little Compton, Rhode Island (the Town), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated March 4, 2024.

### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Town of Little Compton, Rhode Island's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Town's internal control. Accordingly, we do not express an opinion on the effectiveness of Town'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. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2023-001 that we consider to be a significant deficiency.

## **Town of Little Compton, Rhode Island**

Page 2

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

As part of obtaining reasonable assurance about whether Town of Little Compton, 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Town of Little Compton, Rhode Island's Response to Findings**

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Town's response was not subject to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

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

*Hague, Sahady & Co., CPAs, P.C.*

Fall River, Massachusetts  
March 4, 2024



## TOWN OF LITTLE COMPTON, RHODE ISLAND

### Schedule of Findings and Recommendations

*Year Ended June 30, 2023*

Findings – Financial Statement Audit (Government Auditing Standards):

Failure of Controls over Financial Reporting (significant deficiency)

**Finding:** 2023-001 – Failure in the operation of effectively designed controls over Tax Receipts collections & failure of controls designed to safeguard assets from misappropriation.

**Criteria:** Management of the Town of Little Compton is responsible for the preparation and fair presentation of the financial statements in accordance with generally accepted accounting principals (GAAP). This includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement. Effective internal controls over financial reporting provides reasonable assurance regarding the reliability of the preparation of financial statements

**Condition:** The Town Tax Collector’s office did not follow the procedures in place when accepting cash payment for tax receipts.

**Cause:** Lack of segregation of duties, lack of reconciliation of daily cash receipts, inadequate recording of transactions in the general ledgers.

**Effect:-** Cash payments received were not deposited and were stolen from the Town.

**Isolated Instance or Systematic Problem:** We consider this issue to be an “isolated instance.”

**Repeat of a Finding in the Immediate Prior Audit:** No

**Recommendation:** The Town should implement an additional measure to review and sign off on deposits versus daily tax batches. Additional segregation of duties should be put in place so employees collecting cash do not also prepare the deposits.

**Corrective Action Plan:** See Corrective Action Plan

**TOWN OF LITTLE COMPTON, RHODE ISLAND**

Corrective Action Plan

*Year Ended June 30, 2023*

Name of the Auditee: Town of Little Compton, Rhode Island

Name of Audit Firm: Hague, Sahady & Co., CPAs, P.C.

Period Covered by Audit: June 30, 2023

CAP Prepared by: Joseph DeSantis, Finance Directors

Current Findings on the Schedule of Findings and Responses

1.) Finding 2023-001:

- a. Comments on the findings and each recommendation: The Town agrees with the findings and recommendations.
- b. Action plan:
  - i. The Town Council has passed an ordinance that tax cash payments will no longer be accepted as of September 2024.
  - ii. The Town has trained other staff in the Finance Department to assist with the collection of tax payments.
  - iii. The Town will be hiring a clerk whose primary responsibilities will be human resources and payroll, and who will assist with tax collection responsibilities.
  - iv. The Finance Director will ensure that the findings be rectified and will ensure:
    1. Clear office procedures – being created.
    2. Segregation of duties – collection and reconciliation
    3. Reconcile daily cash receipts and sign off by clerk and Finance Director/Designee – cash reconciliation has been implemented.
    4. Recording of transactions in the general ledger regularly – has been implemented.
    5. Weekly bank deposits – to be implemented with new hire.
    6. This is an evolving process to meet the needs as necessary.