

***TOWN OF CHARLESTOWN, RHODE ISLAND***  
***Annual Financial Statements***  
***For the Fiscal Year Ended***  
***June 30, 2023***

Patrick Gormley  
Treasurer

Prepared by: Treasurer's Office

**INTRODUCTORY SECTION**

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**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**ANNUAL FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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**ANNUAL FINANCIAL STATEMENTS**  
**For the Fiscal Year Ended June 30, 2023**

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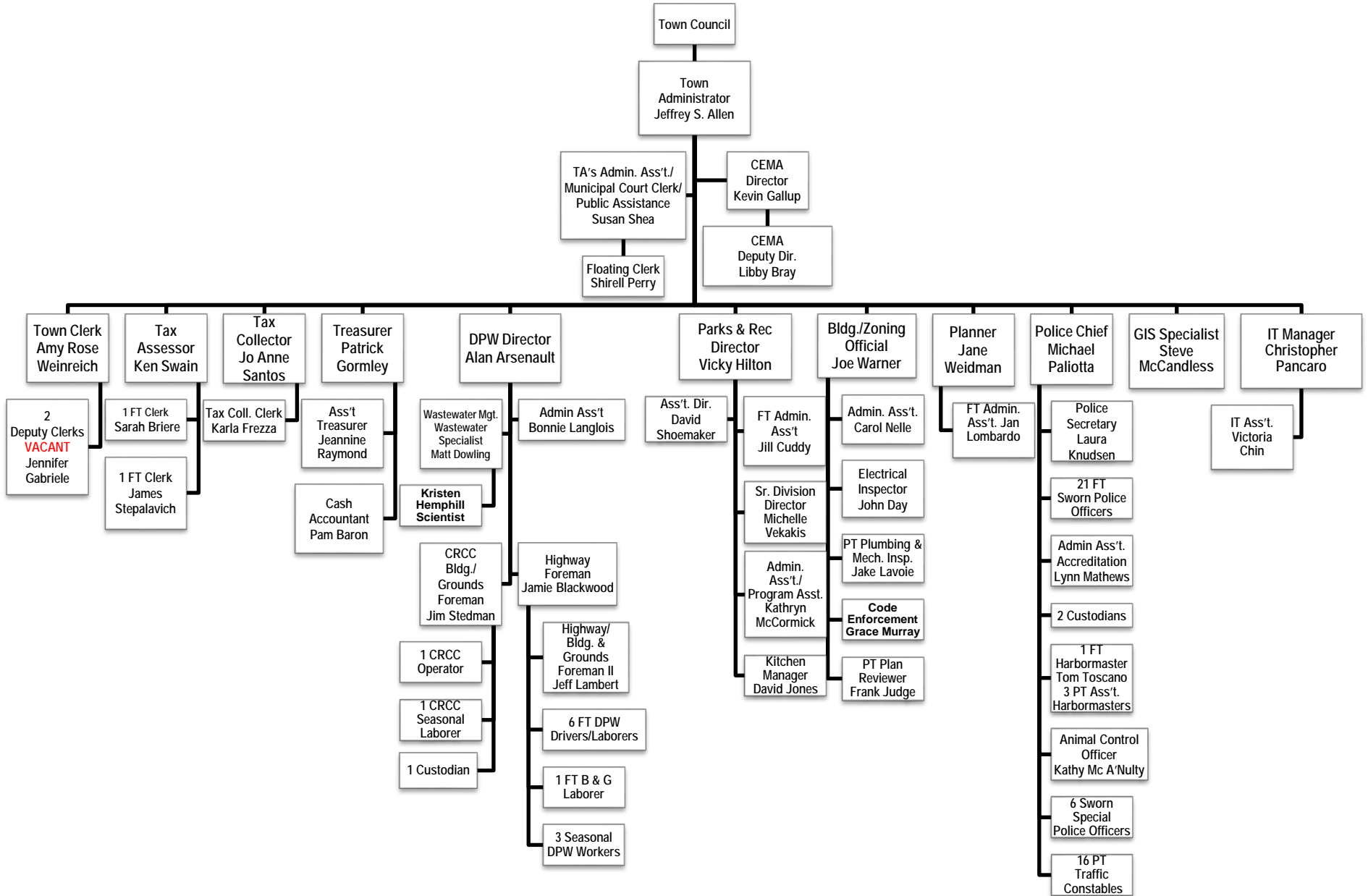
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# Charlestown, RI Government Organizational Chart



Municipal Officers

Town Council

Deborah A. Carney, President

Rippy Serra, Vice President

Susan J. Cooper

Stephen J. Stokes

Peter Slom

Town Officials

Town Administrator

Chief of Police

Town Clerk

Treasurer

Tax Collector

Building & Zoning Official

Public Works Director

Parks & Recreation Director

Town Planner

Animal Control Officer

Harbormaster

Town Solicitor

Probate Solicitor

Solicitor Indian Affairs

Emergency Management

Sealer of Weights & Measurers

Custodian of Cemeteries

Public Assistance

GIS

Information Technology

Wastewater Management Director

Senior Center Director

Jeffrey Allen

Michael Paliotta

Amy Rose Weinreich

Patrick Gormley

JoAnne Santos

Joseph Warner

Alan Arsenault

Vicky Hilton

Jane Weidman

Kathy A. McA'Nulty

Thomas Toscano

Peter Ruggiero

Robert Craven

Joseph Larisa Jr.

Kevin Gallup

Anthony Goes

Francis Fenner

Susan Shea

Stephen McCandless

Christopher Pancaro

Matthew Dowling

Michelle Vekakis

## **FINANCIAL SECTION**

**THIS SECTION CONTAINS THE FOLLOWING:**

**Independent Auditor's Report**

**Management Discussion and Analysis**

**Basic Financial Statements**

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**Independent Auditor's Report**

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

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

***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Charlestown, Rhode Island, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Charlestown, Rhode Island's basic financial statements as listed in the table of contents.

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

***Basis for Opinions***

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

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

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



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

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

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Charlestown, Rhode Island '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 of Charlestown, Rhode Island 's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and supplementary pension and other post-employment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements,

is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Charlestown, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 10, 2024 on our consideration of the Town of Charlestown, Rhode Island's internal control over financial

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

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island

May 10, 2024

## **Town of Charlestown, Rhode Island**

### **Management's Discussion and Analysis**

The Town of Charlestown's Management Discussion and Analysis is designed to assist the reader in focusing on significant issues. It provides an overview of the Town's financial activity and changes in financial position for the current year only. Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Financial Statements (beginning on page 16).

#### **Highlights**

##### **Financial Highlights**

The Town's net position increased by \$633,433 (or 1.85%). Governmental activities net position increased by \$626,089, (or 1.86%), while the business-type activities net position increased by \$7,344, (or 1.33%). In 2022, governmental activities net position increased by \$2,273,219 (or 7.25%), while the business-type activities net position increased by \$20,730, (or 3.91%).

Governmental activities revenues for the year ending June 30, 2023, totaled \$31,534,966 including charges for services at \$1,672,422, operating grants and contributions at \$4,651,811, capital grants and contributions at \$167,028 with the balance of revenue from property taxes, revenue sharing, investment interest, and contributions not restricted to specific programs of \$25,043,705.

Business-type activities revenues for the year ending June 30, 2023, totaled \$329,172 including charges for services of \$322,119, and investment income of \$7,053.

Governmental activities expenses for the fiscal year totaled \$30,894,576. Business-type activities expenses for the fiscal year totaled \$336,129.

On the GAAP basis, expenditures and other financing uses were \$29,841,057 for the general fund; \$1,375,349 for the American Rescue Plan Fund, \$304,707 for the non-major governmental funds; and \$336,129 for proprietary funds.

##### **Use of the Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities (on pages 16 through 17) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements start on page 18. For governmental

funds, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

The financial statement focus is on both the Town as a whole and its government-wide funds, as well as its business type activities. All these perspectives allow the user to address relevant questions, broaden the basis for comparison, and enhance accountability.

### **Reporting the Town as a whole:**

One of the most important questions asked about Town finances is "Is the Town as a whole better or worse financially as a result of this year's activities"? The Statement of Net Position and Statement of Activities reports information in a way that gives the reader the answer to the above question. Statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual method of accounting, similar to that of private business. All revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes therein. The Town's net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. This measures the Town's financial health or financial position. Over time, increases or decreases in net position are an indicator of whether the financial health of the Town is improving or declining. Other non-financial factors to consider are changes in the Town's property tax base and the condition of town roads and buildings when assessing the overall financial picture. In the Statement of Net Position and Statement of Activities the Town is divided into two sections: Governmental and Business-type (Enterprise) activities.

### **Significant Funds**

The analysis of the Town's most significant funds begins on page 18. The Fund Financial Statements provide detailed information on the general fund, and American Rescue Plan fund, not the Town as a whole. Some funds are required to be established by State law or by bond covenants. However, the Town Council mainly through the Financial Town Referendum establishes other funds to help control and manage money for a particular purpose or project. Individual funds track costs more closely than in the general everyday use of funds (i.e. road paving, engineering) or to show that all legal responsibilities for using certain grants, and other miscellaneous funds donated or sent to the Town through other sources than property taxes.

Proprietary funds are those that the Town charges its customers for a service it provides – such as the Collection Center where taxpayers deliver their rubbish and recyclables or Coastal Ponds for the registration and use of pond moorings for ocean

front property owners. Proprietary funds are like little businesses and are accounted for individually in order to know whether the funding for the service is adequate for the service provided.

The Town may be a trustee for certain types of funds or a fiduciary for certain activities. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purpose. At the present time the Town has only one fiduciary fund for the other post-employment benefit trust fund.

**Town as a Whole**

**Analysis as a Whole**

Included below is a condensed Statement of Net Position for the Town. The condensed format allows the reader to view the overall financial position of the Town.

**Governments Wide Statements**  
**Statement of Net Position**  
**As of June 30:**

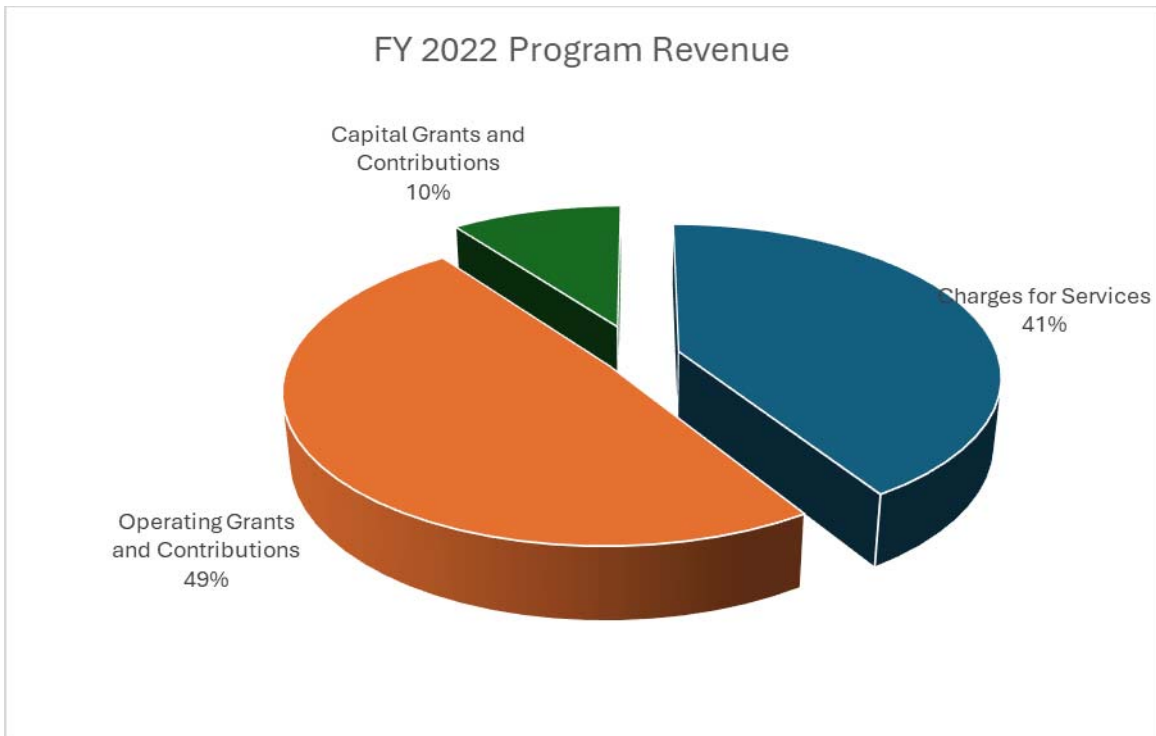
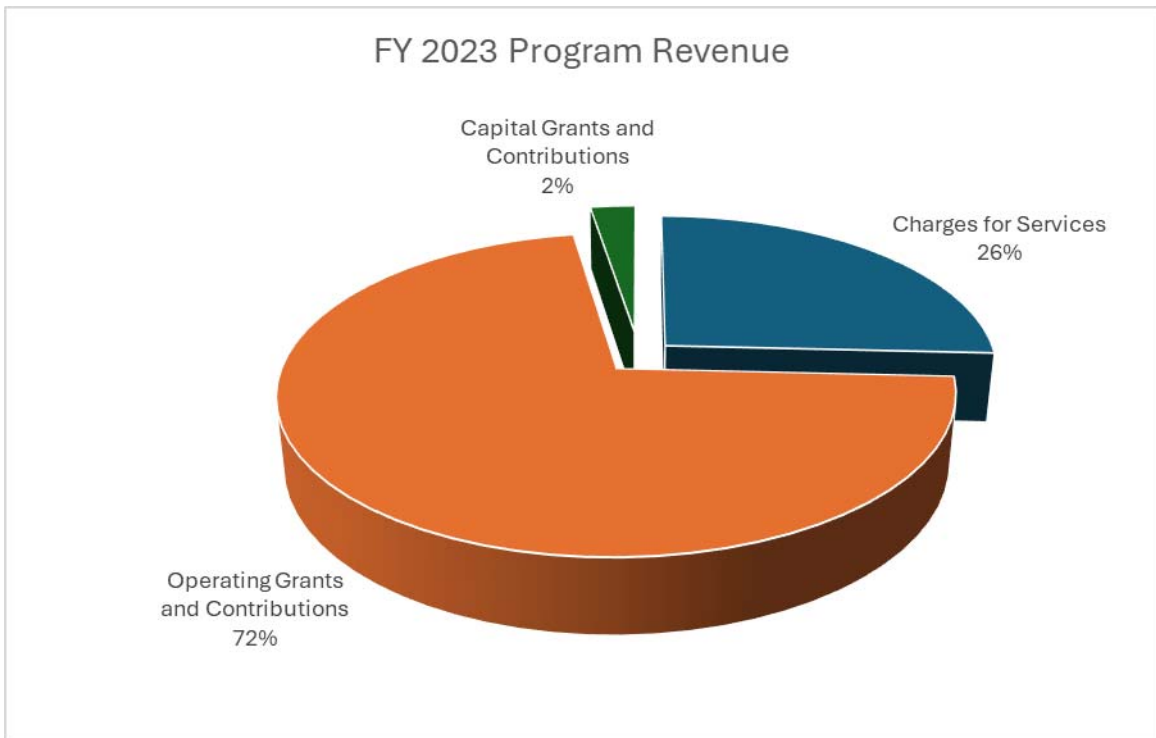
	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Current and Other Assets	15,388,173	16,160,294	251,545	220,463	15,639,718	16,380,757
Capital Assets	28,047,187	29,081,451	339,541	358,483	28,386,728	29,439,934
<b>Total Assets</b>	<u>43,435,360</u>	<u>45,241,745</u>	<u>591,086</u>	<u>578,946</u>	<u>44,026,446</u>	<u>45,820,691</u>
Deferred Outflows of resources	2,028,571	3,305,051	0	0	2,028,571	3,305,051
Current Liabilities	2,094,573	3,253,483	10,982	8,095	2,105,555	3,261,578
Long Term Liabilities	6,550,777	6,292,337	22,288	20,379	6,573,065	6,312,716
<b>Total Liabilities</b>	<u>8,645,350</u>	<u>9,545,820</u>	<u>33,270</u>	<u>28,474</u>	<u>8,678,620</u>	<u>9,574,294</u>
Deferred Inflows of Resources	2,556,069	5,364,553	0	0	2,556,069	5,364,553
Net Investment in Capital Assets	25,611,113	26,067,835	339,541	358,483	25,950,654	26,426,318
Restricted for Other Purpose	2,034,327	3,554,456	10,000	10,000	2,044,327	3,564,456
Unrestricted	6,617,072	4,014,132	208,275	181,989	6,825,347	4,196,121
<b>Total Net Position</b>	<u>34,262,512</u>	<u>33,636,423</u>	<u>557,816</u>	<u>550,472</u>	<u>34,820,328</u>	<u>34,186,895</u>

Net Position equals Total Assets plus Deferred Outflows of Resources less Total Liabilities and Deferred Inflows of Resources.

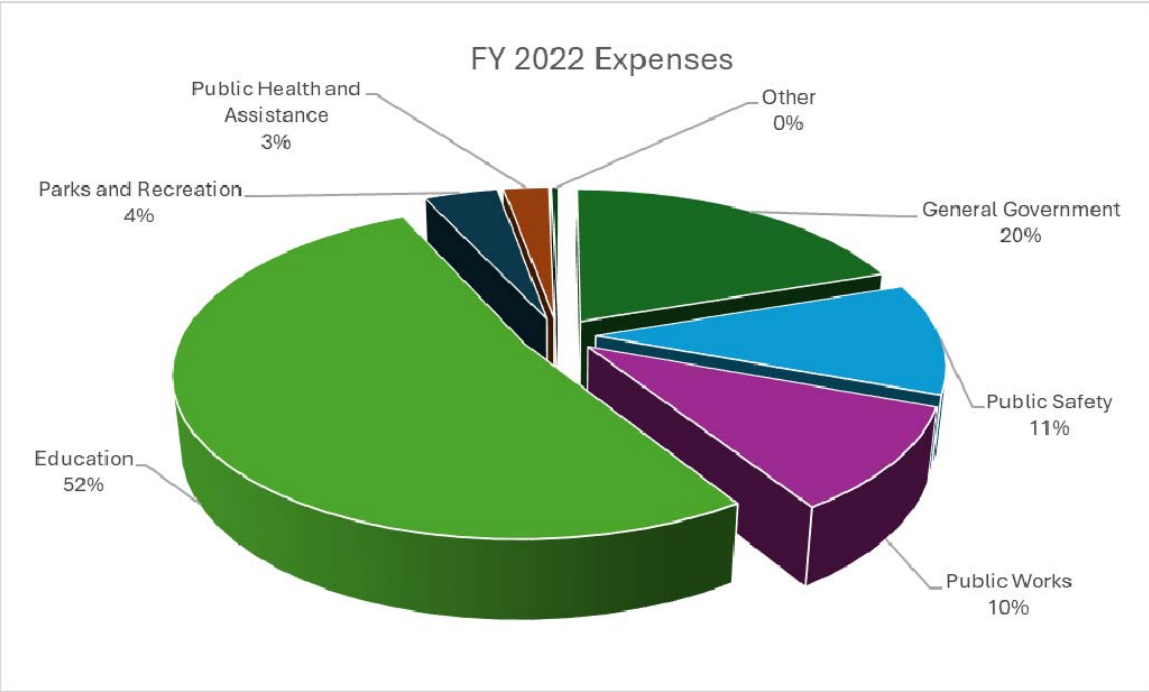
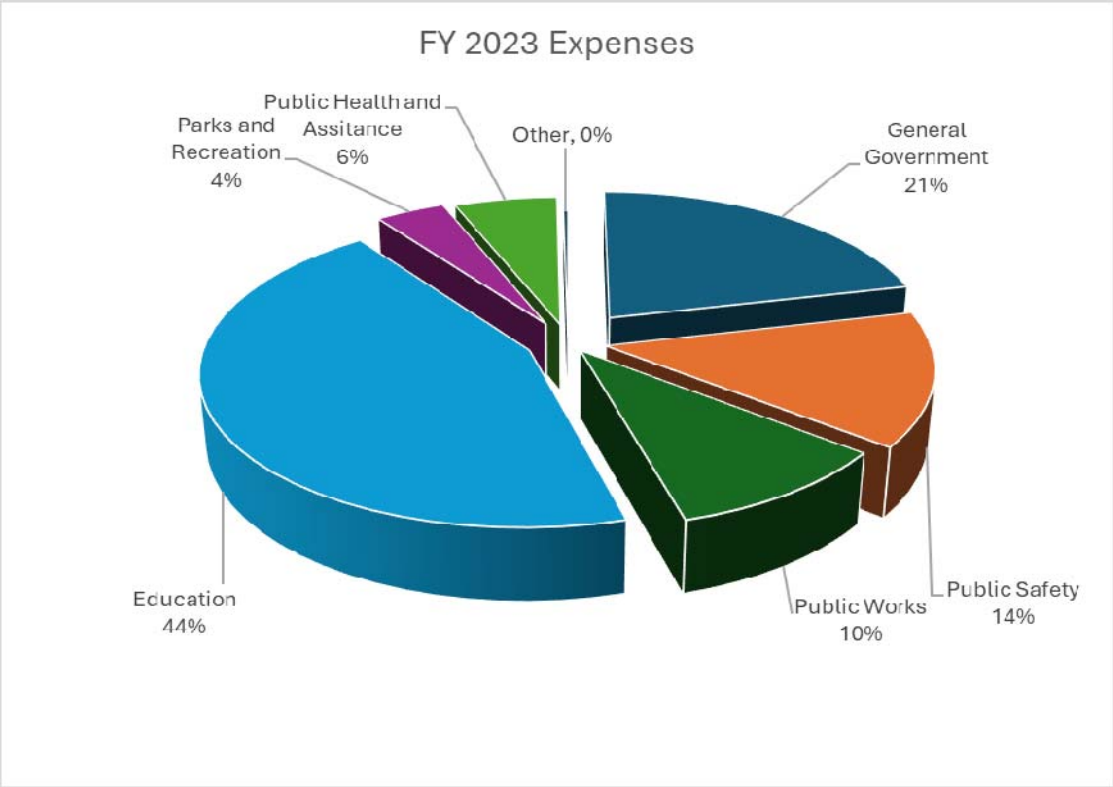
**Changes in Net Position  
For fiscal Year Ended  
June 30:**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
<b>Revenue:</b>						
Program Revenue:						
Charges for services	1,672,422	1,863,281	322,119	298,653	1,994,541	2,161,934
Operating Grants & Contributions	4,651,811	2,219,133	-	-	4,651,811	2,219,133
Capital Grants & Contributions	167,028	460,850	-	-	167,028	460,850
Total Program Revenue	<u>6,491,261</u>	<u>4,543,264</u>	<u>322,119</u>	<u>298,653</u>	<u>6,813,380</u>	<u>4,841,917</u>
<b>General Revenue:</b>						
Property Tax	23,228,475	23,678,072	-	-	23,228,475	23,678,072
State aid and in lieu of taxes, not restricted for specific purpose	1,429,136	-	-	-	1,429,136	-
Unrestricted Investment Earnings	267,348	36,674	7,053	654	274,401	37,328
Miscellaneous	118,746	-	-	-	118,746	-
Total General Revenue	<u>25,043,705</u>	<u>23,714,746</u>	<u>7,053</u>	<u>654</u>	<u>25,050,758</u>	<u>23,715,400</u>
Total Revenue	<u>31,534,966</u>	<u>28,258,010</u>	<u>329,172</u>	<u>299,307</u>	<u>31,864,138</u>	<u>28,557,317</u>
<b>Expenses:</b>						
General Government	6,602,026	5,120,500	-	-	6,602,026	5,120,500
Public Safety	4,384,024	2,850,677	-	-	4,384,024	2,850,677
Public Works	3,105,584	2,664,389	-	-	3,105,584	2,664,389
Education	13,688,234	13,534,203	-	-	13,688,234	13,534,203
Parks & Recreation	1,227,260	1,056,466	-	-	1,227,260	1,056,466
Public Health & Assistance	1,811,611	652,056	-	-	1,811,611	652,056
Interest on Long Term Debt	75,837	87,054	-	-	75,837	87,054
Residential Collection Center	-	-	262,728	249,297	262,728	249,297
Coastal Pond Management	-	-	73,401	48,726	73,401	48,726
Total Expenses	<u>30,894,576</u>	<u>25,965,345</u>	<u>336,129</u>	<u>298,023</u>	<u>31,230,705</u>	<u>26,263,368</u>
<b>Excess (deficiency) Of Revenue Over Expenses Before Transfers</b>						
	640,390	2,292,665	(6,957)	1,284	633,433	2,293,949
Transfers	(14,301)	(19,446)	14,301	19,446	-	-
<b>Change in Net Position</b>						
<b>Net Position Beginning</b>	<u>33,636,423</u>	<u>31,363,204</u>	<u>550,472</u>	<u>529,742</u>	<u>34,186,895</u>	<u>31,892,946</u>
<b>Net Position Ending</b>	<u>34,262,512</u>	<u>33,636,423</u>	<u>557,816</u>	<u>550,472</u>	<u>34,820,328</u>	<u>34,186,895</u>

The following pie charts delineate the preceding chart by percentages for Governmental Activities. Sometimes it is easier to envision the totals when looking at it as pie slices.







