

TOWN OF NEW SHOREHAM, RHODE ISLAND

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2021



TOWN OF NEW SHOREHAM, RHODE ISLAND

June 30, 2021

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Independent Auditors' Report

The Honorable First Warden and Members of the Town Council
Town of New Shoreham, Rhode Island
New Shoreham, Rhode Island

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island (“the Town”) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

Management’s Responsibility for the Financial Statements

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

Auditor’s Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island, as of June 30, 2021, 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.

Town of New Shoreham, Rhode Island
Independent Auditor's Report

Emphasis of the Matter

During the year ended June 30, 2021, the Town adopted Government Accounting Standards Board (GASB) Statement No. 84 "Fiduciary Activities." As discussed in the Restatement Note to the financial statements, net position as of June 30, 2020 for the fiduciary activities was restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Information, Pension Related Disclosure, and Other Post-Employment Benefit Related Disclosure as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Shoreham, Rhode Island's basic financial statements. The Budgetary Comparison for the School Unrestricted, Water and Sewer Enterprise Funds, Combining Non-Major Governmental Funds, Combining Pension and Other Employee Benefit Trust Funds, Supplementary Tax Collector's Annual Report and Annual Supplemental Transparency Report (MTP2) as listed in the table of contents are presented for purposes additional analysis and are not a required part of the basic financial statements.

The Combining Non-Major Governmental Funds, Combining Pension and Other Employee Benefit Trust Funds, Supplementary Tax Collector's Annual Report, Annual Supplemental Transparency Report (MTP2), are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Non-Major Governmental Funds, Combining Pension and Other Employee Benefit Trust Funds, Supplementary Tax Collector's Annual Report and the Annual Supplemental Transparency Report (MTP2) are fairly presented in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2021, on our consideration of the Town of New Shoreham, Rhode Islands' 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 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 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 New Shoreham, Rhode Islands' internal control over financial reporting and compliance.

Hague, Sabady & Co. PC

Fall River, Massachusetts
December 05, 2021

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

The management of the Town of New Shoreham, Rhode Island (herein, the Town), offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information found within the financial statements.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

Financial Highlights

The assets plus deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources at June 30, 2021 by \$38,684,036 (net position). Net position includes \$32,780,011 net investment in capital assets; \$2,133,682 of restricted net position; and \$3,770,343 of unrestricted net position that may be used to meet the Town's ongoing obligations to citizens and creditors. Total assets plus deferred outflows were \$66,262,376 and total liabilities plus deferred inflows were \$27,578,340 at June 30, 2021. The Town's total net position increased by \$2,866,776 in FY 2021.

As of June 30, 2021, the Town's governmental funds reported combined ending fund balances of \$6,798,394 an increase of \$3,002,551 from the prior year.

As of June 30, 2021, the unassigned fund balance for the General Fund was \$3,917,318 or 17% of total budgeted 2021 General Fund expenditures and other financial uses of \$15,316,210. This amount is available for spending at the Town's discretion.

The Town refunded the 2010 Bond for \$2,080,000 with a new interest rate of 1.406%. The refunding of this bond will save the Town a significant amount in interest payments.

In the current fiscal year the \$1.8million BAN was paid with a new issuance of \$3.3million Bond issued on 8/12/2020. \$1.8million paid the short-term BAN and \$1.5million was used for Thomas Property Capital Projects. The Town also issued a \$550,000 bond on 8/12/2020 for the Broadband Project.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of New Shoreham's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus the individual components of the Town's government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other required supplementary information in addition to the basic financial statements themselves.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private sector business. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic position at the end of the fiscal year.

The government-wide financial statements include two statements:

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

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide Financial Statements (Continued)

Statement of Activities - Presents information showing how the government's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will not only result in cash flows in future fiscal periods (e.g., uncollected taxes or earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions and activities that are intended to recover all or a significant portion of the Town's costs through user fees or charges (*business-type activities*). The governmental activities of the Town include general government; finance administration; fire, rescue and emergency services; police; highways and maintenance; harbors; building official; recreation; library; GIS/Technology; boards and commissions; community support and education. The business-type activities of the Town include a Sewer Fund and a Water Fund.

The government-wide financial statements include not only the Town itself (known as the *primary government*), but also a legally separate land trust for which the Town is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government.

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

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

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds and fiduciary funds:

Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains twenty-one individual governmental funds and one component unit fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, School Department and Broadband Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. The individual Component Unit fund has been separately presented.

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Fund Financial Statements (Continued)

Governmental Funds (Continued)

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

The Town adopts an annual budget for its general fund and school unrestricted fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

Proprietary Funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Both of the Town's enterprise funds, Sewer Fund and Water Fund, are major funds. The Town has no internal service funds.

The basic proprietary fund financial statements can be found on pages indicated on the table of contents of this report.

The Town adopts an annual budget for its Sewer and Water funds. Budgetary comparison statements have been provided to demonstrate compliance with those budgets.

Fiduciary Funds. Such funds are used to account for resources held for the benefit of parties outside the Town government. *Fiduciary funds* are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The School OPEB Trust fund and North Light Fund are fiduciary funds.

The basic fiduciary fund financial statement can be found on pages indicated on the table of contents of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government and fund financial statements. The notes to the basic financial statements can be found on pages indicated on the table of contents of this report.

Other Required Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Required supplementary information presents schedules detailing certain pension information, as well as budgetary comparison schedules for the General Fund to demonstrate compliance with their respective budgets. Requirement supplementary information can be found on pages indicated on the table of contents of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets plus deferred outflows exceeded liabilities plus deferred inflows by \$38,684,036 at June 30, 2021.

Net investment in capital assets, comprises \$32,780,011 or 85% of total net position. This represents the Town's investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and vessels), less any related debt used to acquire those assets that is still outstanding. The town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of the Town's net position totaling \$2,133,682 or 5.516%, represents resources that are subject to external restrictions on how they may be used. Of these restricted net position, \$249,577 is permanently restricted and is nonexpendable. Unrestricted net position, totaling \$3,770,343 may be used to meet the government's ongoing obligations to citizens and creditors.

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide Financial Analysis (Continued)

**Town of New Shoreham's Net Position - Primary Government
June 30, 2021 and 2020**

	Governmental		Business-Type		Total		Change
	Activities		Activities				
	2021	2020	2021	2020	2021	2020	
Assets							
Current assets	\$ 8,582,059	\$ 11,894,216	\$ 4,538,386	\$ 3,663,603	\$ 13,120,445	\$ 15