## **Normal Impact:**

There are six basic transactions that affect comparability of Net Position.

1. Net results of activities – will increase or decrease current and unrestricted
2. Borrowing of Capital – increases current assets and long-term debt
3. Spending Borrowed Proceeds on New Capital – reduces current assets and increases capital. Also, a second impact occurs – increase in the net investment in capital assets and an increase in related net debt – note the investment in capital assets will not change the capital asset net of debt.
4. Spending of non-borrowed Current Assets on New Capital – will (a) reduce current assets and increase capital assets and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.
5. Principal Payment on Debt – a) reduce current assets and long-term debt and (b) reduce unrestricted assets and increase invested capital assets, net of debt.
6. Reduction of Assets through Depreciation – reduces capital assets and invested in capital assets, net of debt.

Changes in net position of the Town's activities as a whole (includes governmental and business-type activities) was \$633,433 and \$2,293,949 for fiscal year 2023 and 2022, respectively, resulting from the difference between expenses and revenues. For fiscal year 2023, governmental activities expenses net of their pertinent revenues were \$24,403,315, while revenue not attributed to any activity in the government and transfers were \$25,029,404, therefore netting an increase of \$626,089 in net position. For fiscal year 2022, governmental activities expenses net of their pertinent revenues was \$21,422,081, while revenues not attributed to any activity in the government and transfers were \$23,695,300, therefore netting an increase of \$2,273,219 in net position.

## **Business-type Activities:**

The change in net position for the business-type activities for fiscal year 2023 and 2022 was \$7,344 and \$20,730, respectively.

## **Town's Funds:**

### **General Fund & Other Governmental funds:**

The Town implemented the provisions of Governmental Accounting Standards Board Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54) in fiscal year 2011. GASB 54 establishes criteria for classifying fund balances into specifically defined classifications and clarifies the definitions for governmental funds. GASB 54 defines the following five categories of fund balance:

Nonspendable – items that cannot be spent because they are not in a spendable form, or legally or contractually required to be maintained intact.

Restricted – items that are restricted by external parties or imposed by grants, laws or legislation.

Committed – items that have been committed by formal action by the entity's highest level of decision-making authority.

Assigned – items that have been allocated by committee action where the government's intent is to use the funds for a specific purpose.

Unassigned – items that have no restrictions placed on them.

At the end of June 2023, the general fund balance sheet showed a fund balance of \$10,788,263. This figure results from all assets allocated to the fund less its liabilities and deferred inflows of resources, as presented on page 18. Of this total, \$20,650 was nonspendable for prepaid expenditures, \$4,149,452 was committed mainly for capital and maintenance projects, employee severance benefits and general government expenditures, \$415,644 was assigned, and \$6,202,517 was unassigned. The Town was also required to show any other major funds which are determined by criteria listed by the GASB. Other governmental funds had a fund balance of \$628,109, \$351,991 was restricted mainly for general government expenditures, \$276,424 was committed, and \$(306) was unassigned. The total fund balance for the aforementioned funds is \$11,416,372.

At the end of June 2022, the general fund balance sheet showed a fund balance of \$10,630,597. Of this total, \$1,658 was nonspendable for prepaid expenditures, \$5,053,584 was committed mainly for capital projects, employee severance benefits, and general government expenditures, and \$5,575,355 was unassigned. The Town was also required to show any other major funds which are determined by criteria listed by the GASB. Other governmental funds had a fund balance of \$500,568 of which \$555,868 was restricted mainly for education and, general government expenditures and \$(55,300) was unassigned. The total fund balance for the aforementioned funds is \$11,131,165.

For fiscal year 2023 the American Rescue Plan Fund was presented as a major fund with balance of \$960,804 in unearned revenue. This fund represents revenue replacement related to COVID-19 pandemic period which is funded by federal government through the State of Rhode Island and will be utilized as subsidy for projects related to capital projects related to public facilities and grants to outside agencies.

**Business-type Activities:**

The business-type activities for the Town are the Residential Collection Center and the Coastal Pond Management. These two entities combined had total net position of \$557,816 at June 30, 2023, of which \$339,541 is the net investment in capital assets, \$10,000 is restricted and \$208,275 is unrestricted. At June 30, 2022, these two entities combined had total net position of \$550,472 of which \$358,483 was the net investment in capital assets, \$10,000 was restricted and \$181,989 was unrestricted.

**Required Supplemental Information**

In addition to this MD&A and the basic financial statements, this report also presents certain Required Supplemental Information. For the Town of Charlestown, this Required Supplemental Information includes the Budgetary Comparison Schedule for the General Fund that can be found on pages 71-73. The presentation under GASB 34 requires disclosure of both the original and final budget. The original budget is the first complete appropriated budget. The final budget is the original budget adjusted by all reserves, transfers, allocations, supplemental appropriations, and other legally authorized legislative and executive changes applicable to the fiscal year.

**Analysis of Significant Budget Variations in the General Fund**

For the year ended June 30, 2023, the general fund revenues fell short of budget projections by \$394,488, or 1.36%. The general fund expenditures were less than the budget by \$1,036,818, or 3.58%. This resulted in a \$642,330 budgetary surplus in the general fund for the year ending June 30, 2023.

The most significant revenue variances were tax collections in the amount of \$(1,029,793), Motor Vehicle Phase out revenue in the amount of \$710,877, Recording Fees revenue of \$(69,414), and Transfer Stamp revenue of \$(67,903). The most significant expense variances were savings in the Public Works department for highways and roads as well as the Police Department and Town Planner.

For the year ended June 30, 2022, the general fund revenues exceeded budget projections by \$405,773, or 1.49%. The general fund expenditures were less than the budget by \$460,159 or 1.59%. This resulted in a \$865,932 budgetary surplus in the general fund for the year ending June 30, 2022.

The most significant revenue variances were tax collections in the amount of \$236,109, Building Inspection departmental revenue in the amount of \$100,291, and Recreation/Beach departmental revenue of \$40,747. The most significant expense variances were savings in the Public Works department for highways and public buildings and grounds as well as the IT and Police Department.

## **Capital Assets and Long-Term Debt**

### **Capital Assets**

The Town of Charlestown’s net investment in capital assets for its governmental and business-type activities as of June 30, 2023, and 2022 amounted to \$28.4 and \$29.4 million, respectively (net of accumulated depreciation). This net investment in capital assets includes construction-in-progress, land, buildings and improvements, motor vehicles, equipment, and infrastructure.

The presentation below for the current fiscal year lists the major categories of capital assets for governmental activities and business-type activities. Infrastructure assets, assets that are long-lived and can be preserved for a significantly greater number of years than most capital assets and that normally are stationary in nature such as streets, sidewalks and curbing are subject to different rules under the standards established by GASB 34.

### **Capital Assets at June 30:** **(In Millions)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Motor Vehicles	4.4	4.2	0.2	0.2	4.6	4.4
Equipment	2.1	2.0	0.5	0.5	2.6	2.4
Infrastructure	52.3	52.3	0.0	0.0	52.3	52.3
Buildings and Improvements	11.0	10.8	0.1	0.1	11.1	10.9
Land and Land Improvements	12.8	12.8	0.2	0.2	13.0	13.0
Construction-in-progress	0.0	0.0	0.0	0.0	0.0	0.0
Total Assets	82.7	82.1	0.9	0.9	83.7	83.0
Less: Accumulated Depreciation	-54.7	-53.1	-0.6	-0.5	-55.3	-53.6
Net Capital Assets	28.0	29.1	0.3	0.4	28.4	29.4

The Town’s investment in capital assets for its governmental and business-type activities as of June 30, 2023, was \$83.7 million less accumulated depreciation of \$55.3 million for a net investment in capital assets of \$28.4 million.

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2022, was \$83.0 million less accumulated depreciation of \$53.6 million for a net investment in capital assets of \$29.4 million.

Major capital asset additions during the current fiscal year included the following:

- \$ 355,310 for Vehicles
- \$ 232,390 for Buildings and Improvements
- \$ 157,118 for Machinery & Equipment

Additional information on the Town's capital assets can be found in Note 6 on pages 39 – 40 of this report.

### **Long-Term Debt**

As of June 30, 2023, the Town had total long-term liabilities of \$7.2 million. Of that, \$2.4 million related to bonded debt guaranteed by the Town's assets, \$0.1 related to landfill monitoring costs; \$1.3 million related to compensated absences.

As of June 30, 2022, the Town had total long-term liabilities of \$7.3 million. Of that, \$2.9 million related to bonded debt guaranteed by the Town's assets, \$0.1 related to landfill monitoring costs; \$1.5 million related to compensated absences.

The business-type activities had long-term liabilities \$22,288 on June 30, 2023. This is related to compensated absences.

The business-type activities had long-term liabilities \$20,379 on June 30, 2022. This is related to compensated absences.

Additional information can be found in Note 7 on pages 40-42 of this report.

The Town's bond ratings are as follows:

- Moody's: Aa2

### **Request for Information**

This financial report is designed to provide our citizens, taxpayers, customers, investors, 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 questions about this report or need additional information, contact the Office of the Treasurer at the Town of Charlestown, 4540 South County Trail, Charlestown, RI 02813.

## **BASIC FINANCIAL STATEMENTS**

### **THE BASIC FINANCIAL STATEMENTS INCLUDE:**

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

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

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

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Statement of Net Position*  
June 30, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 11,914,918	\$ 1,061,013	\$ 12,975,931
Restricted cash and cash equivalents	-	16,064	16,064
Investments	500	-	500
Property taxes receivable, net	360,905	-	360,905
Due from federal and state governments	12,875	-	12,875
Other receivables	286,678	3,600	290,278
Internal balances	829,132	(829,132)	-
Prepaid expenses	20,650	-	20,650
<b>Total current assets</b>	<u>13,425,658</u>	<u>251,545</u>	<u>13,677,203</u>
<b>Noncurrent assets:</b>			
Capital assets: (Note 6)			
Non-depreciable assets	10,809,007	99,500	10,908,507
Depreciable assets, net	17,238,180	240,041	17,478,221
Net pension asset	831,075	-	831,075
Net other post-employment benefit asset	851,261	-	851,261
Other assets	280,179	-	280,179
<b>Total noncurrent assets</b>	<u>30,009,702</u>	<u>339,541</u>	<u>30,349,243</u>
<b>Total assets</b>	<u>43,435,360</u>	<u>591,086</u>	<u>44,026,446</u>
<b>Deferred Outflows of Resources</b>			
Deferred pension amounts	1,421,158	-	1,421,158
Deferred other post-employment benefit amounts	607,413	-	607,413
<b>Total deferred outflows of resources</b>	<u>2,028,571</u>	<u>-</u>	<u>2,028,571</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	270,982	8,874	279,856
Accrued payroll	102,815	2,108	104,923
Accrued interest payable	35,474	-	35,474
Unearned revenue	1,028,530	-	1,028,530
Other liabilities	69,799	-	69,799
Subscription liability - due within one year	13,821	-	13,821
Landfill post closure costs	8,152	-	8,152
Long-term debt - due within one year (Note 7)	565,000	-	565,000
<b>Total current liabilities</b>	<u>2,094,573</u>	<u>10,982</u>	<u>2,105,555</u>
<b>Noncurrent liabilities:</b>			
Long-term debt - due in more than one year (Note 7)	2,067,635	-	2,067,635
Subscription liability - due in more than one year	37,253	-	37,253
Accrued compensated absences	1,310,192	22,288	1,332,480
Landfill post closure costs	48,912	-	48,912
Net pension liability	3,086,785	-	3,086,785
<b>Total noncurrent liabilities</b>	<u>6,550,777</u>	<u>22,288</u>	<u>6,573,065</u>
<b>Total liabilities</b>	<u>8,645,350</u>	<u>33,270</u>	<u>8,678,620</u>
<b>Deferred Inflows of Resources</b>			
Deferred pension amounts	1,318,319	-	1,318,319
Deferred other post-employment benefit amounts	1,237,750	-	1,237,750
<b>Total deferred inflows of resources</b>	<u>2,556,069</u>	<u>-</u>	<u>2,556,069</u>
<b>Net position</b>			
Net investment in capital assets	25,611,113	339,541	25,950,654
Restricted for:			
Endowment	-	10,000	10,000
Public health and assistance programs	77,914	-	77,914
Environmental programs	53,049	-	53,049
Historical and vital records	198,034	-	198,034
Employee benefit plans	1,682,336	-	1,682,336
Other programs	22,994	-	22,994
Unrestricted	6,617,072	208,275	6,825,347
<b>Total net position</b>	<u>\$ 34,262,512</u>	<u>\$ 557,816</u>	<u>\$ 34,820,328</u>

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



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities:</b>							
General government	\$ 6,602,026	\$ 909,663	\$ 1,958,651	\$ -	\$ (3,733,712)	\$ -	\$ (3,733,712)
Public safety	4,384,024	60,052	26,053	-	(4,297,919)	-	(4,297,919)
Public works	3,105,584	150	100,996	-	(3,004,438)	-	(3,004,438)
Education	13,688,234	-	1,341,690	-	(12,346,544)	-	(12,346,544)
Parks and recreation	1,227,260	702,557	71,101	167,028	(286,574)	-	(286,574)
Public health and assistance	1,811,611	-	1,153,320	-	(658,291)	-	(658,291)
Interest on long-term debt	75,837	-	-	-	(75,837)	-	(75,837)
<b>Total governmental activities</b>	<b>30,894,576</b>	<b>1,672,422</b>	<b>4,651,811</b>	<b>167,028</b>	<b>(24,403,315)</b>	<b>-</b>	<b>(24,403,315)</b>
<b>Business-Type Activities:</b>							
Residential collection center	262,728	265,886	-	-	-	3,158	3,158
Coastal pond management	73,401	56,233	-	-	-	(17,168)	(17,168)
<b>Total business-type activities</b>	<b>336,129</b>	<b>322,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,010)</b>	<b>(14,010)</b>
<b>Total</b>	<b>\$ 31,230,705</b>	<b>\$ 1,994,541</b>	<b>\$ 4,651,811</b>	<b>\$ 167,028</b>	<b>(24,403,315)</b>	<b>(14,010)</b>	<b>(24,417,325)</b>
<b>General Revenues:</b>							
Taxes:							
Property taxes					23,228,475	-	23,228,475
State aid and in lieu of taxes, not restricted for a specific purpose					1,429,136	-	1,429,136
Investment earnings					267,348	7,053	274,401
Miscellaneous					118,746	-	118,746
<b>Transfers</b>					<b>(14,301)</b>	<b>14,301</b>	<b>-</b>
<b>Total general revenues and transfers</b>					<b>25,029,404</b>	<b>21,354</b>	<b>25,050,758</b>
<b>Change in net position</b>					<b>626,089</b>	<b>7,344</b>	<b>633,433</b>
<b>Net position - beginning of year - restated</b>					<b>33,636,423</b>	<b>550,472</b>	<b>34,186,895</b>
<b>Net position - end of year</b>					<b>\$ 34,262,512</b>	<b>\$ 557,816</b>	<b>\$ 34,820,328</b>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	<u>General Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>				
Cash	\$ 11,640,935	\$ -	\$ 273,983	\$ 11,914,918
Investments	-	-	500	500
Property taxes receivable, net	360,905	-	-	360,905
Due from federal and state governments	-	-	12,875	12,875
Due from other funds	831,507	960,804	356,706	2,149,017
Other receivables	39,043	-	247,635	286,678
Prepaid expenditures	20,650	-	-	20,650
Other assets	280,179	-	-	280,179
<b>Total assets</b>	<u>\$ 13,173,219</u>	<u>\$ 960,804</u>	<u>\$ 891,699</u>	<u>\$ 15,025,722</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>				
<b>Liabilities</b>				
Accounts payable	\$ 260,175	\$ -	\$ 10,807	\$ 270,982
Accrued payroll	102,815	-	-	102,815
Due to other funds	1,317,510	-	2,375	1,319,885
Unearned revenue	64,953	960,804	2,773	1,028,530
Other liabilities	69,799	-	-	69,799
<b>Total liabilities</b>	<u>1,815,252</u>	<u>960,804</u>	<u>15,955</u>	<u>2,792,011</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	289,525	-	-	289,525
Unavailable revenue - tax sale property	280,179	-	-	280,179
Unavailable revenue - loans	-	-	247,635	247,635
<b>Total deferred inflows of resources</b>	<u>569,704</u>	<u>-</u>	<u>247,635</u>	<u>817,339</u>
<b>Fund balances (Deficits)</b>				
Nonspendable	20,650	-	-	20,650
Restricted	-	-	351,991	351,991
Committed	4,149,452	-	276,424	4,425,876
Assigned	415,644	-	-	415,644
Unassigned	6,202,517	-	(306)	6,202,211
<b>Total fund balances (deficits)</b>	<u>10,788,263</u>	<u>-</u>	<u>628,109</u>	<u>11,416,372</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 13,173,219</u>	<u>\$ 960,804</u>	<u>\$ 891,699</u>	<u>\$ 15,025,722</u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2023**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 11,416,372</b>
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in Governmental Activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 6 to the financial statements.	28,047,187
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in Governmental Funds financial statements.	247,635
Property taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as revenue when received in Governmental Funds financial statements.	569,704
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(35,474)
Long-term liabilities (including bonds and loans payable, subscription liability, accrued compensated absences, landfill post closure costs , and net pension liability) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. See Note 7 to the financial statements.	(7,137,750)
Net pension assets are not available to pay for current period expenditures and, therefore, are not reported in Governmental Funds financial statements.	831,075
Net other post-employment benefit assets are not available to pay for current period expenditures and, therefore, are not reported in Governmental Funds financial statements.	851,261
Deferred outflows and inflows related to pensions and other-post employment benefits are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements.	
Deferred outflows - pension	1,421,158
Deferred inflows - pension	(1,318,319)
Deferred outflows - other post-employment benefits	607,413
Deferred inflows - other post-employment benefits	(1,237,750)
 <b>Net Position of Governmental Activities</b>	 <b><u>\$ 34,262,512</u></b>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	<u>General Fund</u>	<u>American Rescue Plan Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
General property taxes	\$ 23,333,812	\$ -	\$ -	\$ 23,333,812
Intergovernmental	4,695,212	1,375,349	165,763	6,236,324
Departmental	1,608,904	-	58,265	1,667,169
Investment income	263,681	-	3,667	267,348
Other	97,114	-	107,866	204,980
<b>Total revenues</b>	<u>29,998,723</u>	<u>1,375,349</u>	<u>335,561</u>	<u>31,709,633</u>
<b>Expenditures:</b>				
Current:				
General government	5,115,338	9,054	8,461	5,132,853
Public safety	3,190,101	10,883	12,945	3,213,929
Public works	2,006,263	-	196,642	2,202,905
Education	13,664,390	-	-	13,664,390
Parks and recreation	892,910	35,064	2,385	930,359
Public health and assistance	658,209	1,153,320	-	1,811,529
Employee benefits and outside services	2,975,218	-	-	2,975,218
Debt service:				
Principal	555,000	-	80,179	635,179
Interest and other charges	87,583	-	3,615	91,198
Capital outlay	658,012	167,028	-	825,040
<b>Total expenditures</b>	<u>29,803,024</u>	<u>1,375,349</u>	<u>304,227</u>	<u>31,482,600</u>
<b>Excess of revenues over expenditures before other financing sources (uses)</b>	<u>195,699</u>	<u>-</u>	<u>31,334</u>	<u>227,033</u>
<b>Other financing sources (uses):</b>				
Debt issued	-	-	72,475	72,475
Transfers in	-	-	24,212	24,212
Transfers out	(38,033)	-	(480)	(38,513)
<b>Total other financing sources (uses)</b>	<u>(38,033)</u>	<u>-</u>	<u>96,207</u>	<u>58,174</u>
<b>Net change in fund balances</b>	157,666	-	127,541	285,207
<b>Fund balances (deficits) - beginning of year - restated</b>	<u>10,630,597</u>	<u>-</u>	<u>500,568</u>	<u>11,131,165</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 10,788,263</u>	<u>\$ -</u>	<u>\$ 628,109</u>	<u>\$ 11,416,372</u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in the Fund Balances to Government-Wide Statement of Activities**  
**For the Year Ended June 30, 2023**

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**Net Changes in Fund Balances - Total Governmental Funds** \$ 285,207

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

Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of capital asset additions recorded in the current period. 735,230

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements. (1,769,494)

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period. 227,017

Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt principal is an expenditure in Government Funds, but the payment reduces long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents debt issued during the current period. (72,475)

This amount represents bond and loan principal payments during the current period. 635,180

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. 6,318

Subscription liabilities provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of subscription liability principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents subscription liability principal payments during the current period. 13,498

Landfill post closure costs are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, landfill post closure costs are not reported as expenditures in Governmental Funds financial statements. The following amount represents the change in landfill post closure costs from prior year. 8,152

New loans are reported as an increase in accounts receivable in the Government-Wide Statement of Net Position, but are reported as expenditures in the Governmental Funds financial statements. 72,475

Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds. (174,668)

Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.

This amount represents premium amortized during the current period. 9,043

Long-term net pension liabilities (assets) and net other post-employment benefit assets are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources or are not available to pay for current period expenditures. Therefore, long-term net pension liabilities (assets) and net other-post employment benefit assets are not reported as expenditures in Governmental Funds financial statements.

This is the amount of the change in long-term net pension liabilities (assets) and net other post-employment benefit assets and related deferred amounts in the current period. 650,606

**Change in Net Position of Governmental Activities** \$ 626,089

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Residential Collection Center</i>	<i>Coastal Pond Management</i>	<i>Total</i>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 755,001	\$ 306,012	\$ 1,061,013
Restricted cash and cash equivalents	-	16,064	16,064
Accounts receivable	3,600	-	3,600
<b>Total current assets</b>	<u>758,601</u>	<u>322,076</u>	<u>1,080,677</u>
<b>Noncurrent assets:</b>			
Capital assets:			
Non-depreciable assets	99,500	-	99,500
Depreciable assets, net	237,321	2,720	240,041
<b>Total noncurrent assets</b>	<u>336,821</u>	<u>2,720</u>	<u>339,541</u>
<b>Total assets</b>	<u>1,095,422</u>	<u>324,796</u>	<u>1,420,218</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	8,874	-	8,874
Accrued payroll	1,356	752	2,108
Due to other funds	620,089	209,043	829,132
<b>Total current liabilities</b>	<u>630,319</u>	<u>209,795</u>	<u>840,114</u>
<b>Noncurrent liabilities:</b>			
Accrued compensated absences	22,288	-	22,288
<b>Total noncurrent liabilities</b>	<u>22,288</u>	<u>-</u>	<u>22,288</u>
<b>Total liabilities</b>	<u>652,607</u>	<u>209,795</u>	<u>862,402</u>
<b>Net position</b>			
Net investment in capital assets	336,821	2,720	339,541
Restricted for endowment	-	10,000	10,000
Unrestricted	105,994	102,281	208,275
<b>Total net position</b>	<u>\$ 442,815</u>	<u>\$ 115,001</u>	<u>\$ 557,816</u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2023**

	<i>Business-Type Activities</i> <i>Enterprise Funds</i>		
	<i>Residential Collection Center</i>	<i>Coastal Pond Management</i>	<i>Total</i>
<b>Operating revenues</b>			
Charges for usage and service	\$ 265,886	\$ 56,233	\$ 322,119
<b>Total operating revenues</b>	<u>265,886</u>	<u>56,233</u>	<u>322,119</u>
<b>Operating expenses</b>			
Operations	114,391	25,834	140,225
Personnel	125,247	42,127	167,374
Depreciation	23,090	5,440	28,530
<b>Total operating expenses</b>	<u>262,728</u>	<u>73,401</u>	<u>336,129</u>
<b>Operating income (loss)</b>	<u>3,158</u>	<u>(17,168)</u>	<u>(14,010)</u>
<b>Nonoperating revenues</b>			
Investment income	5,061	1,992	7,053
<b>Total nonoperating revenues</b>	<u>5,061</u>	<u>1,992</u>	<u>7,053</u>
<b>Income (loss) before transfers</b>	8,219	(15,176)	(6,957)
<b>Transfers in</b>	<u>14,301</u>	<u>-</u>	<u>14,301</u>
<b>Change in net position</b>	22,520	(15,176)	7,344
<b>Total net position - beginning of year</b>	<u>420,295</u>	<u>130,177</u>	<u>550,472</u>
<b>Total net position - end of year</b>	<u>\$ 442,815</u>	<u>\$ 115,001</u>	<u>\$ 557,816</u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Statement of Cash Flows*  
*Proprietary Funds*  
For the Fiscal Year Ended June 30, 2023

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Residential</i>	<i>Coastal</i>	
	<i>Collection</i>	<i>Pond</i>	
	<u><i>Center</i></u>	<u><i>Management</i></u>	<u><i>Total</i></u>
<i>Cash flows from operating activities</i>			
Cash received from customers	\$ 268,286	\$ 56,233	\$ 324,519
Cash payments to suppliers for goods and services	(108,903)	(26,394)	(135,297)
Cash payments to employees for services	(122,557)	(41,949)	(164,506)
<i>Net cash provided by (used for) operating activities</i>	<u>36,826</u>	<u>(12,110)</u>	<u>24,716</u>
<i>Cash flows from non-capital financing activities</i>			
Transfers from other funds	14,301	-	14,301
Interfund transactions	116,822	42,282	159,104
<i>Net cash provided by non-capital financing activities</i>	<u>131,123</u>	<u>42,282</u>	<u>173,405</u>
<i>Cash flows from capital and related financing activities</i>			
Acquisition and construction of capital assets	(9,589)	-	(9,589)
<i>Net cash used for capital and related financing activities</i>	<u>(9,589)</u>	<u>-</u>	<u>(9,589)</u>
<i>Cash flows from investing activities</i>			
Investment income	5,061	1,992	7,053
<i>Net cash provided by investing activities</i>	<u>5,061</u>	<u>1,992</u>	<u>7,053</u>
<i>Net increase in cash and cash equivalents</i>	163,421	32,164	195,585
<i>Cash and cash equivalents - beginning of year</i>	<u>591,580</u>	<u>289,912</u>	<u>881,492</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 755,001</u>	<u>\$ 322,076</u>	<u>\$ 1,077,077</u>

*(Continued)*

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



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Statement of Cash Flows (Continued)*  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2023

	<i>Business-Type Activities</i>		
	<i>Enterprise Funds</i>		
	<i>Residential</i>	<i>Coastal</i>	
	<i>Collection</i>	<i>Pond</i>	
	<u><i>Center</i></u>	<u><i>Management</i></u>	<u><i>Total</i></u>
<b><i>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</i></b>			
Operating income (loss)	\$ 3,158	\$ (17,168)	\$ (14,010)
<b><i>Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:</i></b>			
Depreciation	23,090	5,440	28,530
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	2,400	-	2,400
(Increase) decrease in prepaid expenses	3,000	-	3,000
Increase (decrease) in accounts payable and accrued expenses	5,178	(382)	4,796
	<u>\$ 36,826</u>	<u>\$ (12,110)</u>	<u>\$ 24,716</u>
<b><i>Net cash provided by (used for) operating activities</i></b>	<u>\$ 36,826</u>	<u>\$ (12,110)</u>	<u>\$ 24,716</u>

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

**TOWN OF CHARLESTOWN RHODE ISLAND**  
*Statement of Fiduciary Net Position*  
*Fiduciary Funds*  
*June 30, 2023*

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	<u><i>Other Post-Employment Benefit Trust Fund</i></u>
<i>Assets</i>	
Investments:	
Pooled investments	\$ 9,640,873
<i>Total assets</i>	<u>9,640,873</u>
<i>Net Position</i>	
Restricted for other post-employment benefits	<u>\$ 9,640,873</u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2023**

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	<u><i>Other Post-Employment Benefit Trust Fund</i></u>
<b><i>Additions</i></b>	
Contributions:	
Employer	\$ 89,653
Total contributions	<u>89,653</u>
Investment earnings:	
Net increase (decrease) in fair value of investments	<u>776,487</u>
Total investment earnings	<u>776,487</u>
Less investment expense	<u>6,209</u>
Net investment income	<u>770,278</u>
<b><i>Total additions</i></b>	<u>859,931</u>
<b><i>Deductions</i></b>	
Benefits	<u>317,875</u>
<b><i>Total deductions</i></b>	<u>317,875</u>
<b><i>Change in net position</i></b>	542,056
<b><i>Net position - beginning of year</i></b>	<u>9,098,817</u>
<b><i>Net position - end of year</i></b>	<u><u>\$ 9,640,873</u></u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

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

**A. REPORTING ENTITY**

The Town of Charlestown, Rhode Island was incorporated on August 22, 1738. The Town is governed largely under the 1980 Charlestown Home Rule Charter. In some matters, including the issuance of short and long-term debt, the Town is governed by the general laws of the State of Rhode Island. The Town operates under a Town Council-Administrator form of government and provides the following services as authorized by its charter: general government and administrative services, public safety, public works, education, parks and recreation, and public health and assistance.

In evaluating the inclusion of potential component units within its financial reporting entity, the Town applied the criteria prescribed by GASB Statement No. 14, as amended by GASB Statement No. 39, “Determining Whether Certain Organizations are Component Units”, and GASB Statement No. 61 “Financial Reporting Entity-Omnibus”. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading. Through the application of GASB Statements Nos. 14, 39 and 61 criteria, the Other Post-Employment Benefits Trust has been presented as a fiduciary component unit of the Town in the Fiduciary Fund Financial Statements.

The Other Post-Employment Benefits Trust is an other post-employment benefit plan established by a trust agreement adopted effective July 13, 2015. The Other Post-Employment Benefits Trust does not have a governing board and the Town Council performs the duties of a governing board and, thus, can impose its will on the Other Post-Employment Benefits Trust. The fiscal year of the Other Post-Employment Benefits Trust ends on June 30. The Other Post-Employment Benefits Trust does not issue separate financial statements.

**B. BASIS OF PRESENTATION AND ACCOUNTING**

**Government-Wide Financial Statements**

The Town’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

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

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

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

### **Fund Financial Statements**

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

### **Governmental Fund Financial Statements**

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

***Major Governmental Funds:***

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

***American Rescue Plan Fund*** – The American Rescue Plan Fund is used to account for federal ARPA funds received by the Town.

**Proprietary Fund Financial Statements**

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

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

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

The Town has two Enterprise Funds, which are major funds, as follows:

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**Residential Collection Center Fund** – The Residential Collection Center Fund is used to account for the operation and maintenance of the Town’s residential collection center.

**Coastal Pond Management Fund** – The Coastal Pond Management Fund is used to account for mooring fees and the costs associated with the operation of Town’s coastal ponds.

**Fiduciary Fund Financial Statements**

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s Fiduciary Funds include an Other Post-Employment Benefits Trust Fund. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as a custodian for individuals, private organizations, or other governments. The Fiduciary Funds are accounted for on a spending, or “*economic resources*” measurement focus and the accrual basis of accounting.

**Other Post-Employment Benefits Trust Fund** – This fund accounts for assets held under a trust arrangement to finance other post-employment benefits of Town employees and payments of these benefits as they come due.

**C. RECENTLY ISSUED ACCOUNTING STANDARDS**

The Town has implemented the following new accounting pronouncements:

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

The adoption of GASB Statement No. 91 and 94, and portions of GASB Statement No. 99 applicable in fiscal year 2023 did not have an impact on the Town’s financial position or results of operations. As disclosed in Notes 6 and 7E, the adoption of GASB Statement No. 96 resulted in the reporting of a subscription liability and the related subscription right-to-use asset.

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

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

- GASB Statement No. 101 – *Compensated Absences*, effective for the Town’s fiscal year ending June 30, 2025.
- GASB Statement No. 102 – *Certain Risk Disclosures*, effective for the Town’s fiscal year ending June 30, 2025.

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

***D. CASH AND CASH EQUIVALENTS***

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

***E. INVESTMENTS***

The Town’s investments are reported at fair value, except for pooled investments which are reported at net asset value per share or its equivalent (which approximates fair value).

***F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE***

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

***G. PREPAID ITEMS***

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

***H. CAPITAL ASSETS***

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

All capital assets are recorded at cost or estimated historical cost. Donated capital assets are recorded at acquisition value as of the date received.

Capitalized 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. Infrastructure assets are defined generally as capital assets that are immovable and of value only to the governmental unit, including roads, bridges, sidewalks, and street lighting.

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



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

<u>Description</u>	<u>Years</u>
Land improvements	10-15
Buildings and improvements	10-50
Machinery and equipment	3-30
Vehicles	5-10
Infrastructure	20-50

***I. DEBT PREMIUMS***

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

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

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

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

***K. PROPERTY TAXES***

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 99.1% of the total 2022 levy. The Town's fiscal 2022-2023 property taxes were levied on June 13, 2022 on assessed valuation as of December 31, 2021. Upon levy, taxes are due and payable on August 1 or may be paid quarterly on August 1, November 1, February 1, and May 1. Failure to mail payments by due dates will result in a lien on the taxpayer's property. Taxable assessed values are established by the Tax Assessor's Office and are currently calculated at approximately 100% of current market value for real estate.

***L. COMPENSATED ABSENCES***

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service.

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

Vacation benefits are accrued as a liability based on the accumulated benefits earned on June 30. Sick leave benefits are accrued based on the sick leave accumulated as of June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable, they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect on June 30, 2023.

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

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

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

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

***N. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)***

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

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

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

- The Town uses its estimated incremental borrowing rate as the discount rate for subscriptions.

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

- The subscription term includes the noncancellable period of the SBITA, and periods covered by the Town's option to extend the subscription if it is reasonably certain, based on all relevant factors, that the Town will exercise that option. Subscription payments included in the measurement of the subscription liability are composed of fixed payments made by the Town.

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

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

***O. PENSIONS***

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

***P. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)***

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 of Charlestown's Other Post-Employment Benefits Plan (the plan) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

***Q. USE OF ESTIMATES***

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. LEGAL DEBT MARGIN**

The Town’s legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$84,729,985. As of June 30, 2023, the Town’s debt subject to the legal debt margin is \$2,385,000 and the Town is under the debt limit by \$82,344,985. The debt subject to the debt limitation is based on the type of debt that is issued.

**B. DEFICIT FUND BALANCES**

The following nonmajor funds have deficit fund balances as of June 30, 2023: Covid Relief Fund \$(306).

**NOTE 3 – CASH DEPOSITS**

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

	<b><u>Carrying Amount</u></b>
Total Deposits	\$12,989,070
Add: Petty cash	<u>2,925</u>
<b><i>Total Cash and Cash Equivalents Reported in the Financial Statements</i></b>	<b><u><u>\$12,991,995</u></u></b>

**CUSTODIAL CREDIT RISK** – custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk but is governed by State laws as described below. As of June 30, 2023, \$4,005,708 of the Town’s bank balance of \$13,291,042 was exposed to custodial credit risk as follows:

	<b><u>Bank Balance</u></b>
Insured (Federal depository insurance funds)	\$9,285,334
Collateralized with securities held by pledging financial institution or its agent in the Town’s name	3,991,507
Uninsured and uncollateralized	<u>14,201</u>
<b><i>Total</i></b>	<b><u><u>\$13,291,042</u></u></b>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies, or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital

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standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. On June 30, 2023, the Town had uncollateralized deposits of \$14,201 with institutions. These deposits are held by an institution that meets the minimum capital standards as prescribed by federal regulations.

**NOTE 4 – INVESTMENTS**

On June 30, 2023, the Town’s investment balances were as follows:

<u><i>Investment</i></u>	<u><i>Fair Value</i></u>
U.S. Savings Bond	\$500
Trust OPEB Funding Program	9,640,873
<b><i>Total Investments Reported in the Financial Statements</i></b>	<u><u>\$9,641,373</u></u>

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

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

***Credit Risk*** –The Town does not have a formal policy that limits investment choices.

***Concentration of Credit Risk*** –The Town does not have a formal policy that limits the amount that can be invested with one issuer.

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

**NOTE 5 – FAIR VALUE MEASUREMENTS**

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

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

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The valuation method for pooled investments measured at net asset value (NAV) per share (or its equivalent) is presented in the following table:

	<u><i>Fair Value</i></u>	<u><i>Redemption Frequency</i></u>	<u><i>Redemption Notice Period</i></u>
Trust OPEB Funding Program	\$9,640,873	Daily	None

The Trust OPEB Funding Program investment utilizes a balanced strategy seeking both a reasonable level of income and long-term growth of capital and income. The Program invests in seven index and mutual funds: total stock market index fund, total international stock index fund, total bond market index fund, intermediate-term investment grade fund, short-term investment grade fund, total international bond index fund, and REIT index fund. The fair values of the underlying investments are used to determine NAV per share (or its equivalent) of the Trust OPEB Funding Program investment.

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**NOTE 6 - CAPITAL ASSETS**

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Nondepreciable assets:				
Land and land easements	\$ 10,809,007	\$ -	\$ -	\$ 10,809,007
	<u>10,809,007</u>	<u>-</u>	<u>-</u>	<u>10,809,007</u>
Depreciable assets:				
Land improvements	2,021,145	-	-	2,021,145
Buildings and improvements	10,807,494	222,802	-	11,030,296
Infrastructure	52,347,634	-	-	52,347,634
Machinery and equipment	1,889,263	157,118	-	2,046,381
Vehicles	4,202,245	355,310	153,800	4,403,755
Subscription assets	64,572	-	-	64,572
	<u>71,332,353</u>	<u>735,230</u>	<u>153,800</u>	<u>71,913,783</u>
<b>Total capital assets</b>	<u>82,141,360</u>	<u>735,230</u>	<u>153,800</u>	<u>82,722,790</u>
Less accumulated depreciation for:				
Land improvements	802,699	164,960	-	967,659
Buildings and improvements	4,622,867	304,145	-	4,927,012
Infrastructure	43,350,162	815,222	-	44,165,384
Machinery and equipment	1,328,326	111,288	-	1,439,614
Vehicles	2,955,855	360,965	153,800	3,163,020
Less accumulated amortization for:				
Subscription assets	-	12,914	-	12,914
<b>Total accumulated depreciation and amortization</b>	<u>53,059,909</u>	<u>1,769,494</u>	<u>153,800</u>	<u>54,675,603</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 29,081,451</u>	<u>\$ (1,034,264)</u>	<u>\$ -</u>	<u>\$ 28,047,187</u>
<b>Business-Type Activities</b>				
Nondepreciable assets:				
Land	\$ 99,500	\$ -	\$ -	\$ 99,500
	<u>99,500</u>	<u>-</u>	<u>-</u>	<u>99,500</u>
Depreciable assets:				
Land improvements	113,684	-	-	113,684
Buildings and improvements	75,287	9,588	-	84,875
Machinery and equipment	468,399	-	-	468,399
Vehicles and boats	188,993	-	-	188,993
	<u>846,363</u>	<u>9,588</u>	<u>-</u>	<u>855,951</u>
<b>Total capital assets</b>	<u>945,863</u>	<u>9,588</u>	<u>-</u>	<u>955,451</u>
Less accumulated depreciation for:				
Land improvements	113,684	-	-	113,684
Buildings and improvements	65,747	1,114	-	66,861
Machinery and equipment	227,116	21,976	-	249,092
Vehicles and boats	180,833	5,440	-	186,273
<b>Total accumulated depreciation</b>	<u>587,380</u>	<u>28,530</u>	<u>-</u>	<u>615,910</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 358,483</u>	<u>\$ (18,942)</u>	<u>\$ -</u>	<u>\$ 339,541</u>

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Depreciation and amortization expense was charged as follows:

Governmental activities:

General government	\$ 515,806
Public safety	304,778
Public works	709,822
Education	23,844
Parks and recreation	215,244
<b>Total depreciation and amortization expense, governmental activities</b>	<b>\$ 1,769,494</b>

Business-type activities:

Residential Collection Center fund	\$ 23,090
Coastal Pond Management fund	5,440
<b>Total depreciation expense, business-type activities</b>	<b>\$ 28,530</b>

**NOTE 7 – LONG-TERM LIABILITIES**

**A. LONG-TERM LIABILITIES:**

Changes in long-term liabilities during the year ended June 30, 2023 were as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>	<i>Amounts Due Within One Year</i>
<b>Governmental activities:</b>					
<b>Bonds and loans payable:</b>					
General obligation bonds	\$ 2,940,000	\$ -	\$ 555,000	\$ 2,385,000	\$ 565,000
Loans from direct borrowings	255,340	72,475	80,180	247,635	-
	3,195,340	72,475	635,180	2,632,635	565,000
Plus amortized premium on bonds	9,043	-	9,043	-	-
<b>Total bonds and loans payable</b>	<b>3,204,383</b>	<b>72,475</b>	<b>644,223</b>	<b>2,632,635</b>	<b>565,000</b>
<b>Other liabilities:</b>					
Subscription liability	64,572	-	13,498	51,074	13,821
Accrued compensated absences	1,537,209	28,327	255,344	1,310,192	-
Landfill post closure costs	65,216	-	8,152	57,064	8,152
Net pension liability	2,406,669	680,116	-	3,086,785	-
<b>Total Governmental Activities Long-Term Liabilities</b>	<b>\$ 7,278,049</b>	<b>\$ 780,918</b>	<b>\$ 921,217</b>	<b>\$ 7,137,750</b>	<b>\$ 586,973</b>
<b>Business-type activities:</b>					
<b>Other liabilities:</b>					
Accrued compensated absences	\$ 20,379	\$ 1,909	\$ -	\$ 22,288	\$ -
<b>Total Business-Type Activities Long-Term Liabilities</b>	<b>\$ 20,379</b>	<b>\$ 1,909</b>	<b>\$ -</b>	<b>\$ 22,288</b>	<b>\$ -</b>

All debt of the Government Activities is general obligation debt. Payments on general obligation bonds are made by the General Fund. Payments on loans from direct borrowings are made by the Community Septic System Loan Program Fund. The subscription liability, accrued compensated absences, landfill post closure costs, and net pension liability are paid by the General Fund.



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**B. GENERAL OBLIGATION BONDS DEBT SERVICE REQUIREMENTS**

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

<i>Fiscal Year Ended June 30,</i>	<i>Governmental Activities General Obligation Bonds</i>	
	<i>Principal</i>	<i>Interest</i>
2024	\$ 565,000	\$ 72,394
2025	430,000	58,998
2026	220,000	49,791
2027	225,000	42,838
2028	120,000	37,275
2029-2033	675,000	108,963
2034	150,000	3,375
	<u>\$ 2,385,000</u>	<u>\$ 373,634</u>

**C. GENERAL OBLIGATION BONDS**

<i>Description</i>	<i>Date Issued</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Authorized and Issued</i>	<i>Outstanding June 30, 2022</i>	<i>New Issues</i>	<i>Maturities During Year</i>	<i>Outstanding June 30, 2023</i>
<i>Governmental activities:</i>								
<i>General Obligation Bonds:</i>								
2013 Series A Bond	8/22/2013	2-4.5%	7/1/2033	\$ 2,190,000	\$ 1,480,000	\$ -	\$ 100,000	\$ 1,380,000
2013 Series B								
Refunding Bond	8/22/2013	2-3%	7/1/2023	1,520,000	285,000	-	145,000	140,000
2014 Series A Bond	7/7/2014	2.15%	7/15/2024	2,000,000	645,000	-	210,000	435,000
2016 Series A Bond	11/23/2016	2.58%	11/15/2026	1,000,000	530,000	-	100,000	430,000
				<i>Total governmental activities bonds payable</i>	<u>\$ 6,710,000</u>	<u>\$ 2,940,000</u>	<u>\$ 555,000</u>	<u>\$ 2,385,000</u>

**D. LOAN PAYABLE FROM DIRECT BORROWINGS**

On April 3, 2013 and May 18, 2023, the Town entered into loan agreements with the RI Infrastructure Bank to be used to finance the Community Septic System Loan Program (CSSLP). The loans are evidenced by non-restoring line of credit promissory notes. The loans bear interest of 0% and discharge of the loans is the later of the date on which all loans made by the Town under the CSSLP have been paid back or July 1, 2033. The balance of the loans reported in Governmental Activities as of June 30, 2023 is \$247,635 and the balance available to be drawn down is \$336,303.

**E. SUBSCRIPTION LIABILITY**

The Town entered into a subscription-based information technology arrangement (SBITA) contract to use vendor provided IT software. As of June 30, 2023, the value of the subscription liability was \$51,074. The related subscription asset has an estimated useful life of 5 years. The value of the right-to-use asset as of June 30, 2023 was \$64,572 and accumulated amortization was \$12,914.

The future principal and interest payments as of June 30, 2023 were as follows:

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<i>Fiscal Year</i> <i>Ended June 30,</i>	<i>Governmental Activities</i> <i>Subscription Liability</i>		
	<u><i>Principal</i></u>	<u><i>Interest</i></u>	<u><i>Total</i></u>
2024	\$ 13,821	\$ 1,059	\$ 14,880
2025	14,151	729	14,880
2026	14,490	390	14,880
2027	8,612	68	8,680
	<u>\$ 51,074</u>	<u>\$ 2,246</u>	<u>\$ 53,320</u>

**F. LANDFILL POST CLOSURE COSTS**

The Town accounts for its closure and post closure care costs under GASB Statement No. 18. State and Federal laws and regulations require the Town to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure costs will be paid only near or after the date the landfill stops accepting waste, the Town reported a portion of these closure and post closure care costs as an operating expenditure in each period based on landfill capacity used as of each balance sheet date. The Town closed the landfill effective June 30, 2000. Post closure monitoring costs were originally estimated at \$50,000 to \$100,000 per year. In fiscal year 2010, the Rhode Island Department of Environmental Management approved a reduction in the scope of the Town’s post closure monitoring activities resulting in cost reductions. As of June 30, 2021, based on an evaluation of an independent consultant, the annual estimated post closure monitoring cost was determined to be \$8,152 for the remaining 9 years. The estimated landfill post closure costs liability as of June 30, 2023 was \$57,064.

**NOTE 8 – INTERFUND BALANCES**

The Town reports interfund balances between many of its funds. Interfund balances on June 30, 2023 were as follows:

<i>Due To:</i>	<i>Due From:</i>				<i>Total</i>
	<u><i>General Fund</i></u>	<u><i>Nonmajor Governmental Funds</i></u>	<u><i>Residential Collection Center Fund</i></u>	<u><i>Coastal Pond Management Fund</i></u>	
General Fund	\$ -	\$ 2,375	\$ 620,089	\$ 209,043	\$ 831,507
American Rescue Plan Fund	960,804	-	-	-	960,804
Nonmajor Governmental Funds	356,706	-	-	-	356,706
<b><i>Total</i></b>	<u>\$ 1,317,510</u>	<u>\$ 2,375</u>	<u>\$ 620,089</u>	<u>\$ 209,043</u>	<u>\$ 2,149,017</u>

The balances primarily result from the time lag between the dates the 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made.

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**NOTE 9 – INTERFUND TRANSFERS**

	<i>Transfer From:</i>		<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	
<i>Transfer To:</i>			
Nonmajor Governmental Funds	\$ 23,732	\$ 480	\$ 24,212
Residential Collection Center Fund	14,301	-	14,301
<b>Total</b>	<b>\$ 38,033</b>	<b>\$ 480</b>	<b>\$ 38,513</b>

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

**NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES**

**A. ACCOUNTS RECEIVABLE**

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for community septic system loans receivable which are due in accordance with individual loan amortization schedules. The following allowances for doubtful accounts are included in the financial statements:

<u><i>Fund/Description</i></u>	<u><i>Allowance for Doubtful Accounts</i></u>
Governmental Activities/General Fund – Real estate and personal property tax receivable	\$570,000

**B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

The Town disaggregates significant components of accounts payable and accrued liabilities in the financial statements. Liability balances determined immaterial are included as other liabilities.

**NOTE 11 – NET POSITION/FUND BALANCES**

The Government-Wide Financial Statements and Proprietary Fund Statements utilize a net position presentation. Net position is segregated into the following three categories:

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

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

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

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

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

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

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

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

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

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

Committed fund balances are established, modified, or rescinded by an ordinance or resolution adopted by the Town Council. Assigned fund balances are authorized by the Town Council or an official that the governing body has delegated the authority to assign amounts to be used for specific purposes. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an

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expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

The Town has established a fund balance policy that the General Fund unassigned fund balance will be maintained in an amount equal to between 23% and 33% of its annual operating expenditures and a cumulative probability of adequacy of 90+%.

Fund balance classifications are reported in the aggregate in the Governmental Funds Balance Sheet and are detailed below as of June 30, 2023:

	<b><u>General</u></b>	<b><u>Nonmajor</u></b>	<b><u>Totals</u></b>
	<b><u>Fund</u></b>	<b><u>Governmental</u></b>	<b><u>Governmental</u></b>
		<b><u>Funds</u></b>	<b><u>Funds</u></b>
<b><i>Nonspendable:</i></b>			
Prepaid expenditures	\$ 20,650	\$ -	\$ 20,650
<b><i>Restricted for:</i></b>			
Parks and recreation programs	-	6,805	6,805
Public health and assistance programs	-	77,914	77,914
Animal spaying/neutering	-	8,824	8,824
Environmental programs	-	53,049	53,049
Historical and vital records	-	198,034	198,034
Perpetual care	-	1,521	1,521
Other programs	-	5,844	5,844
<b><i>Committed to:</i></b>			
Capital and maintenance projects	1,196,717	148,913	1,345,630
Environmental programs	213,120	-	213,120
Pond and beach preservation	857,465	-	857,465
Animal control	84,228	-	84,228
Affordable housing	53,173	-	53,173
Education	250,000	-	250,000
Employee severance benefits	811,542	-	811,542
Revaluation	91,660	-	91,660
Tree removal	54,862	-	54,862
Legal fees	481,229	-	481,229
Ninigret park improvements	-	63,919	63,919
Recreation facilities and open space	-	63,592	63,592
Other programs	55,456	-	55,456
<b><i>Assigned for:</i></b>			
Capital and maintenance projects	371,886	-	371,886
Finance projects	11,000	-	11,000
GIS and IT projects	32,758	-	32,758
<b><i>Unassigned</i></b>	6,202,517	(306)	6,202,211
	<u>\$ 10,788,263</u>	<u>\$ 628,109</u>	<u>\$ 11,416,372</u>

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**NOTE 12 – CHARIHO REGIONAL SCHOOL DISTRICT**

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Charlestown, Richmond, and Hopkinton (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town's enrollment, and from State aid to education. Financial statements for the Regional School District are issued separately and may be obtained from the Chariho Regional School District, 455A Switch Road, Wood River Junction, Rhode Island 02894.

**NOTE 13 – RISK MANAGEMENT**

The Town of Charlestown is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a non-profit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) which provides coverage for property/liability claims 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.

**NOTE 14 – LITIGATION AND CONTINGENCIES**

**A. LITIGATION**

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

**B. FEDERALLY FUNDED PROGRAMS**

The Town participates in a number of federally funded programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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.

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**NOTE 15 – OTHER POST-EMPLOYMENT BENEFIT PLANS**

**TOWN PLAN**

**Plan Description**

**Plan Administration** - The Town of Charlestown administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 16. On July 13, 2015, the Town Council authorized the creation of an OPEB Trust Fund. The Treasurer is responsible for administration of the plan in accordance with the Trust Agreement effective July 13, 2015 with Town Council oversight. The plan is reported as a Trust Fund in the Town’s financial statements. The plan does not issue a publicly available financial report.

**Plan Membership** - As of July 1, 2021, the plan membership data is as follows:

Active employees	23
Inactive employees receiving benefits	30
	53

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

- **Police Officers** – Medical coverage (retiree and spouse) for police officers who retire and are at least 60 years old or have completed 20 years of service regardless of age (25 years of service if hired on or after July 1, 2011). Effective for members retiring on or after July 1, 2012, the retiree contributes 15% of the medical premium for the retiree and spouse. Effective for members retiring on or after June 30, 2014, the retiree contributes 20% of the medical premium for the retiree and spouse. Once the retiree or spouse attains age 65, they are enrolled in Blue Cross Plan 65 and are eligible for reimbursement of a Medicare Part B plan. Dental coverage may be obtained but the retiree must pay 100% of the premium.
- **CPMA** – Medical coverage (retiree and spouse) for employees hired prior to July 1, 1996 who retire. The retiree contributes 20% of the medical premium for the retiree and spouse. Once the retiree or spouse attains age 65, they are enrolled in Blue Cross Plan 65 and are eligible for reimbursement of a Medicare Part B plan. Dental coverage may be obtained but the retiree must pay 100% of the premium. Employees hired on or after July 1, 1996 are not eligible for other post-employment benefits.
- **Teamsters** – Teamsters retiring before age 65 may obtain medical and dental coverage (retiree and spouse) until the retiree reaches age 65 but must pay 100% of the premium.

**Contributions** - Contribution requirements are negotiated between the Town and the respective unions. The Town generally makes the actuarially determined contribution since the plan is fully

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funded. For the year ended June 30, 2023, the Town’s contribution was based on the implicit subsidy of OPEB benefits in the current fiscal year. For the fiscal year ended June 30, 2023, the Town contributed \$89,653 to the plan. Administrative costs are paid from plan assets.

**Summary of Significant Accounting Policies**

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

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

**Investments**

**Investment Policy** – The Treasurer may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law. The Town has selected a balanced investment strategy which seeks to provide capital appreciation and current income.

**Rate of Return** – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 8.5%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

**Net OPEB Asset of the Town Plan**

The components of the net OPEB asset of the Town on June 30, 2023, were as follows:

Total OPEB Liability	\$8,789,612
OPEB Plan Fiduciary Net Position	<u>(9,640,873)</u>
Net OPEB (Asset)	<u><u>\$(851,261)</u></u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	109.68%

**Actuarial Assumptions** – The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2023, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	3.5% per annum
Inflation	2.5% per annum



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Investment Rate of Return	6.5%
Mortality	PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale
Health Care Trend Rates	Getzen Trend Model - pre-65 – 5.8% decreasing to an ultimate rate of 3.9%; post-65 – 5.1% decreasing to an ultimate rate of 3.9% (prior valuation - pre-65 – 5.4% decreasing to an ultimate rate of 4%; post-65 – 4.7% decreasing to an ultimate rate of 4%)

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

<u><i>Asset Class</i></u>	<u><i>Target Asset Allocation</i></u>	<u><i>Long-Term Expected Real Rate of Return</i></u>
U.S. Intermediate Treasury Bonds	10%	0.99%
U.S. Short-Term AAA Bonds	5%	1.04%
U.S. Intermediate AAA Bonds	10%	1.46%
U.S. Intermediate A Bonds	2.5%	2.32%
U.S. Intermediate BBB Bonds	2.5%	2.88%
Non-U.S. Bonds	10%	-0.13%
U.S. Broad Equity Market	33.5%	5.7%
Non-U.S. Equity	20.5%	7.67%
U.S. REITS	6%	6.27%
	<u>100%</u>	

**Discount Rate** – The discount rate used to measure the OPEB liability was 6.5% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarial determined contribution. 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 plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability for the plan.

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***Town Plan - Changes in the Net OPEB Liability***

	<b><i>Increase (Decrease)</i></b>		
	<b><i>Total OPEB Liability</i></b>	<b><i>Plan Fiduciary Net Position</i></b>	<b><i>Net OPEB (Asset)</i></b>
<b><i>Balances as of June 30, 2022</i></b>	\$8,324,603	\$9,098,817	\$(774,214)
Changes for the Year:			
Service cost	222,039	-	222,039
Interest on the total OPEB liability	545,362	-	545,362
Changes in benefits	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	15,483	-	15,483
Employer contributions	-	89,653	(89,653)
Plan member contributions	-	-	-
Net investment income	-	770,278	(770,278)
Benefit payments, including employee refunds	(317,875)	(317,875)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	465,009	542,056	(77,047)
<b><i>Balances as of June 30, 2023</i></b>	\$8,789,612	\$9,640,873	\$(851,261)

***Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate*** - The following presents the net OPEB liability (asset) of the Town Plan, as well as what the Town Plan's net OPEB liability (asset) would be if it were calculated using a discount rate 1-percentage-point lower (5.5%) and 1-percentage-point higher (7.5%) than the current discount rate:

	<b><i>1% Decrease (5.5%)</i></b>	<b><i>Current Discount Rate (6.5%)</i></b>	<b><i>1% Increase (7.5%)</i></b>
Net OPEB Liability (Asset)	\$544,914	\$(851,261)	\$(1,965,496)

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

	<b><i>1% Decrease</i></b>	<b><i>Current Healthcare Cost Trend Rates</i></b>	<b><i>1% Increase</i></b>
Net OPEB Liability (Asset)	\$(2,187,801)	\$(851,261)	\$859,286

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$14,534. On June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<i>Deferred Outflows of Resources</i>	<i>Deferred Inflows of Resources</i>
Differences between expected and actual experience	\$ -	\$1,172,515
Change of assumptions	119,553	65,235
Net difference between projected and actual earnings on OPEB plan investments	487,860	-
<b>Total</b>	<b>\$607,413</b>	<b>\$1,237,750</b>

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

***Year ended June 30:***

2024	\$(126,471)
2025	(163,238)
2026	199,035
2027	(226,275)
2028	(172,861)
Thereafter	(140,527)

**NOTE 16 – PENSION PLANS**

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

**Defined Benefit Plans**

**General Information about the Pension Plan**

**Plan Description** - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability, and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employee's Retirement System of Rhode Island (ERSRI) Board to provide retirement allowances to employees of municipalities, housing authorities, water and sewer districts, and municipal police and fire persons that have elected to participate. Benefit provisions are subject to amendment by the General Assembly.

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

**Benefits Provided** – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable. The Town of Charlestown has only general employees and police officers that participate in the MERS Plan.

**Salary:** Salary includes the member's base earnings plus any payments under a regular longevity or incentive plan. Salary excludes overtime, unused sick and vacation leave, severance pay, and other extraordinary compensation. Certain amounts that are excluded from taxable wages, such as amounts sheltered under a Section 125 plan or amounts picked up by the employer under IRC Section 414(h), are not excluded from salary.

**Service:** Employees receive credit for service while a member. In addition, a member may purchase credit for certain periods by making an additional contribution to purchase the additional service. Special rules and limits govern the purchase of additional service and the contribution required.

**Final Average Compensation (FAC):** Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three-year FAC as of July 1, 2012 or the five-year FAC as of the retirement/termination date. Monthly benefits are based on one-twelfth of this amount.

**General Employees** - Members with less than five years of contributory service as of June 30, 2012 and members hired on or after that date are eligible for retirement on or after their Social Security normal retirement age (SSNRA).

Members who had at least five years of contributory service as of June 30, 2012 will be eligible for retirement at an individually determined age. This age is the result of interpolating between the member's prior retirement date, described below, and the retirement age applicable to members hired after June 30, 2012 as described above. The interpolation is based on service as of June 30, 2012 divided by projected service at the member's prior retirement date. The minimum retirement age is 59.

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Members with 10 or more years of contributory service on June 30, 2012 may choose to retire at their prior retirement date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

A member who is within five years of reaching their retirement eligibility date and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

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

The annual benefit is equal to 2% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

***Police and Fire Employees*** - Members are eligible to retire when they are at least 50 years old and have a minimum of 25 years of contributing service or if they have 27 years of contributing service at any age. Members with less than 25 years of contributing service are eligible for retirement on or after their Social Security normal retirement age.

Members who, as of June 30, 2012, had at least 10 years of contributing service, had attained age 45, and had a prior retirement date before age 52 may retire at age 52.

Active members on June 30, 2012 may choose to retire at their prior retirement date if they continue to work and contribute until that date. If this option is elected, the retirement benefit will be calculated using the benefits accrued as of June 30, 2012, i.e., the member will accumulate no additional defined benefits after this date, but the benefit will be paid without any actuarial reduction.

A member who is within five years of reaching their retirement eligibility date, as described in this section, and has 20 or more years of service, may elect to retire at any time with an actuarially reduced benefit.

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Prior to July 1, 2012, members designated as police officers or firefighters were eligible for retirement at or after age 55 with credit for at least 10 years of service or at any age with credit for 25 or more years of service. Members were also eligible to retire and receive a reduced benefit if they are at least age 50 and have at least 20 years of service. If the municipality elected to adopt the 20-year retirement provisions for police officers and/or firefighters, then such a member was eligible to retire at any age with 20 or more years of service. Members eligible to retire before July 1, 2012 were not impacted by the changes to retirement eligibility above.

A monthly benefit is paid equal to 2% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012, benefits are based on 2.5% of the member's FAC for each year of service prior to July 1, 2012 and 2% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC. The Town of Charlestown has elected to participate in the 20-year retirement provision.

Active members (including future hires), members who retire after July 1, 2015 and after attaining age 57 with 30 years of service will have a benefit equal to the greater of their current benefit described above and one calculated based on a 2.25% multiplier for all years of service.

**Other Benefit Provisions** - Death and disability benefits are also provided to members. A member is eligible for a disability retirement provided he/she has credit for at least five years of service or if the disability is work-related. Members are not eligible for an ordinary disability benefit if they are eligible for unreduced retirement.

Joint and survivor benefit options are available to retirees. For some employees, a Social Security option is also available where an annuity is paid at one amount prior to age 62, and at a reduced amount after age 62, designed to provide a level total income when combined with the member's age 62 Social Security benefit. Benefits cease upon the member's death.

Post-retirement benefit increases are paid to members who retire after June 30, 2012. Members will be eligible to receive cost of living increases at the later of the member's third anniversary of retirement and the month following their SSNRA (age 55 for members designated as police officers and/or firefighters). When a municipality elects coverage, it may elect either COLA C (covering only current and future active members and excluding members already retired) or COLA B (covering current retired members as well as current and future active members). The Town of Charlestown has elected the optional cost-of-living provision for general employees and police officers.

- a) The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended.
- b) Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0% to 4%, plus 50% of the lesser of 3%

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or last year's CPI-U increase for a total maximum increase of 3.5%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0% to 4%.

- c) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,184 for 2020, \$27,608 for 2021, and \$27,901 for 2022.

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

	<b>General Employees Plan</b>	<b>Police Officers Plan</b>
Retirees and Beneficiaries	13	20
Inactive, Nonretired Members	16	2
Active Members	48	20
Total	77	42

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Police officers are required to contribute 10% of their salaries. The Town of Charlestown contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Charlestown contributed the following amounts in the year ended June 30, 2023: general employees plan - \$217,568 and police officers plan - \$600,892. The Town's contributions represented the following percentages of annual covered payroll: general employees plan - 7.08%; and police officers plan - 36.20%.

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

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<i>Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2022 Measurement Date (June 30, 2021 valuation rolled forward to June 30, 2022)</i>	
Actuarial Cost Method	Entry Age Normal - The Individual Entry Age Actuarial Cost methodology is used
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases	General Employees - 3.25% to 7.25%; Police Officers - 4% to 14%
Inflation	2.5%
Mortality	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16
Cost of Living Adjustments	All future COLAs are assumed to be 2.1% per annum for all MERS units with the COLA provision.

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

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



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

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

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**Discount Rate** - The discount rate used to measure the total pension liability of the plans was 7 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**General Employees Plan**  
**Changes in the Net Pension Liability (Asset)**

	<i>Increase (Decrease)</i>		
	<i>Total Pension Liability</i>	<i>Plan Fiduciary Net Position</i>	<i>Net Pension Liability (Asset)</i>
<b>Balances as of June 30, 2021</b>	\$10,073,757	\$11,183,161	\$(1,109,404)
Changes for the Year:			
Service cost	243,287	-	243,287
Interest on the total pension liability	703,166	-	703,166
Changes in benefits	-	-	-
Difference between expected and actual experience	(658,081)	-	(658,081)
Changes in assumptions	-	-	-
Employer contributions	-	225,086	(225,086)
Employee contributions	-	100,367	(100,367)
Net investment income	-	(305,012)	305,012
Benefit payments, including employee refunds	(300,333)	(300,333)	-
Administrative expense	-	(10,398)	10,398
Other changes	-	-	-
Net changes	(11,961)	(290,290)	278,329
<b>Balances as of June 30, 2022</b>	\$10,061,796	\$10,892,871	\$(831,075)

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**Police Officers Plan**  
**Changes in the Net Pension Liability**

	<i>Increase (Decrease)</i>		
	<i>Plan</i>		
	<i>Total Pension Liability</i>	<i>Fiduciary Net Position</i>	<i>Net Pension Liability</i>
<b>Balances as of June 30, 2021</b>	\$16,817,143	\$14,410,474	\$2,406,669
Changes for the Year:			
Service cost	324,546	-	324,546
Interest on the total pension liability	1,160,921	-	1,160,921
Changes in benefits	-	-	-
Difference between expected and actual experience	(247,540)	-	(247,540)
Changes in assumptions	-	-	-
Employer contributions	-	801,500	(801,500)
Employee contributions	-	166,862	(166,862)
Net investment income	-	(397,017)	397,017
Benefit payments, including employee refunds	(789,647)	(789,647)	-
Administrative expense	-	(13,534)	13,534
Other changes	-	-	-
Net changes	448,280	(231,836)	680,116
<b>Balances as of June 30, 2022</b>	\$17,265,423	\$14,178,638	\$3,086,785

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

<i>Plan</i>	<i>1% Decrease (6%)</i>	<i>Current Discount Rate (7%)</i>	<i>1% Increase (8%)</i>
General Employees	\$102,307	\$(831,075)	\$(1,678,933)
Police Officers	\$4,714,776	\$3,086,785	\$1,607,801

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

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

For the year ended June 30, 2023, the Town recognized pension expense as follows: general employees plan - \$(141,645); and police officers plan - \$382,301. The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	<i>General Employees Plan</i>	<i>Police Officers Plan</i>
<b><i>Deferred outflows of resources:</i></b>		
Contributions subsequent to the measurement date	\$217,568	\$600,892
Assumption changes	46,344	92,109
Difference between expected and actual experience	122,710	341,535
<b><i>Total</i></b>	<b>\$386,622</b>	<b>\$1,034,536</b>
 <b><i>Deferred inflows of resources:</i></b>		
Assumption changes	\$52,534	\$6,864
Difference between expected and actual experience	700,803	314,269
Net difference between projected and actual actual investment earnings	95,792	148,057
<b><i>Total</i></b>	<b>\$849,129</b>	<b>\$469,190</b>

The 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:

<b><i>Year Ending June 30</i></b>	<b><i>Net Deferred Outflows/(Inflows) of Resources</i></b>	
	<b><i>General Employees Plan</i></b>	<b><i>Police Officers Plan</i></b>
2024	\$(172,390)	\$(47,302)
2025	(221,134)	(81,695)
2026	(252,350)	(174,798)
2027	128,131	302,099
2028	(92,245)	(33,850)
Thereafter	(70,087)	-

**Defined Contribution Plan**

***Plan Description***

Certain general 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 of the Employees' Retirement System as authorized by General Law Chapter 36-10.3. The defined

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contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose from among various investment options available to plan participants.

Certain general 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 of Charlestown recognized pension expense of \$25,682 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. This report may be obtained by accessing the ERSRI website at <http://www.ersri.org>.

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

	<i>Deferred Outflows of Resources - Pension Amounts</i>	<i>Deferred Inflows of Resources - Pension Amounts</i>	<i>Net Pension Asset</i>	<i>Net Pension Liability</i>	<i>Pension Expense</i>
General Employees Plan	\$ 386,622	\$ 849,129	\$ 831,075	\$ -	\$ (141,645)
Police Officers Plan	1,034,536	469,190	-	3,086,785	382,301
<b>Total</b>	<b>\$ 1,421,158</b>	<b>\$ 1,318,319</b>	<b>\$ 831,075</b>	<b>\$ 3,086,785</b>	<b>\$ 240,656</b>

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 17 – RESTATEMENTS**

The Town reported the following restatements in the Government-Wide and Governmental Funds financial statements:

	<i><b>Governmental Activities</b></i>	<i><b>General Fund</b></i>	<i><b>Nonmajor Governmental Funds</b></i>
Net position/fund balances, June 30, 2022, as previously reported	\$ 33,478,625	\$ 10,921,993	\$ 507,156
Reclassify fund in accordance GASB Statement No. 54	-	6,588	(6,588)
Report deferred inflows for tax title properties	-	(297,984)	-
Correct prior year pension deferred outflow	207,726	-	-
Correct prior year capital assets	(49,928)	-	-
<i><b>Net position/fund balances, June 30, 2022, as restated</b></i>	<u><u>\$ 33,636,423</u></u>	<u><u>\$ 10,630,597</u></u>	<u><u>\$ 500,568</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

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

**Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios – OPEB Plan**

**Schedule of Town Contributions – OPEB Plan**

**Schedule of Investment Returns – OPEB Plan**

**Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios – Pension Plans**

**Schedule of Town Contributions – Pension Plans**

**Budgetary Comparison Schedule - General Fund**

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

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

<i>Fiscal Year</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability:</b>							
Service cost	\$ 222,039	\$ 213,540	\$ 215,430	\$ 213,661	\$ 195,507	\$ 175,230	\$ 175,850
Interest	545,362	622,324	589,614	629,383	592,800	584,123	549,022
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	(933,113)	-	(896,088)	-	(387,789)	-
Changes of assumptions	15,483	(88,383)	-	121,087	-	276,657	-
Benefits payments	(317,875)	(327,585)	(343,907)	(312,231)	(291,884)	(268,821)	(244,081)
<b>Net change in total OPEB liability</b>	<b>465,009</b>	<b>(513,217)</b>	<b>461,137</b>	<b>(244,188)</b>	<b>496,423</b>	<b>379,400</b>	<b>480,791</b>
<b>Total OPEB liability - beginning</b>	<b>8,324,603</b>	<b>8,837,820</b>	<b>8,376,683</b>	<b>8,620,871</b>	<b>8,124,448</b>	<b>7,745,048</b>	<b>7,264,257</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 8,789,612</b>	<b>\$ 8,324,603</b>	<b>\$ 8,837,820</b>	<b>\$ 8,376,683</b>	<b>\$ 8,620,871</b>	<b>\$ 8,124,448</b>	<b>\$ 7,745,048</b>
<b>Plan fiduciary net position:</b>							
Contributions - employer	\$ 89,653	\$ 463,716	\$ 668,907	\$ 562,231	\$ 741,884	\$ 718,821	\$ 694,081
Net investment income	770,278	(1,408,071)	2,258,279	356,996	469,593	499,020	580,919
Benefits payments	(317,875)	(327,585)	(343,907)	(312,231)	(291,884)	(268,821)	(244,081)
Administrative expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>542,056</b>	<b>(1,271,940)</b>	<b>2,583,279</b>	<b>606,996</b>	<b>919,593</b>	<b>949,020</b>	<b>1,030,919</b>
<b>Plan fiduciary net position - beginning</b>	<b>9,098,817</b>	<b>10,370,757</b>	<b>7,787,478</b>	<b>7,180,482</b>	<b>6,260,889</b>	<b>5,311,869</b>	<b>4,280,950</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 9,640,873</b>	<b>\$ 9,098,817</b>	<b>\$ 10,370,757</b>	<b>\$ 7,787,478</b>	<b>\$ 7,180,482</b>	<b>\$ 6,260,889</b>	<b>\$ 5,311,869</b>
<b>Town's net OPEB liability (asset) - ending (a) - (b)</b>	<b>\$ (851,261)</b>	<b>\$ (774,214)</b>	<b>\$ (1,532,937)</b>	<b>\$ 589,205</b>	<b>\$ 1,440,389</b>	<b>\$ 1,863,559</b>	<b>\$ 2,433,179</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>109.68%</b>	<b>109.30%</b>	<b>117.35%</b>	<b>92.97%</b>	<b>83.29%</b>	<b>77.06%</b>	<b>68.58%</b>
<b>Covered employee payroll</b>	<b>\$ 1,719,992</b>	<b>\$ 1,651,978</b>	<b>\$ 1,651,978</b>	<b>\$ 1,687,717</b>	<b>\$ 1,687,717</b>	<b>\$ 1,650,253</b>	<b>\$ 1,650,253</b>
<b>Net OPEB liability (asset) as a percentage of covered employee payroll</b>	<b>-49.49%</b>	<b>-46.87%</b>	<b>-92.79%</b>	<b>34.91%</b>	<b>85.35%</b>	<b>112.93%</b>	<b>147.44%</b>

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

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



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Required Supplementary Information - Other Post Employment Benefit (OPEB) Plan**  
**Schedule of Contributions (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b><u>Town OPEB Plan</u></b>										
Actuarially determined contribution	\$ 17,546	\$ 325,330	\$ 358,353	\$ 493,051	\$ 493,051	\$ 449,904	\$ 449,904	\$ 506,000	\$ 506,000	\$ 506,000
Contributions in relation to the actuarially determined contribution	89,653	463,716	668,907	562,231	741,884	718,821	694,081	575,000	612,000	538,000
<b>Contribution deficiency (excess)</b>	<b><u>\$ (72,107)</u></b>	<b><u>\$ (138,386)</u></b>	<b><u>\$ (310,554)</u></b>	<b><u>\$ (69,180)</u></b>	<b><u>\$ (248,833)</u></b>	<b><u>\$ (268,917)</u></b>	<b><u>\$ (244,177)</u></b>	<b><u>\$ (69,000)</u></b>	<b><u>\$ (106,000)</u></b>	<b><u>\$ (32,000)</u></b>
Covered employee payroll	\$ 1,719,992	\$ 1,651,978	\$ 1,651,978	\$ 1,687,717	\$ 1,687,717	\$ 1,650,253	\$ 1,650,253	Not available	Not available	Not available
Contributions as a percentage of covered employee payroll	5.21%	28.07%	40.49%	33.31%	43.96%	43.56%	42.06%	Not available	Not available	Not available

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Required Supplementary Information - Town Other Post Employment Benefit (OPEB) Plan*  
*Schedule of Investment Returns (1)*  
*"Unaudited"*

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<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	8.5%	-13.3%	27.8%	4.8%	7.0%	8.6%	12.3%

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**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Required Supplementary Information**  
**General Employees Pension Plan**  
**Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (1)**  
**"Unaudited"**

<i>Measurement Date</i>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability:</b>					
Service cost	\$ 243,287	\$ 232,951	\$ 254,102	\$ 227,181	\$ 225,873
Interest	703,166	657,011	615,080	598,823	572,591
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(658,081)	53,148	153,800	(275,080)	(125,262)
Changes of assumptions	-	-	(103,900)	-	-
Benefits payments, including refunds of member contributions	(300,333)	(277,495)	(341,500)	(322,769)	(275,453)
<b>Net change in total pension liability</b>	<u>(11,961)</u>	<u>665,615</u>	<u>577,582</u>	<u>228,155</u>	<u>397,749</u>
<b>Total pension liability - beginning</b>	<u>10,073,757</u>	<u>9,408,142</u>	<u>8,830,560</u>	<u>8,602,405</u>	<u>8,204,656</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 10,061,796</u>	<u>\$ 10,073,757</u>	<u>\$ 9,408,142</u>	<u>\$ 8,830,560</u>	<u>\$ 8,602,405</u>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 225,086	\$ 198,762	\$ 224,481	\$ 192,132	\$ 180,697
Contributions - employee	100,367	96,350	96,864	88,481	87,610
Net investment income	(305,012)	2,418,762	321,763	534,033	603,596
Benefits payments, including refunds of member contributions	(300,333)	(277,495)	(341,500)	(322,769)	(275,453)
Administrative expense	(10,398)	(9,216)	(8,865)	(8,348)	(8,035)
Other	-	(57,511)	(29,207)	1	-
<b>Net change in plan fiduciary net position</b>	<u>(290,290)</u>	<u>2,369,652</u>	<u>263,536</u>	<u>483,530</u>	<u>588,415</u>
<b>Plan fiduciary net position - beginning</b>	<u>11,183,161</u>	<u>8,813,509</u>	<u>8,549,973</u>	<u>8,066,443</u>	<u>7,478,028</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 10,892,871</u>	<u>\$ 11,183,161</u>	<u>\$ 8,813,509</u>	<u>\$ 8,549,973</u>	<u>\$ 8,066,443</u>
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ (831,075)</u>	<u>\$ (1,109,404)</u>	<u>\$ 594,633</u>	<u>\$ 280,587</u>	<u>\$ 535,962</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	108.26%	111.01%	93.68%	96.82%	93.77%
<b>Covered payroll</b>	\$ 3,033,501	\$ 2,897,395	\$ 2,904,028	\$ 2,558,343	\$ 2,455,146
<b>Net pension liability (asset) as a percentage of covered payroll</b>	-27.40%	-38.29%	20.48%	10.97%	21.83%

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

(Continued)

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Required Supplementary Information (Continued)**  
**General Employees Pension Plan**  
*Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios (1)*  
*"Unaudited"*

<i>Measurement Date</i>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>				
Service cost	\$ 204,691	\$ 198,767	\$ 187,950	\$ 188,698
Interest	548,930	537,624	521,066	491,136
Changes of benefit terms	-	-	102,265	-
Differences between expected and actual experience	51,503	(320,845)	(346,031)	-
Changes of assumptions	314,400	-	-	(55,194)
Benefits payments, including refunds of member contributions	(263,172)	(272,370)	(227,375)	(223,033)
<b>Net change in total pension liability</b>	<u>856,352</u>	<u>143,176</u>	<u>237,875</u>	<u>401,607</u>
<b>Total pension liability - beginning</b>	<u>7,348,304</u>	<u>7,205,128</u>	<u>6,967,253</u>	<u>6,565,646</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 8,204,656</u>	<u>\$ 7,348,304</u>	<u>\$ 7,205,128</u>	<u>\$ 6,967,253</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 203,506	\$ 222,768	\$ 218,126	\$ 210,455
Contributions - employee	84,753	80,033	43,108	50,998
Net investment income	794,141	(2,314)	155,713	860,546
Benefits payments, including refunds of member contributions	(263,172)	(272,370)	(227,375)	(223,033)
Administrative expense	(7,503)	(6,225)	(6,244)	(5,389)
Other	(18)	-	2	3,872
<b>Net change in plan fiduciary net position</b>	<u>811,707</u>	<u>21,892</u>	<u>183,330</u>	<u>897,449</u>
<b>Plan fiduciary net position - beginning</b>	<u>6,666,321</u>	<u>6,644,429</u>	<u>6,461,099</u>	<u>5,563,650</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 7,478,028</u>	<u>\$ 6,666,321</u>	<u>\$ 6,644,429</u>	<u>\$ 6,461,099</u>
<b>Town's net pension liability (asset) - ending (a) - (b)</b>	<u>\$ 726,628</u>	<u>\$ 681,983</u>	<u>\$ 560,699</u>	<u>\$ 506,154</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	91.14%	90.72%	92.22%	92.74%
<b>Covered payroll</b>	\$ 2,369,105	\$ 2,253,594	\$ 2,155,394	\$ 2,087,371
<b>Net pension liability (asset) as a percentage of covered payroll</b>	30.67%	30.26%	26.01%	24.25%

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

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Required Supplementary Information**  
**Police Officers Pension Plan**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (1)**  
**"Unaudited"**

<i>Measurement Date</i>	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total pension liability:</b>					
Service cost	\$ 324,546	\$ 312,591	\$ 321,441	\$ 302,001	\$ 277,712
Interest	1,160,921	1,091,146	1,052,689	992,668	956,158
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(247,540)	374,787	(223,698)	337,666	33,371
Changes of assumptions	-	-	188,895	-	-
Benefits payments, including refunds of member contributions	(789,647)	(785,781)	(785,238)	(783,993)	(731,633)
<b>Net change in total pension liability</b>	<b>448,280</b>	<b>992,743</b>	<b>554,089</b>	<b>848,342</b>	<b>535,608</b>
<b>Total pension liability - beginning</b>	<b>16,817,143</b>	<b>15,824,400</b>	<b>15,270,311</b>	<b>14,421,969</b>	<b>13,886,361</b>
<b>Total pension liability - ending (a)</b>	<b>\$ 17,265,423</b>	<b>\$ 16,817,143</b>	<b>\$ 15,824,400</b>	<b>\$ 15,270,311</b>	<b>\$ 14,421,969</b>
<b>Plan fiduciary net position:</b>					
Contributions - employer	\$ 801,500	\$ 1,574,879	\$ 499,233	\$ 410,661	\$ 324,241
Contributions - employee	166,862	160,716	157,338	148,040	132,559
Net investment income	(397,017)	3,116,786	378,067	631,896	727,331
Benefits payments, including refunds of member contributions	(789,647)	(785,781)	(785,238)	(783,993)	(731,633)
Administrative expense	(13,534)	(11,876)	(10,417)	(9,878)	(9,683)
Other	-	-	1	1	48,171
<b>Net change in plan fiduciary net position</b>	<b>(231,836)</b>	<b>4,054,724</b>	<b>238,984</b>	<b>396,727</b>	<b>490,986</b>
<b>Plan fiduciary net position - beginning</b>	<b>14,410,474</b>	<b>10,355,750</b>	<b>10,116,766</b>	<b>9,720,039</b>	<b>9,229,053</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 14,178,638</b>	<b>\$ 14,410,474</b>	<b>\$ 10,355,750</b>	<b>\$ 10,116,766</b>	<b>\$ 9,720,039</b>
<b>Town's net pension liability - ending (a) - (b)</b>	<b>\$ 3,086,785</b>	<b>\$ 2,406,669</b>	<b>\$ 5,468,650</b>	<b>\$ 5,153,545</b>	<b>\$ 4,701,930</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>82.12%</b>	<b>85.69%</b>	<b>65.44%</b>	<b>66.25%</b>	<b>67.40%</b>
<b>Covered payroll</b>	<b>\$ 1,668,617</b>	<b>\$ 1,607,152</b>	<b>\$ 1,573,377</b>	<b>\$ 1,480,395</b>	<b>\$ 1,325,594</b>
<b>Net pension liability as a percentage of covered payroll</b>	<b>184.99%</b>	<b>149.75%</b>	<b>347.57%</b>	<b>348.12%</b>	<b>354.70%</b>

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

(Continued)

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Required Supplementary Information (Continued)*  
**Police Officers Pension Plan**  
*Schedule of Changes in the Net Pension Liability and Related Ratios (1)*  
*"Unaudited"*

<i>Measurement Date</i>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
<i>Fiscal Year</i>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability:</b>				
Service cost	\$ 261,944	\$ 260,761	\$ 241,600	\$ 237,878
Interest	910,596	880,676	800,834	765,642
Changes of benefit terms	-	-	372,401	-
Differences between expected and actual experience	239,204	(194,211)	153,052	-
Changes of assumptions	745,559	-	-	(80,385)
Benefits payments, including refunds of member contributions	(562,502)	(535,251)	(490,580)	(420,969)
<b>Net change in total pension liability</b>	<u>1,594,801</u>	<u>411,975</u>	<u>1,077,307</u>	<u>502,166</u>
<b>Total pension liability - beginning</b>	<u>12,291,560</u>	<u>11,879,585</u>	<u>10,802,278</u>	<u>10,300,112</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 13,886,361</u>	<u>\$ 12,291,560</u>	<u>\$ 11,879,585</u>	<u>\$ 10,802,278</u>
<b>Plan fiduciary net position:</b>				
Contributions - employer	\$ 332,416	\$ 330,618	\$ 341,485	\$ 274,357
Contributions - employee	136,572	140,033	112,078	116,698
Net investment income	980,094	(2,899)	197,358	1,101,220
Benefits payments, including refunds of member contributions	(562,502)	(535,251)	(490,580)	(420,969)
Administrative expense	(9,260)	(7,798)	(7,916)	(6,896)
Other	(23)	5,601	920	1,706
<b>Net change in plan fiduciary net position</b>	<u>877,297</u>	<u>(69,696)</u>	<u>153,345</u>	<u>1,066,116</u>
<b>Plan fiduciary net position - beginning</b>	<u>8,351,756</u>	<u>8,421,452</u>	<u>8,268,107</u>	<u>7,201,991</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 9,229,053</u>	<u>\$ 8,351,756</u>	<u>\$ 8,421,452</u>	<u>\$ 8,268,107</u>
<b>Town's net pension liability - ending (a) - (b)</b>	<u>\$ 4,657,308</u>	<u>\$ 3,939,804</u>	<u>\$ 3,458,133</u>	<u>\$ 2,534,171</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	66.46%	67.95%	70.89%	76.54%
<b>Covered payroll</b>	\$ 1,365,715	\$ 1,404,962	\$ 1,398,956	\$ 1,399,280
<b>Net pension liability as a percentage of covered payroll</b>	341.02%	280.42%	247.19%	181.11%

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

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Required Supplementary Information - Pension Plans**  
**Schedule of Contributions (1)**  
**"Unaudited"**

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 217,568	\$ 225,086	\$ 198,762	\$ 224,481	\$ 192,132	\$ 180,697	\$ 203,506	\$ 222,768	\$ 218,126
Contributions in relation to the actuarially determined contribution	217,568	225,086	198,762	224,481	192,132	180,697	203,506	222,768	218,126
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,071,952	\$ 3,033,501	\$ 2,897,395	\$ 2,904,028	\$ 2,558,343	\$ 2,455,146	\$ 2,369,105	\$ 2,253,594	\$ 2,155,394
Contributions as a percentage of covered payroll	7.08%	7.42%	6.86%	7.73%	7.51%	7.36%	8.59%	9.89%	10.12%
<b><u>Police Officers Plan</u></b>									
Actuarially determined contribution	\$ 600,892	\$ 571,500	\$ 574,879	\$ 499,233	\$ 410,661	\$ 324,241	\$ 332,416	\$ 330,618	\$ 341,485
Contributions in relation to the actuarially determined contribution	600,892	801,500	1,574,879	499,233	410,661	324,241	332,416	330,618	341,485
<b>Contribution deficiency (excess)</b>	<u>\$ -</u>	<u>\$ (230,000)</u>	<u>\$ (1,000,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,659,923	\$ 1,668,617	\$ 1,607,152	\$ 1,573,377	\$ 1,480,395	\$ 1,325,594	\$ 1,365,715	\$ 1,404,962	\$ 1,398,956
Contributions as a percentage of covered payroll	36.20%	48.03%	97.99%	31.73%	27.74%	24.46%	24.34%	23.53%	24.41%

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

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis*  
**General Fund**  
For the Fiscal Year Ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Revenues</b>				
<b>Property taxes</b>				
Current and prior years	\$ 24,216,005	\$ 24,216,005	\$ 23,132,600	\$ (1,083,405)
Interest on delinquent taxes	140,000	140,000	190,362	50,362
Federal payment in lieu	7,600	7,600	10,850	3,250
<b>Total property taxes</b>	<u>24,363,605</u>	<u>24,363,605</u>	<u>23,333,812</u>	<u>(1,029,793)</u>
<b>Intergovernmental revenues</b>				
Beach parking fees	37,000	37,000	35,236	(1,764)
State education aid	1,291,300	1,291,300	1,341,690	50,390
Beverage and meal tax	165,000	165,000	208,130	43,130
Hotel tax	64,000	64,000	92,254	28,254
Public service corporation tax	97,000	97,000	97,025	25
Motor vehicle phase out	310,000	310,000	1,020,877	710,877
<b>Total intergovernmental revenues</b>	<u>1,964,300</u>	<u>1,964,300</u>	<u>2,795,212</u>	<u>830,912</u>
<b>Departmental revenues</b>				
Business licenses and fees	21,000	21,000	18,686	(2,314)
Non-business license and fees	6,000	6,000	3,534	(2,466)
Probate fees	16,000	16,000	20,889	4,889
Realty transfer stamps	350,000	350,000	282,097	(67,903)
Recording fees	160,000	160,000	90,586	(69,414)
Tax certificates	13,000	13,000	14,714	1,714
Building inspector	360,000	360,000	410,731	50,731
Zoning board	4,000	4,000	3,025	(975)
Planning fees	5,000	5,000	11,150	6,150
Animal control	5,000	5,000	4,736	(264)
Police department	30,000	30,000	27,060	(2,940)
Police vehicle reimbursement	40,000	40,000	28,095	(11,905)
Town beach parking	143,000	143,000	152,839	9,839
Beach passes	104,000	104,000	124,316	20,316
Recreation	95,000	95,000	123,273	28,273
Ninigret park	2,000	2,000	200	(1,800)
Ninigret gate house rent	6,000	6,000	6,000	-
Blue Shutter concession	1,000	1,000	750	(250)
Blue Shutter parking	240,000	240,000	233,190	(6,810)
Town beach concession	1,000	1,000	4,090	3,090
Senior center programs	20,000	20,000	32,784	12,784
Municipal court revenue	10,000	10,000	15,903	5,903
<b>Total departmental revenues</b>	<u>1,632,000</u>	<u>1,632,000</u>	<u>1,608,648</u>	<u>(23,352)</u>
<b>Investment income</b>	<u>85,000</u>	<u>85,000</u>	<u>262,708</u>	<u>177,708</u>
<b>Other revenue</b>	<u>15,000</u>	<u>15,000</u>	<u>77,004</u>	<u>62,004</u>
<b>Other financing sources</b>				
Transfers in	880,048	880,048	468,081	(411,967)
<b>Total revenues and other financing sources</b>	<u>28,939,953</u>	<u>28,939,953</u>	<u>28,545,465</u>	<u>(394,488)</u>

(Continued)

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



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2023*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Expenditures</b>				
<b>General government</b>				
Town Council	34,835	34,835	22,431	12,404
Town Administrator	224,817	224,817	244,748	(19,931)
Board of Canvassers	73,297	73,297	53,367	19,930
Treasurer	296,529	285,529	281,983	3,546
Information Technology	276,998	276,998	263,548	13,450
Tax Assessor	177,078	177,078	169,311	7,767
GIS	117,664	115,814	115,823	(9)
Tax Collector	147,146	146,946	144,105	2,841
Town Clerk	233,615	233,615	213,400	20,215
Town Planner	163,383	162,783	139,052	23,731
Central Services	404,376	419,976	417,803	2,173
Building Inspector	319,936	319,936	310,396	9,540
Municipal Court	9,870	9,870	9,783	87
Boards and Commissions	35,900	35,900	28,823	7,077
<b>Total general government</b>	<u>2,515,444</u>	<u>2,517,394</u>	<u>2,414,573</u>	<u>102,821</u>
<b>Public safety</b>				
Police Department	2,984,463	2,997,463	2,886,125	111,338
Animal Control	116,864	116,864	119,346	(2,482)
CEMA	79,900	97,900	82,890	15,010
<b>Total public safety</b>	<u>3,181,227</u>	<u>3,212,227</u>	<u>3,088,361</u>	<u>123,866</u>
<b>Public works</b>				
Administration	189,228	189,228	185,337	3,891
Highway & Roads	1,204,377	1,204,377	1,163,855	40,522
Building & Grounds	368,667	462,467	443,176	19,291
CRCC Mandated Monitoring	12,792	12,792	8,839	3,953
Wastewater Management	140,732	140,032	128,928	11,104
<b>Total public works</b>	<u>1,915,796</u>	<u>2,008,896</u>	<u>1,930,135</u>	<u>78,761</u>
<b>Education</b>	<u>13,879,020</u>	<u>13,711,350</u>	<u>13,664,390</u>	<u>46,960</u>
<b>Parks and recreation</b>				
Recreation Administration	213,560	220,630	218,728	1,902
Recreation Programs	153,389	159,289	155,696	3,593
Senior/Community Center	134,030	137,030	134,419	2,611
Charlestown Beach	170,182	172,082	169,586	2,496
Ninigret Park	50,436	50,436	36,700	13,736
Blue Shutters Beach	172,417	178,317	174,348	3,969
<b>Total parks and recreation</b>	<u>894,014</u>	<u>917,784</u>	<u>889,477</u>	<u>28,307</u>

(Continued)

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Schedule of Revenues, Expenditures and Changes in Fund Balance - Budgetary Basis (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2023*

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>Public health and assistance</b>				
Public assistance	6,051	6,051	4,747	1,304
Outside agencies	24,500	24,500	25,000	(500)
Local agencies	628,462	628,462	628,462	-
<b>Total public and health assistance</b>	<u>659,013</u>	<u>659,013</u>	<u>658,209</u>	<u>804</u>
<b>Employee benefits and other outside services</b>				
Employee benefits	2,550,657	2,550,657	2,317,148	233,509
Professional services	273,160	273,160	275,175	(2,015)
Town insurance	322,884	327,884	330,468	(2,584)
Council contingency	50,000	50,000	27,917	22,083
<b>Total employee benefits and other outside services</b>	<u>3,196,701</u>	<u>3,201,701</u>	<u>2,950,708</u>	<u>250,993</u>
<b>Debt service</b>				
Principal	555,000	555,000	555,000	-
Interest and fees	87,583	87,583	87,583	-
<b>Total debt service</b>	<u>642,583</u>	<u>642,583</u>	<u>642,583</u>	<u>-</u>
<b>Capital improvements</b>	<u>1,217,431</u>	<u>815,015</u>	<u>388,227</u>	<u>426,788</u>
<b>Other financing uses</b>				
Transfers out	838,724	1,253,990	1,276,472	(22,482)
<b>Total expenditures and other financing uses</b>	<u>28,939,953</u>	<u>28,939,953</u>	<u>27,903,135</u>	<u>1,036,818</u>
<b>Net change in fund balance - budgetary basis</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 642,330</u>	<u>\$ 642,330</u>

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**“Unaudited”**

**NOTE 1 – OPEB PLANS**

The actuarial methods and assumptions used to calculate the total OPEB liability are described in Note 15 to the financial statements.

The net OPEB liability (asset) amount presented for each fiscal year was determined as of the fiscal year-end.

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

**Actuarially Determined Contributions:**

The following actuarial methods and assumptions were used to determine contribution amounts reported in that schedule:

- Actuarial cost method – Entry Age Normal
- Amortization method – Level percentage of payroll, closed
- Amortization period – 6 years
- Asset valuation method – 5-year smoothed, non-asymptotic
- Inflation – 2.5%
- Investment rate of return – 6.5%
- Salary increases – 3.5%
- Mortality – PubS-2010 Mortality Table with generational projection per the MP-2014 ultimate scale
- Health care cost trend rate – Getzen Trend Model - pre-65 – 5.8% decreasing to an ultimate rate of 3.9%; post-65 – 5.1% decreasing to an ultimate rate of 3.9% (prior valuation - pre-65 – 5.4% decreasing to an ultimate rate of 4%; post-65 – 4.7% decreasing to an ultimate rate of 4%)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**“Unaudited”**

**NOTE 2 – PENSION PLANS**

The net pension liability (asset) amounts presented as of June 30, 2023 were determined as part of actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 A to the financial statements.

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

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

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

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, 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%.
- Decreased the general wage growth assumption from 3.25% to 3%.
- Decreased salary increase assumptions.
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

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

The net pension liability (asset) for the ERS and MERS plans reflects changes in benefits resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8,

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**“Unaudited”**

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 on 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% (10% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service on July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will receive a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4-year rather than 5-year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a maximum of 4%) and 50% calculated using previous year’s CPI-U (maximum of 3%) for a total maximum COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 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.

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

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

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**“Unaudited”**

**NOTE 3 - BUDGETARY DATA AND BUDGETARY COMPLIANCE**

The Town Charter provides that the Administrator shall annually assemble the budget requests of all departments, offices, and agencies and present these estimates to the Budget Commission. The Budget Commission shall hold its first meeting for the consideration of the recommended annual budget not later than the last week of January. The Budget Commission must complete its consideration of the budget no later than March 31 and file two copies with the Town Clerk’s Office. The Town Council may revise the budget submitted by the Budget Commission and shall adopt it for consideration as a tentative budget for presentation at the Budget Public Hearing no later than the second Monday in April. After the Budget Public Hearing and no later than the Tuesday next following the second Monday in May, the Town Council shall make final revisions to the proposed budget and warrant items to be placed on the ballot of the all-day Financial Referendum to be held on the first Monday in June. The budget must reflect all anticipated revenues and proposed expenditures and the proposed expenditures cannot exceed anticipated revenues. The Town Charter requires an annual budget for the General Fund. The American Rescue Plan Fund, which is a Special Revenue Fund, is not legally required to adopt a budget.

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

<u><b>Revenues and Other Financing Sources</b></u>	<u><b>General Fund</b></u>
Actual amounts (budgetary basis)	\$28,545,465
Differences - budget to GAAP: Unbudgeted revenues and other financing sources are not included for budgetary purposes but are included for financial reporting purposes.	<u>1,453,258</u>
<b><i>Total revenues and other financing sources as reported in the statement of revenues, expenditures, and changes in fund balances – governmental funds</i></b>	<u><u>\$29,998,723</u></u>

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Notes to Required Supplementary Information**  
**June 30, 2023**  
**“Unaudited”**

<u><b>Expenditures and Other Financing Uses</b></u>	<u><b>General Fund</b></u>
Actual amounts (budgetary basis)	\$27,903,135
Differences – budget to GAAP: Unbudgeted expenditures and other financing uses are not included for budgetary purposes but are included for financial reporting purposes.	<u>1,937,922</u>
<b><i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures, and changes in fund balances – governmental funds</i></b>	<u><b>\$29,841,057</b></u>

**OTHER SUPPLEMENTARY INFORMATION**

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

**THIS SECTION CONTAINS THE FOLLOWING:**

**Combining Financial Statements for General Fund**

**Combining Fund Financial Statements for Nonmajor Governmental Funds**

**Other Supplementary Information**



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet*  
**General Fund**  
*June 30, 2023*

	<i>General Fund</i>	<i>Asphalt Resurfacing</i>	<i>Public Works Fuel Management</i>	<i>Police HVAC</i>	<i>Town Capital Maintenance Fund</i>	<i>Coastal Access Feasibility Study</i>	<i>Ninigret Disc Golf</i>
<b>Assets</b>							
Cash	\$ 11,519,157	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes receivable, net	360,905	-	-	-	-	-	-
Due from other funds	1,552,712	163,914	38,202	25,625	405,242	15,000	652
Other receivables	39,043	-	-	-	-	-	-
Prepaid expenditures	20,650	-	-	-	-	-	-
Other assets	280,179	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 13,772,646</u>	<u>\$ 163,914</u>	<u>\$ 38,202</u>	<u>\$ 25,625</u>	<u>\$ 405,242</u>	<u>\$ 15,000</u>	<u>\$ 652</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ 236,255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	102,815	-	-	-	-	-	-
Due to other funds	5,866,187	-	-	-	-	-	-
Unearned revenue	64,953	-	-	-	-	-	-
Other liabilities	10,946	-	-	-	-	-	-
<b>Total liabilities</b>	<u>6,281,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	289,525	-	-	-	-	-	-
Unavailable revenue - tax sale property	280,179	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>569,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>							
Nonspendable	20,650	-	-	-	-	-	-
Committed	-	62,149	38,202	25,625	155,121	15,000	652
Assigned	-	101,765	-	-	250,121	-	-
Unassigned	6,901,136	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>6,921,786</u>	<u>163,914</u>	<u>38,202</u>	<u>25,625</u>	<u>405,242</u>	<u>15,000</u>	<u>652</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 13,772,646</u>	<u>\$ 163,914</u>	<u>\$ 38,202</u>	<u>\$ 25,625</u>	<u>\$ 405,242</u>	<u>\$ 15,000</u>	<u>\$ 652</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**General Fund**  
**June 30, 2023**

	<i>Old Mill Road</i>	<i>Public Safety Communication Tower</i>	<i>Denitrification Septic System Prototype</i>	<i>Pond and Beach Preservation</i>	<i>Animal Control Donations</i>	<i>Finance Project</i>	<i>Charlestown Beach Road Engineering</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 77,958	\$ -	\$ -
Property taxes receivable, net	-	-	-	-	-	-	-
Due from other funds	915,620	-	98,722	857,465	6,270	11,000	20,000
Other receivables	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Tax sale property	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 915,620</u>	<u>\$ -</u>	<u>\$ 98,722</u>	<u>\$ 857,465</u>	<u>\$ 84,228</u>	<u>\$ 11,000</u>	<u>\$ 20,000</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - tax sale property	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>							
Nonspendable	-	-	-	-	-	-	-
Committed	915,620	-	98,722	857,465	84,228	-	-
Assigned	-	-	-	-	-	11,000	20,000
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>915,620</u>	<u>-</u>	<u>98,722</u>	<u>857,465</u>	<u>84,228</u>	<u>11,000</u>	<u>20,000</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 915,620</u>	<u>\$ -</u>	<u>\$ 98,722</u>	<u>\$ 857,465</u>	<u>\$ 84,228</u>	<u>\$ 11,000</u>	<u>\$ 20,000</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**General Fund**  
**June 30, 2023**

	<i>Burdickville Road Improvement</i>	<i>Environmental Resilience</i>	<i>Affordable Housing Initiatives</i>	<i>Chariho Reserve</i>	<i>Reserve for Sick and Vacation</i>	<i>Revaluation Fund</i>	<i>Employee Vending</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,144
Property taxes receivable, net	-	-	-	-	-	-	-
Due from other funds	-	30,000	53,173	250,000	811,542	115,580	-
Other receivables	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Tax sale property	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 53,173</u>	<u>\$ 250,000</u>	<u>\$ 811,542</u>	<u>\$ 115,580</u>	<u>\$ 4,144</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,920	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	5,049
Unearned revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,920</u>	<u>5,049</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - tax sale property	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>							
Nonspendable	-	-	-	-	-	-	-
Committed	-	30,000	53,173	250,000	811,542	91,660	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(905)
<b>Total fund balances (deficits)</b>	<u>-</u>	<u>30,000</u>	<u>53,173</u>	<u>250,000</u>	<u>811,542</u>	<u>91,660</u>	<u>(905)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 53,173</u>	<u>\$ 250,000</u>	<u>\$ 811,542</u>	<u>\$ 115,580</u>	<u>\$ 4,144</u>

*(Continued)*

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**General Fund**  
**June 30, 2023**

	<i>Wastewater Testing</i>	<i>EMA Tree Removal</i>	<i>Open Space 2016</i>	<i>Landfill Monitoring</i>	<i>GIS Project</i>	<i>Developer Bond Deposits</i>	<i>IT Projects</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Property taxes receivable, net	-	-	-	-	-	-	-
Due from other funds	7,768	54,862	-	76,630	5,066	51,164	30,908
Other receivables	-	-	-	-	-	-	-
Prepaid expenditures	-	-	-	-	-	-	-
Tax sale property	-	-	-	-	-	-	-
<b>Total assets</b>	<u>\$ 7,768</u>	<u>\$ 54,862</u>	<u>\$ -</u>	<u>\$ 76,630</u>	<u>\$ 5,066</u>	<u>\$ 51,164</u>	<u>\$ 30,908</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-	-
Due to other funds	-	-	701,536	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	51,164	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>701,536</u>	<u>-</u>	<u>-</u>	<u>51,164</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	-
Unavailable revenue - tax sale property	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>							
Nonspendable	-	-	-	-	-	-	-
Committed	7,768	54,862	-	76,630	3,216	-	-
Assigned	-	-	-	-	1,850	-	30,908
Unassigned	-	-	(701,536)	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>7,768</u>	<u>54,862</u>	<u>(701,536)</u>	<u>76,630</u>	<u>5,066</u>	<u>-</u>	<u>30,908</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 7,768</u>	<u>\$ 54,862</u>	<u>\$ -</u>	<u>\$ 76,630</u>	<u>\$ 5,066</u>	<u>\$ 51,164</u>	<u>\$ 30,908</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**General Fund**  
**June 30, 2023**

	<i>Comprehensive Planning Fund</i>	<i>Police Evidence Property</i>	<i>Confidential Funds</i>	<i>Credit Card Rewards</i>	<i>Reserve for Legal Fees</i>	<i>Interfund Elimination Entries</i>	<i>Total General Fund</i>
<b>Assets</b>							
Cash	\$ 13,545	\$ 22,309	\$ 3,822	\$ -	\$ -	\$ -	\$ 11,640,935
Property taxes receivable, net	-	-	-	-	-	-	360,905
Due from other funds	23,043	-	-	-	481,229	(5,269,882)	831,507
Other receivables	-	-	-	-	-	-	39,043
Prepaid expenditures	-	-	-	-	-	-	20,650
Tax sale property	-	-	-	-	-	-	280,179
<b>Total assets</b>	<u>\$ 36,588</u>	<u>\$ 22,309</u>	<u>\$ 3,822</u>	<u>\$ -</u>	<u>\$ 481,229</u>	<u>\$(5,269,882)</u>	<u>\$ 13,173,219</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 260,175
Accrued payroll	-	-	-	-	-	-	102,815
Due to other funds	-	14,620	-	-	-	(5,269,882)	1,317,510
Unearned revenue	-	-	-	-	-	-	64,953
Other liabilities	-	7,689	-	-	-	-	69,799
<b>Total liabilities</b>	<u>-</u>	<u>22,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,269,882)</u>	<u>1,815,252</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue - property taxes	-	-	-	-	-	-	289,525
Unavailable revenue - tax sale property	-	-	-	-	-	-	280,179
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>569,704</u>
<b>Fund Balances (Deficits)</b>							
Nonspendable	-	-	-	-	-	-	20,650
Committed	36,588	-	-	-	481,229	-	4,149,452
Assigned	-	-	-	-	-	-	415,644
Unassigned	-	-	3,822	-	-	-	6,202,517
<b>Total fund balances (deficits)</b>	<u>36,588</u>	<u>-</u>	<u>3,822</u>	<u>-</u>	<u>481,229</u>	<u>-</u>	<u>10,788,263</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 36,588</u>	<u>\$ 22,309</u>	<u>\$ 3,822</u>	<u>\$ -</u>	<u>\$ 481,229</u>	<u>\$(5,269,882)</u>	<u>\$ 13,173,219</u>

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Combining Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2023**

	<b>General Fund</b>	<b>Asphalt Resurfacing</b>	<b>Public Works Fuel Management</b>	<b>Police HVAC</b>	<b>Town Capital Maintenance Fund</b>	<b>Coastal Access Feasibility Study</b>	<b>Ninigret Disc Golf</b>
<b>Revenues:</b>							
General property taxes	\$ 23,333,812	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	2,795,212	-	-	-	-	-	-
Departmental	1,608,648	-	-	-	-	-	-
Investment income	262,708	-	-	-	-	-	-
Other	77,004	-	-	-	13,400	-	1,585
<b>Total revenues</b>	<b>28,077,384</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,400</b>	<b>-</b>	<b>1,585</b>
<b>Expenditures:</b>							
Current:							
General government	2,414,573	-	-	-	-	-	-
Public safety	3,088,361	-	-	-	30,882	-	-
Public works	1,930,135	-	-	-	-	-	-
Education	13,664,390	-	-	-	-	-	-
Parks and recreation	889,477	-	-	-	-	-	3,433
Public health and assistance	658,209	-	-	-	-	-	-
Employee benefits and other outside services	2,950,708	-	-	-	-	-	-
Debt service:							
Principal	555,000	-	-	-	-	-	-
Interest and other charges	87,583	-	-	-	-	-	-
Capital outlay	388,227	-	-	-	252,889	-	-
<b>Total expenditures</b>	<b>26,626,663</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>283,771</b>	<b>-</b>	<b>3,433</b>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<b>1,450,721</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(270,371)</b>	<b>-</b>	<b>(1,848)</b>
<b>Other financing sources (uses):</b>							
Transfers in	468,081	101,765	-	-	425,121	-	-
Transfers out	(1,276,472)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(808,391)</b>	<b>101,765</b>	<b>-</b>	<b>-</b>	<b>425,121</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>642,330</b>	<b>101,765</b>	<b>-</b>	<b>-</b>	<b>154,750</b>	<b>-</b>	<b>(1,848)</b>
<b>Fund balances (deficits) - beginning of year - restated</b>	<b>6,279,456</b>	<b>62,149</b>	<b>38,202</b>	<b>25,625</b>	<b>250,492</b>	<b>15,000</b>	<b>2,500</b>
<b>Fund balances (deficits) - end of year</b>	<b>\$ 6,921,786</b>	<b>\$ 163,914</b>	<b>\$ 38,202</b>	<b>\$ 25,625</b>	<b>\$ 405,242</b>	<b>\$ 15,000</b>	<b>\$ 652</b>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2023*

	<i>Old Mill Road</i>	<i>Public Safety Communication Tower</i>	<i>Denitrification Septic System Prototype</i>	<i>Pond and Beach Preservation</i>	<i>Animal Control Donations</i>	<i>Finance Project</i>	<i>Charlestown Beach Road Engineering</i>
<b>Revenues:</b>							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,900,000	-	-	-
Departmental	-	-	-	-	-	-	-
Investment income	-	-	-	-	971	-	-
Other	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,900,000</u>	<u>971</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	2,407,428	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	62,904	-	-	-	-
Education	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and assistance	-	-	-	-	-	-	-
Employee benefits and other outside services	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	16,896	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>62,904</u>	<u>2,407,428</u>	<u>16,896</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(62,904)</u>	<u>(507,428)</u>	<u>(15,925)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	350,000	-	11,000	20,000
Transfers out	-	(30,030)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(30,030)</u>	<u>-</u>	<u>350,000</u>	<u>-</u>	<u>11,000</u>	<u>20,000</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(30,030)</u>	<u>(62,904)</u>	<u>(157,428)</u>	<u>(15,925)</u>	<u>11,000</u>	<u>20,000</u>
<b>Fund balances (deficits) - beginning of year - restated</b>	<u>915,620</u>	<u>30,030</u>	<u>161,626</u>	<u>1,014,893</u>	<u>100,153</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 915,620</u>	<u>\$ -</u>	<u>\$ 98,722</u>	<u>\$ 857,465</u>	<u>\$ 84,228</u>	<u>\$ 11,000</u>	<u>\$ 20,000</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2023*

	<i>Burdickville Road Improvement</i>	<i>Environmental Resilience</i>	<i>Affordable Housing Initiatives</i>	<i>Chariho Reserve</i>	<i>Reserve for Sick and Vacation</i>	<i>Revaluation Fund</i>	<i>Employee Vending</i>
<b>Revenues:</b>							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Departmental	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	2
Other	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	-	133,515	158,897	-
Public safety	-	-	-	-	70,858	-	-
Public works	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and assistance	-	-	-	-	-	-	-
Employee benefits and other outside services	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>204,373</u>	<u>158,897</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(204,373)</u>	<u>(158,897)</u>	<u>2</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	15,000	53,173	-	150,000	50,000	-
Transfers out	(438,051)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>(438,051)</u>	<u>15,000</u>	<u>53,173</u>	<u>-</u>	<u>150,000</u>	<u>50,000</u>	<u>-</u>
<b>Net change in fund balances</b>	(438,051)	15,000	53,173	-	(54,373)	(108,897)	2
<b>Fund balances (deficits) - beginning of year - restated</b>	438,051	15,000	-	250,000	865,915	200,557	(907)
<b>Fund balances (deficits) - end of year</b>	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 53,173</u>	<u>\$ 250,000</u>	<u>\$ 811,542</u>	<u>\$ 91,660</u>	<u>\$ (905)</u>

(Continued)



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2023*

	<i>Wastewater Testing</i>	<i>EMA Tree Removal</i>	<i>Open Space 2016</i>	<i>Landfill Monitoring</i>	<i>GIS Project</i>	<i>Developer Bond Deposits</i>	<i>IT Projects</i>
<b>Revenues:</b>							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Departmental	-	-	-	-	256	-	-
Investment income	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	378
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>256</u>	<u>-</u>	<u>378</u>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	13,224	-	-	-
Education	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Public health and assistance	-	-	-	-	-	-	-
Employee benefits and other outside services	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,224</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,224)</u>	<u>256</u>	<u>-</u>	<u>378</u>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	1,850	-	30,530
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,850</u>	<u>-</u>	<u>30,530</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,224)</u>	<u>2,106</u>	<u>-</u>	<u>30,908</u>
<b>Fund balances (deficits) - beginning of year - restated</b>	<u>7,768</u>	<u>54,862</u>	<u>(701,536)</u>	<u>89,854</u>	<u>2,960</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 7,768</u>	<u>\$ 54,862</u>	<u>\$ (701,536)</u>	<u>\$ 76,630</u>	<u>\$ 5,066</u>	<u>\$ -</u>	<u>\$ 30,908</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)*  
**General Fund**  
*For the Fiscal Year Ended June 30, 2023*

	<i>Comprehensive Planning Fund</i>	<i>Police Evidence Property</i>	<i>Confidential Funds</i>	<i>Credit Card Rewards</i>	<i>Reserve for Legal Fees</i>	<i>Interfund Elimination Entries</i>	<i>Total General Fund</i>
<b>Revenues:</b>							
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,333,812
Intergovernmental	-	-	-	-	-	-	4,695,212
Departmental	-	-	-	-	-	-	1,608,904
Investment income	-	-	-	-	-	-	263,681
Other	-	-	3,822	925	-	-	97,114
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>3,822</b>	<b>925</b>	<b>-</b>	<b>-</b>	<b>29,998,723</b>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	925	-	-	5,115,338
Public safety	-	-	-	-	-	-	3,190,101
Public works	-	-	-	-	-	-	2,006,263
Education	-	-	-	-	-	-	13,664,390
Parks and recreation	-	-	-	-	-	-	892,910
Public health and assistance	-	-	-	-	-	-	658,209
Employee benefits and other outside services	-	-	-	-	24,510	-	2,975,218
Debt service:							
Principal	-	-	-	-	-	-	555,000
Interest and other charges	-	-	-	-	-	-	87,583
Capital outlay	-	-	-	-	-	-	658,012
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>925</b>	<b>24,510</b>	<b>-</b>	<b>29,803,024</b>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>3,822</b>	<b>-</b>	<b>(24,510)</b>	<b>-</b>	<b>195,699</b>
<b>Other financing sources (uses):</b>							
Transfers in	30,000	-	-	-	-	(1,706,520)	-
Transfers out	-	-	-	-	-	1,706,520	(38,033)
<b>Total other financing sources (uses)</b>	<b>30,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(38,033)</b>
<b>Net change in fund balances</b>	<b>30,000</b>	<b>-</b>	<b>3,822</b>	<b>-</b>	<b>(24,510)</b>	<b>-</b>	<b>157,666</b>
<b>Fund balances (deficits) - beginning of year - restated</b>	<b>6,588</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>505,739</b>	<b>-</b>	<b>10,630,597</b>
<b>Fund balances (deficits) - end of year</b>	<b>\$ 36,588</b>	<b>\$ -</b>	<b>\$ 3,822</b>	<b>\$ -</b>	<b>\$ 481,229</b>	<b>\$ -</b>	<b>\$ 10,788,263</b>

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet*  
**Nonmajor Governmental Funds**  
 June 30, 2023

	<i>Special Revenue Funds</i>						
	<i>Senior Community Activities</i>	<i>Ninigret Park Fitness Space - DEM</i>	<i>MEDS Grant - RI Department of Health</i>	<i>Frisbee Golf Course</i>	<i>School Impact Fees</i>	<i>Opioid Settlement</i>	<i>Friends of Ninigret</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ 147,486	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	4,716	4,026	21,082	-	1,427	56,832	836
<b>Total assets</b>	<u>\$ 4,716</u>	<u>\$ 4,026</u>	<u>\$ 21,082</u>	<u>\$ -</u>	<u>\$ 148,913</u>	<u>\$ 56,832</u>	<u>\$ 836</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	2,773	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>2,773</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue-loans	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>							
Restricted	4,716	1,253	21,082	-	-	56,832	836
Committed	-	-	-	-	148,913	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>4,716</u>	<u>1,253</u>	<u>21,082</u>	<u>-</u>	<u>148,913</u>	<u>56,832</u>	<u>836</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 4,716</u>	<u>\$ 4,026</u>	<u>\$ 21,082</u>	<u>\$ -</u>	<u>\$ 148,913</u>	<u>\$ 56,832</u>	<u>\$ 836</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**Nonmajor Governmental Funds**  
 June 30, 2023

	<i>Special Revenue Funds</i>						
	<i>Operation Blue Riptide</i>	<i>Flagpole Gardens Accessible Playground</i>	<i>Animal Spaying/ Neutering</i>	<i>Ninigret Park Fund</i>	<i>Bicentennial Fund</i>	<i>Covid Relief Fund</i>	<i>Open Space Fees</i>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ 62,925	\$ 2,552	\$ -	\$ 59,136
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	2,069	-	-	-	-	-	-
Due from other funds	-	-	8,824	994	-	-	4,456
<b>Total assets</b>	<u>\$ 2,069</u>	<u>\$ -</u>	<u>\$ 8,824</u>	<u>\$ 63,919</u>	<u>\$ 2,552</u>	<u>\$ -</u>	<u>\$ 63,592</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,069	-	-	-	306	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>2,069</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>306</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue-loans	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>							
Restricted	-	-	8,824	-	2,552	-	-
Committed	-	-	-	63,919	-	-	63,592
Unassigned	-	-	-	-	-	(306)	-
<b>Total fund balances (deficits)</b>	<u>-</u>	<u>-</u>	<u>8,824</u>	<u>63,919</u>	<u>2,552</u>	<u>(306)</u>	<u>63,592</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 2,069</u>	<u>\$ -</u>	<u>\$ 8,824</u>	<u>\$ 63,919</u>	<u>\$ 2,552</u>	<u>\$ -</u>	<u>\$ 63,592</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**Nonmajor Governmental Funds**  
 June 30, 2023

	<i>Special Revenue Funds</i>						
	<i>On-Site Wastewater Treatment System</i>	<i>Naval Airfield Memorial</i>	<i>US EPA Grant</i>	<i>Birthday Committee</i>	<i>Community Development Block Grant</i>	<i>Ninigret Dog Park</i>	<i>Historical and Vital Records</i>
<b>Assets</b>							
Cash	\$ -	\$ 952	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
Due from federal and state governments	-	-	10,806	-	-	-	-
Due from other funds	53,049	435	-	1,905	-	-	198,034
<b>Total assets</b>	<u>\$ 53,049</u>	<u>\$ 1,387</u>	<u>\$ 10,806</u>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,034</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>							
<b>Liabilities</b>							
Accounts payable	\$ -	\$ -	\$ 10,806	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>10,806</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>							
Unavailable revenue-loans	-	-	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances (deficits)</b>							
Restricted	53,049	1,387	-	1,905	-	-	198,034
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<u>53,049</u>	<u>1,387</u>	<u>-</u>	<u>1,905</u>	<u>-</u>	<u>-</u>	<u>198,034</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 53,049</u>	<u>\$ 1,387</u>	<u>\$ 10,806</u>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,034</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Balance Sheet (Continued)*  
**Nonmajor Governmental Funds**  
 June 30, 2023

	<u>Special Revenue Funds</u>		<u>Permanent Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Community Septic System Loan Program</u>	<u>Total Special Revenue Funds</u>	<u>Zennis Ellis Trust</u>	<u>Cemetery Fund</u>	<u>Total Permanent Funds</u>	
<b>Assets</b>						
Cash	\$ -	\$ 273,051	\$ 932	\$ -	\$ 932	\$ 273,983
Investments	-	-	-	500	500	500
Accounts receivable	247,635	247,635	-	-	-	247,635
Due from federal and state governments	-	12,875	-	-	-	12,875
Due from other funds	-	356,616	-	90	90	356,706
<b>Total assets</b>	<u>\$ 247,635</u>	<u>\$ 890,177</u>	<u>\$ 932</u>	<u>\$ 590</u>	<u>\$ 1,522</u>	<u>\$ 891,699</u>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)</b>						
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 10,806	\$ 1	\$ -	\$ 1	\$ 10,807
Due to other funds	-	2,375	-	-	-	2,375
Unearned revenue	-	2,773	-	-	-	2,773
<b>Total liabilities</b>	<u>-</u>	<u>15,954</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>15,955</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue-loans	247,635	247,635	-	-	-	247,635
<b>Total deferred inflows of resources</b>	<u>247,635</u>	<u>247,635</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>247,635</u>
<b>Fund balances (deficits)</b>						
Restricted	-	350,470	931	590	1,521	351,991
Committed	-	276,424	-	-	-	276,424
Unassigned	-	(306)	-	-	-	(306)
<b>Total fund balances (deficits)</b>	<u>-</u>	<u>626,588</u>	<u>931</u>	<u>590</u>	<u>1,521</u>	<u>628,109</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 247,635</u>	<u>\$ 890,177</u>	<u>\$ 932</u>	<u>\$ 590</u>	<u>\$ 1,522</u>	<u>\$ 891,699</u>

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	<i>Special Revenue Funds</i>						
	<i>Senior Community Activities</i>	<i>Ninigret Park Fitness Space - DEM</i>	<i>MEDS Grant - RI Department of Health</i>	<i>Frisbee Golf Course</i>	<i>School Impact Fees</i>	<i>Opioid Settlement</i>	<i>Friends of Ninigret</i>
<b>Revenues:</b>							
Intergovernmental	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ -	\$ -
Departmental	-	-	-	-	18,551	-	-
Investment income	-	-	-	-	1,822	-	-
Other	179	-	-	-	-	23,271	-
<b>Total revenues</b>	<u>179</u>	<u>-</u>	<u>7,500</u>	<u>-</u>	<u>20,373</u>	<u>23,271</u>	<u>-</u>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	5,275	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	990	-	-	809	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>990</u>	<u>-</u>	<u>5,275</u>	<u>809</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(811)</u>	<u>-</u>	<u>2,225</u>	<u>(809)</u>	<u>20,373</u>	<u>23,271</u>	<u>-</u>
<b>Other financing sources (uses):</b>							
Debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(811)	-	2,225	(809)	20,373	23,271	-
<b>Fund balances (deficits) - beginning of year - restated</b>	<u>5,527</u>	<u>1,253</u>	<u>18,857</u>	<u>809</u>	<u>128,540</u>	<u>33,561</u>	<u>836</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 4,716</u>	<u>\$ 1,253</u>	<u>\$ 21,082</u>	<u>\$ -</u>	<u>\$ 148,913</u>	<u>\$ 56,832</u>	<u>\$ 836</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)*  
*Nonmajor Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	<i>Special Revenue Funds</i>						
	<i>Operation Blue Riptide</i>	<i>Flagpole Gardens Accessible Playground</i>	<i>Animal Spaying/ Neutering</i>	<i>Ninigret Park Fund</i>	<i>Bicentennial Fund</i>	<i>Covid Relief Fund</i>	<i>Open Space Fees</i>
<b>Revenues:</b>							
Intergovernmental	\$ 7,670	\$ -	\$ -	\$ -	\$ -	\$ 49,597	\$ -
Departmental	-	-	161	25,115	-	-	-
Investment income	-	-	-	776	311	-	735
Other	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>7,670</u>	<u>-</u>	<u>161</u>	<u>25,891</u>	<u>311</u>	<u>49,597</u>	<u>735</u>
<b>Expenditures:</b>							
Current:							
General government	-	-	-	-	-	-	-
Public safety	7,670	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks and recreation	-	-	-	386	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>7,670</u>	<u>-</u>	<u>-</u>	<u>386</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>161</u>	<u>25,505</u>	<u>311</u>	<u>49,597</u>	<u>735</u>
<b>Other financing sources (uses):</b>							
Debt issued	-	-	-	-	-	-	-
Transfers in	-	-	-	480	-	-	-
Transfers out	-	(480)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(480)</u>	<u>-</u>	<u>480</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>-</u>	<u>(480)</u>	<u>161</u>	<u>25,985</u>	<u>311</u>	<u>49,597</u>	<u>735</u>
<b>Fund balances (deficits) - beginning of year - restated</b>	<u>-</u>	<u>480</u>	<u>8,663</u>	<u>37,934</u>	<u>2,241</u>	<u>(49,903)</u>	<u>62,857</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,824</u>	<u>\$ 63,919</u>	<u>\$ 2,552</u>	<u>\$ (306)</u>	<u>\$ 63,592</u>

(Continued)



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)*  
**Nonmajor Governmental Funds**  
*For the Fiscal Year Ended June 30, 2023*

	<i>Special Revenue Funds</i>						
	<i>On-Site Wastewater Treatment System</i>	<i>Naval Airfield Memorial</i>	<i>US EPA Grant</i>	<i>Birthday Committee</i>	<i>Community Development Block Grant</i>	<i>Ninigret Dog Park</i>	
<b>Revenues:</b>							
Intergovernmental	\$ -	\$ -	\$ 100,996	\$ -	\$ -	\$ -	\$ -
Departmental	-	-	-	-	-	-	14,438
Investment income	-	12	-	-	-	-	-
Other	-	-	-	-	-	622	-
<b>Total revenues</b>	<u>-</u>	<u>12</u>	<u>100,996</u>	<u>-</u>	<u>-</u>	<u>622</u>	<u>14,438</u>
<b>Expenditures:</b>							
Current:							
General government	-	1,150	-	-	80	-	7,201
Public safety	-	-	-	-	-	-	-
Public works	5,664	-	118,503	-	-	-	-
Parks and recreation	-	-	-	-	-	200	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	-
<b>Total expenditures</b>	<u>5,664</u>	<u>1,150</u>	<u>118,503</u>	<u>-</u>	<u>80</u>	<u>200</u>	<u>7,201</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(5,664)</u>	<u>(1,138)</u>	<u>(17,507)</u>	<u>-</u>	<u>(80)</u>	<u>422</u>	<u>7,237</u>
<b>Other financing sources (uses):</b>							
Debt issued	-	-	-	-	-	-	-
Transfers in	-	1,250	22,482	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>1,250</u>	<u>22,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	(5,664)	112	4,975	-	(80)	422	7,237
<b>Fund balances (deficits) - beginning of year - restated</b>	<u>58,713</u>	<u>1,275</u>	<u>(4,975)</u>	<u>1,905</u>	<u>80</u>	<u>(422)</u>	<u>190,797</u>
<b>Fund balances (deficits) - end of year</b>	<u>\$ 53,049</u>	<u>\$ 1,387</u>	<u>\$ -</u>	<u>\$ 1,905</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,034</u>

(Continued)

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)*  
**Nonmajor Governmental Funds**  
*For the Fiscal Year Ended June 30, 2023*

	<i>Special Revenue Funds</i>		<i>Permanent Funds</i>			<i>Total Nonmajor Governmental Funds</i>
	<i>Community Septic System Loan Program</i>	<i>Total Special Revenue Funds</i>	<i>Zennis Ellis Trust</i>	<i>Cemetery Fund</i>	<i>Total Permanent Funds</i>	
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ 165,763	\$ -	\$ -	\$ -	\$ 165,763
Departmental	-	58,265	-	-	-	58,265
Investment income	-	3,656	11	-	11	3,667
Other	83,794	107,866	-	-	-	107,866
<b>Total revenues</b>	<u>83,794</u>	<u>335,550</u>	<u>11</u>	<u>-</u>	<u>11</u>	<u>335,561</u>
<b>Expenditures:</b>						
Current:						
General government	-	8,431	30	-	30	8,461
Public safety	-	12,945	-	-	-	12,945
Public works	72,475	196,642	-	-	-	196,642
Parks and recreation	-	2,385	-	-	-	2,385
Debt service:						
Principal	80,179	80,179	-	-	-	80,179
Interest and other charges	3,615	3,615	-	-	-	3,615
<b>Total expenditures</b>	<u>156,269</u>	<u>304,197</u>	<u>30</u>	<u>-</u>	<u>30</u>	<u>304,227</u>
<b>Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)</b>	<u>(72,475)</u>	<u>31,353</u>	<u>(19)</u>	<u>-</u>	<u>(19)</u>	<u>31,334</u>
<b>Other financing sources (uses):</b>						
Debt issued	72,475	72,475	-	-	-	72,475
Transfers in	-	24,212	-	-	-	24,212
Transfers out	-	(480)	-	-	-	(480)
<b>Total other financing sources (uses)</b>	<u>72,475</u>	<u>96,207</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,207</u>
<b>Net change in fund balances</b>	-	127,560	(19)	-	(19)	127,541
<b>Fund balances (deficits) - beginning of year - restated</b>	-	499,028	950	590	1,540	500,568
<b>Fund balances (deficits) - end of year</b>	<u>\$ -</u>	<u>\$ 626,588</u>	<u>\$ 931</u>	<u>\$ 590</u>	<u>\$ 1,521</u>	<u>\$ 628,109</u>

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Tax Collector's Annual Report*  
For the Fiscal Year Ended June 30, 2023

<i><b>Fiscal Year</b></i>	<i><b>Balance June 30, 2022</b></i>	<i><b>Current year Assessment</b></i>	<i><b>Additions</b></i>	<i><b>Abatements</b></i>	<i><b>Adjustments</b></i>	<i><b>Amount to be Collected</b></i>	<i><b>Current Year Collections</b></i>	<i><b>Balance June 30, 2023</b></i>
2023	\$ -	\$ 23,074,917	\$ 735	\$ (2,548)	\$ (10,088)	\$23,063,016	\$ 22,858,812	\$ 204,204
2022	224,481	-	-	(1,261)	383	223,603	168,860	54,743
2021	64,445	-	-	(295)	74	64,224	24,080	40,144
2020	46,567	-	-	(414)	31	46,184	11,926	34,258
2019	47,508	-	-	(625)	-	46,883	20,338	26,545
2018	44,520	-	-	(356)	-	44,164	18,580	25,584
2017	35,684	-	-	(116)	1,313	36,881	9,041	27,840
2016	30,445	-	-	(767)	53	29,731	3,191	26,540
2015	30,051	-	-	(212)	(50)	29,789	2,819	26,970
2014	31,349	-	-	(71)	-	31,278	3,597	27,681
2013	32,358	-	-	(137)	-	32,221	4,371	27,850
2012	30,640	-	-	(125)	-	30,515	4,533	25,982
2011 and prior	399,760	-	-	(3,358)	-	396,402	13,838	382,564
	<u>1,017,808</u>	<u>\$ 23,074,917</u>	<u>\$ 735</u>	<u>\$ (10,285)</u>	<u>\$ (8,284)</u>	<u>\$24,074,891</u>	<u>\$ 23,143,986</u>	<u>930,905</u>
<i><b>Allowance for Uncollectible Accounts</b></i>	<u>(570,000)</u>							<u>(570,000)</u>
<i><b>Net Property Tax Receivable</b></i>	<u>\$ 447,808</u>							<u>\$ 360,905</u>

***Schedule of Net Assessed Property Value by Category***

<i><b>Description of Property</b></i>	<i><b>Valuations December 31, 2021</b></i>	<i><b>Levy July 1, 2022</b></i>
Real property	\$ 2,833,319,645	\$ 23,148,221
Tangible personal property	24,133,156	197,168
Total	<u>2,857,452,801</u>	<u>23,345,389</u>
Exemptions	(33,119,968)	(270,472)
Net assessed value	<u>\$ 2,824,332,833</u>	<u>\$ 23,074,917</u>

***Reconciliation of Current Year Property Tax Revenue***

Current Year Collections	\$ 23,143,986
July -August 2023 Collections Subject to 60-day FY 23 Accrual	71,380
July -August 2022 Collections Subject to 60-day FY 22 Accrual	(93,315)
Redemption revenue	10,549
Current Year Property Tax Revenue	<u>\$ 23,132,600</u>

*(continued)*

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Tax Collector's Annual Report (Continued)*  
For the Fiscal Year Ended June 30, 2023

**Fiscal Year 2023 Cash Collection Summary**

<i><u>Fiscal Year</u></i>	<i>July - August 2022 Collections Subject to 60 day FY 22 <u>Accrual</u></i>	<i>September 2022 - June 2023 <u>Collections</u></i>	<i><u>Total FY 2023 Cash Collections</u></i>	<i>July - August 2023 Collections Subject to 60 day FY 23 <u>Accrual</u></i>
2022	\$ -	\$ 22,858,812	\$ 22,858,812	\$ 62,709
2022	85,481	83,379	168,860	4,362
2021	1,927	22,153	24,080	2,140
2020	1,501	10,425	11,926	690
2019	203	20,135	20,338	478
2018	723	17,857	18,580	101
2017	2,009	7,032	9,041	69
2016	280	2,911	3,191	205
2015	903	1,916	2,819	-
2014	-	3,597	3,597	-
2013	-	4,371	4,371	-
2012	-	4,533	4,533	184
2011	288	13,550	13,838	442
	<u>\$ 93,315</u>	<u>\$ 23,050,671</u>	<u>\$ 23,143,986</u>	<u>\$ 71,380</u>

## **OTHER SUPPLEMENTARY INFORMATION**

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

Town of Charlestown  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2023

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 22,842,273
Last Year's Levy Tax Collection	290,327
Prior Years Property Tax Collection	-
Interest & Penalty	190,362
PILOT & Tax Treaty (excluded from levy) Collection	10,850
Other Local Property Taxes	-
Licenses and Permits	22,220
Fines and Forfeitures	31,796
Investment Income	262,708
Departmental	1,589,868
Rescue Run Revenue	-
Police & Fire Detail	-
Other Local Non-Property Tax Revenues	77,004
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	-
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	-
COVID - ESSER	-
COVID - CRF	49,597
COVID - CDBG	-
COVID - FEMA	-
COVID - Other	-
COVID - ARPA	1,375,349
MV Excise Tax Reimbursement	1,020,877
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	-
Library Construction Aid	-
Public Service Corporation Tax	97,025
Meals & Beverage Tax / Hotel Tax	300,383
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	-
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	1,341,690
Motor Vehicle Phase Out	-
Other Revenue	1,921,339
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Rounding	-
<b>Total Revenue</b>	<b>\$ 31,423,669</b>
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	-
Financing Sources: Debt Proceeds	-
Financing Sources: Other	-
Rounding	-
<b>Total Other Financing Sources</b>	<b>\$ -</b>

Town of Charlestown  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2023

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT					
Compensation- Group A	\$ 650,631	\$ 525,084	\$ 82,218	\$ 143,780	\$ 426,847	\$ -	\$ 915,025	\$ 538,207	\$ 1,783,305
Compensation - Group B	-	-	-	-	-	-	-	-	102,203
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	412	292	-	-	4,940	-	27,675	13,993	289,812
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	(21,392)
Active Medical Insurance - Group A	63,655	91,537	-	37,262	82,257	-	183,114	27,119	345,990
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	(1,939)	4,298	-	1,582	4,747	-	9,573	1,422	10,285
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	51,208	41,324	6,467	11,309	33,963	-	74,149	43,434	171,102
Life Insurance	1,652	1,810	-	557	1,647	-	3,640	696	7,229
State Defined Contribution- Group A	4,615	4,245	832	1,432	4,194	-	5,954	1,831	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	600
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	89,836	72,496	11,345	19,840	59,582	-	130,082	76,197	300,169
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	316,222	53,815	12,201	51,404	13,976	268,462	116,271	35,778	38,363
Materials/Supplies	39,192	12,012	2,575	1,316	1,679	-	117,659	33,008	32,563
Software Licenses	120,389	34,240	-	220	2,249	-	-	-	28,606
Capital Outlays	274,114	-	-	-	31,220	-	82,170	-	253,613
Insurance	330,468	-	-	-	-	-	-	-	-
Maintenance	250	-	2,071	-	-	-	630,153	25,382	115,008
Vehicle Operations	1,130	1,866	-	-	4,383	-	274	3,054	80,668
Utilities	38,988	-	10,112	-	-	-	73,338	-	49,247
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	6,814	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	1,332	-	-
Trash Removal & Recycling	-	-	-	-	-	-	-	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	386,250	-	-	-	-	-	-	-	-
Other Operation Expenditures	4,550,393	13,800	30,444	68,732	4,987	-	12,392	117,678	63,260
Tipping Fees	-	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 6,917,467</b>	<b>\$ 856,818</b>	<b>\$ 158,264</b>	<b>\$ 337,435</b>	<b>\$ 676,671</b>	<b>\$ 268,462</b>	<b>\$ 2,389,614</b>	<b>\$ 917,799</b>	<b>\$ 3,650,631</b>

Town of Charlestown  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2023

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation- Group A	\$ -	\$ 255,712	\$ 142,854	\$ -	\$ -	\$ -	\$ 5,463,664
Compensation - Group B	-	-	-	-	-	-	102,203
Compensation - Group C	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-
Overtime- Group A	-	62,893	1,918	-	-	-	401,935
Overtime - Group B	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	(21,392)
Active Medical Insurance - Group A	-	43,988	6,726	-	-	-	881,647
Active Medical Insurance- Group B	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	1,818	235	-	-	-	32,021
Active Dental Insurance- Group B	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	-	25,060	11,387	-	-	-	469,402
Life Insurance	-	835	278	-	-	-	18,344
State Defined Contribution- Group A	-	1,573	-	-	-	-	24,676
State Defined Contribution - Group B	-	-	-	-	-	-	600
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	43,964	19,977	-	-	-	823,487
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-
Purchased Services	-	-	16,570	-	-	-	923,062
Materials/Supplies	-	-	15,578	-	-	-	255,582
Software Licenses	-	-	305	-	-	-	186,009
Capital Outlays	-	-	16,896	-	-	-	658,012
Insurance	-	-	-	-	-	-	330,468
Maintenance	-	-	22,723	-	-	-	795,587
Vehicle Operations	-	-	1,674	-	-	-	93,050
Utilities	-	-	-	-	-	-	171,685
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	6,814
Revaluation	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	1,332
Trash Removal & Recycling	-	-	-	-	-	-	-
Claims & Settlements	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	386,250
Other Operation Expenditures	-	-	4,008	-	-	-	4,865,693
Tipping Fees	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	13,664,390	-	-	13,664,390
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	555,000	-	555,000
Municipal Debt- Interest	-	-	-	-	87,584	-	87,584
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	1,266	1,266
Retiree Dental Insurance- Total	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 435,843</b>	<b>\$ 261,130</b>	<b>\$ 13,664,390</b>	<b>\$ 642,584</b>	<b>\$ 1,266</b>	<b>\$ 31,178,373</b>

Financing Uses: Transfer to Capital Funds	\$ 38,033
Financing Uses: Transfer to Other Funds	-
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
<b>Total Other Financing Uses</b>	<b>\$ 38,033</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>207,263</b>
<b>Fund Balance1- beginning of year</b>	<b>\$10,872,090</b>
Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	(291,396)
Misc. Adjustment	-
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>10,580,694</b>
Rounding	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 10,787,957</b>

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



Town of Charlestown  
Annual Supplemental Transparency Report (MTP2)  
Combining Schedule of  
Reportable Government Services with  
Reconciliation to MTP2  
Municipal  
Fiscal Year Ended June 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance1 - per MTP-2 at June 30, 2022 adjusted</b>						\$ 10,872,090	\$ (291,396)	\$ 10,580,694	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<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>\$ 10,872,090</u>	<u>-</u>	<u>\$ 10,580,694</u>	
General Fund	\$ 29,998,723	\$ -	\$ 29,803,024	\$ 38,033	\$ 157,666	\$ 10,921,993	\$ (291,396)	\$ 10,630,597	\$ 10,788,263
American Rescue Plan Fund	1,375,349	-	1,375,349	-	-	-	-	-	-
COVID Relief Fund	49,597	-	-	-	49,597	(49,903)	-	(49,903)	(306)
<b>Totals per audited financial statements</b>	<u>\$ 31,423,669</u>	<u>\$ -</u>	<u>\$ 31,178,373</u>	<u>\$ 38,033</u>	<u>\$ 207,263</u>	<u>\$ 10,872,090</u>	<u>\$ (291,396)</u>	<u>\$ 10,580,694</u>	<u>\$ 10,787,957</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Rounding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Totals Per MTP2</b>	<u>\$ 31,423,669</u>	<u>\$ -</u>	<u>\$ 31,178,373</u>	<u>\$ 38,033</u>	<u>\$ 207,263</u>	<u>\$10,872,090</u>	<u>\$ (291,396)</u>	<u>\$10,580,694</u>	<u>\$ 10,787,957</u>

Town of Charlestown, Rhode Island  
Reportable Government Services with  
MTP2 Notes  
Fiscal Year Ended June 30, 2023

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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



CERTIFIED PUBLIC ACCOUNTANTS

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

***Independent Auditor's Report***

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Charlestown, Rhode Island, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Charlestown, Rhode Island's basic financial statements, and have issued our report thereon dated May 10, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

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

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

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

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

### **Purpose of This Report**

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

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island

May 10, 2024

***REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM  
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE  
REQUIRED BY THE UNIFORM GUIDANCE***

***Independent Auditor's Report***

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

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Town of Charlestown, Rhode Island's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Charlestown, Rhode Island's major federal programs for the year ended June 30, 2023. The Town of Charlestown, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Charlestown, Rhode Island complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Charlestown, Rhode Island and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Charlestown, Rhode Island's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Charlestown, Rhode Island's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Charlestown, Rhode Island's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Charlestown, Rhode Island's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town of Charlestown, Rhode Island's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Charlestown, Rhode Island's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Charlestown, Rhode Island's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were

not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Charlestown, Rhode Island's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Town of Charlestown, Rhode Island's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

*Bacon & Company CPAs, LLC*

Warwick, Rhode Island  
May 10, 2024

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2023*

**SECTION I - SUMMARY OF AUDITORS' RESULTS**

***Financial Statements***

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: unmodified

Internal control over financial reporting:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified?        yes   X   none reported
- Noncompliance material to financial statements noted?        yes   X   no

***Federal Awards***

Internal control over major federal programs:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified?        yes   X   none reported

Type of auditor's report issued on compliance for major federal programs: unmodified

- Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   X   yes        no

***Identification of major federal programs:***

**Federal Assistance Listing Number**

**Name of Federal Program or Cluster**

21.027

**COVID-19 - Coronavirus State and Local Fiscal Recovery Funds**

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

       yes   X   no



**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2023*

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding: 2023-001 – Material Weakness**

**FINANCIAL REPORTING AND CLOSING PROCEDURES**

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

**Condition:** The Town’s monthly and year-end financial reporting and closing procedures do not include formal review procedures of the monthly and year-end bank account reconciliations, interfund reconciliations, receivable and accrual reconciliations, and financial reports. In addition, we noted the compensated absence accrual was not materially accurate and we proposed audit corrections to adjust the balances as of June 30.

**Cause:** The Town has not implemented formal monthly and year-end financial statement closing and review procedures. The Town also had some personnel changes in the Treasurer’s Office.

**Effect:** Material misstatements of the financial statements may not be prevented or detected and corrected in a timely manner and may result in delays in the completion of the audit of the Town’s financial statements.

**Recommendation:** We recommend that the Town implement formal monthly and year-end financial statement closing and review procedures. The procedures should be documented in a detailed schedule with expected completion dates. The procedures should include timely reconciliation of all significant accounts and the review and approval of the reconciliations by the Treasurer.

**Views of Responsible Officials:** It is imperative for the Town to implement formal monthly and year-end financial statement closing and review procedures. These procedures are essential for ensuring accuracy, transparency, and accountability in the financial management of the Town's resources.

**Corrective Action:**

1. **Develop Detailed Closing Procedures:** The Town should establish detailed monthly and year-end financial statement closing procedures. These procedures should be documented in a comprehensive schedule outlining each step of the closing process along with expected completion dates.
2. **Timely Reconciliation of Accounts:** Ensure that all significant accounts are reconciled in a timely manner as part of the closing process. This includes bank accounts, receivables, payables, and any other relevant accounts.

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2023**

3. Review and Approval by Treasurer: Reconciliations should be reviewed and approved by the Treasurer or an appointed designee. This ensures an additional layer of oversight and helps in maintaining financial accuracy.
4. Documentation: All closing procedures, reconciliations, and approvals should be properly documented for future reference and audit purposes.
5. Training and Implementation: Provide necessary training to staff involved in the financial closing process and ensure proper implementation of the new procedures.
6. Monitoring and Evaluation: Establish a system for ongoing monitoring and evaluation to ensure that the new procedures are being followed effectively and to identify any areas for improvement. Regular reviews of the closing process should be conducted to address any issues that may arise.

By implementing these corrective actions, the Town will enhance its financial management practices, ensuring accuracy, reliability, and transparency in its financial reporting.

**Finding: 2023-002 – Material Weakness**

**SEGREGATION OF DUTIES**

**Criteria:** Segregation of duties is an element of internal control that is designed to prevent, detect, and correct misstatements in a timely manner, whether due to error or fraud. Individuals should not be responsible for custody of assets and initiating and recording of transactions.

**Condition:** There is a lack of segregation of duties in several Town departments. The following conditions were noted:

- The Assistant Treasurer processes payroll, prepares monthly bank reconciliations, records journal entries, and processes ACH and wire transactions.
- The Tax Collector accepts and records tax payments to the subsidiary ledger, reconciles daily receipts, prepares the bank deposits, and records tax collections to the general ledger. The Tax Collector is also responsible for recording abatements and adjustments to the subsidiary ledger and monitoring delinquent accounts.
- The Town Clerk accepts and records receipts to the register, reconciles receipts to the register, and prepares the bank deposits.

**Cause:** There is a limited number of staff in certain departments and the Town also had some personnel changes in the Treasurer’s Office.

**Effect:** Misstatements, whether due to error or fraud, could occur and not be prevented, detected, or corrected in a timely manner.

**Recommendation:** The following are recommendations and suggestions to improve segregation of duties:

- The Town should review the current job responsibilities in these departments and take the appropriate steps to segregate certain duties.

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
***Schedule of Findings and Questioned Costs***  
***For the Fiscal Year Ended June 30, 2023***

- Internal controls surrounding payroll could be improved by having the Treasurer review and approve the preliminary payroll register prior to submission of payroll for processing by the service organization.
- Journal entries should be reviewed and approved by the Treasurer prior to recording in the general ledger.
- Internal controls surrounding cash receipts could be improved by having two individuals complete reconciliation procedures.
- Delinquent notices and adjustments to the subsidiary ledger should be reviewed by another independent individual, in addition to the Tax Collector.

***Views of Responsible Officials:*** Enhancing segregation of duties is essential for strengthening internal controls and preventing potential errors or irregularities. This may be difficult to achieve due to the size of the staff. The following recommendations and suggestions would aim to improve the segregation of duties within the Town:

***Corrective Action:***

1. **Review and Revise Job Responsibilities:** The Town should review the current job responsibilities in relevant departments and take necessary steps to segregate certain duties. This ensures that no single individual has control over a critical function from start to finish.
2. **Payroll Processing Controls:** Internal controls surrounding payroll should be strengthened by implementing a review and approval process. The Treasurer should review and approve the preliminary payroll register before submission for processing by the service organization. This helps to ensure accuracy and prevent unauthorized or erroneous payments.
3. **Journal Entry Approval:** All journal entries should be reviewed and approved by the Treasurer before they are recorded in the general ledger. This helps to prevent unauthorized or inaccurate entries and ensures the integrity of the financial data.
4. **Cash Receipts Reconciliation:** Internal controls surrounding cash receipts should be improved by introducing a two-person reconciliation procedure. Having two individuals involved in the reconciliation process adds an additional layer of oversight and reduces the risk of errors or misappropriation.
5. **Review of Delinquent Notices and Adjustments:** Delinquent notices and adjustments to the subsidiary ledger should be reviewed by an independent individual, in addition to the Tax Collector. This helps to ensure that any discrepancies are identified and addressed promptly.

Implementing these corrective actions will help strengthen internal controls, reduce the risk of errors and fraud, and ensure the integrity of the Town's financial operations.

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
*Schedule of Findings and Questioned Costs*  
*For the Fiscal Year Ended June 30, 2023*

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding: 2023-003 - Material Weakness**

**Agency: U.S. Department of the Treasury**

**Program: Coronavirus State and Local Fiscal Recovery Funds**

**Federal Assistance Listing Number: 21.027**

**SUSPENSION AND DEBARMENT**

**Criteria** - When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR Section 180.995 and agency adopting regulations, is not suspended, or debarred or otherwise excluded from participating in the transaction. “Covered transactions” include those procurement contracts for goods and services awarded under non-procurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. This requirement applies to contracts entered into to procure goods and services with Coronavirus State and Local Fiscal Recovery Funds.

**Condition** - The Town of Charlestown does not have a specific procedure in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded.

**Cause** - The Town has not established suspension and debarment policies and procedures for federal awards.

**Effect** – Contracts for goods and service that were “covered transactions” were entered into prior to verifying that an entity was not suspended, debarred, or otherwise excluded.

**Questioned Costs** – None

**Recommendation** - We recommend that the Town implement verification procedures to ensure that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded.

**Auditee Views** - It is crucial for the Town to implement verification procedures to ensure that any entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded.

**Corrective Action:**

1. Verification Procedures Implementation: The Town should establish verification procedures to confirm the eligibility of potential transaction partners.

**TOWN OF CHARLESTOWN, RHODE ISLAND**  
***Schedule of Findings and Questioned Costs***  
***For the Fiscal Year Ended June 30, 2023***

2. Documented Verification Process: Develop a documented verification process outlining the steps to be taken to verify the status of potential transaction partners. This process should include checking relevant databases and contacting appropriate authorities, if necessary. This can be accomplished through the use of sam.gov to verify transaction partners current standing.
3. Designated Responsible Party: Assign a designated responsible party within the Town administration to oversee the verification process.
4. Integration into Transaction Process: Integrate the verification procedures into the Town's transaction approval process. Ensure that verification is completed before finalizing any covered transactions.
5. Regular Review and Updates: Establish a schedule for regular review and updates of the verification procedures to ensure they remain effective and up-to-date with any changes in regulations or requirements.
6. Training and Awareness: Provide training to relevant staff members involved in the transaction approval process to ensure they understand the importance of the verification procedures and their role in implementing them effectively.

By implementing these corrective actions, the Town will enhance its compliance with regulations, mitigate the risk of engaging in transactions with excluded entities, and ensure the integrity of its procurement and contracting processes.

***Anticipated Completion Date*** – 8/31/2024

***Contact Person*** – Patrick Gormley, Treasurer

**TOWN OF CHARLESTOWN, RHODE ISLAND**

*Schedule of Expenditures of Federal Awards*

*For the Fiscal Year Ended June 30, 2023*

<i>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
<b>U.S. Department of Transportation</b>			
<b>Pass-through RI Department of Transportation:</b>			
<i>Highway Safety Cluster:</i>			
State and Community Highway Safety Grant	20.600	N/A	\$ 7,670
<i>Total Highway Safety Cluster</i>			<u>7,670</u>
<b>Total U.S. Department of Transportation</b>			<u>7,670</u>
<b>U.S. Department of Treasury</b>			
<b>Direct Program:</b>			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	1,375,349
<b>Total U.S. Department of Treasury</b>			<u>1,375,349</u>
<b>U.S. Environmental Protection Agency</b>			
<b>Direct Program:</b>			
Southeast New England Coastal Watershed Restoration Program	66.129	N/A	100,996
<b>Total U.S. Environmental Protection Agency</b>			<u>100,996</u>
<b>U.S. Department of Health and Human Services</b>			
<b>Pass-through RI Department of Health:</b>			
Public Health Emergency Preparedness - MEDS	93.069	N/A	5,275
<b>Total U.S. Department of Health and Human Services</b>			<u>5,275</u>
<b>U.S. Department of Homeland Security</b>			
<b>Pass-through RI Emergency Management Agency:</b>			
COVID-19 - Disaster Grants - Public Assistance	97.036	PA-01-RI-4653-PW-00013	49,597
<b>Total U.S. Department of Homeland Security</b>			<u>49,597</u>
<b>U.S. Department of Housing and Urban Development</b>			
<b>Pass-through RI Executive Office of Commerce, Office of Housing and Community Development:</b>			
Community Development Block Grant	14.228	N/A	80
<b>Total U.S. Department of Housing and Urban Development</b>			<u>80</u>
<b>U.S. Department of Interior</b>			
<b>Direct Program:</b>			
National Wildlife Refuge Fund	15.659	N/A	10,850
<b>Total U.S. Department of Interior</b>			<u>10,850</u>
<b>Total Expenditures of Federal Awards</b>			<u>\$ 1,549,817</u>

*The accompanying notes are an integral part of this schedule.*

## **TOWN OF CHARLESTOWN, RHODE ISLAND**

*Notes to Schedule of Expenditures of Federal Awards*

*For the Fiscal Year Ended June 30, 2023*

### **NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of Charlestown, Rhode Island under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Charlestown, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of Charlestown, Rhode Island.

### **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

### **NOTE 3 – INDIRECT COST RATE**

The Town of Charlestown, Rhode Island has elected not to use the 10-percent de minimis indirect cost rate allowed under Uniform Guidance.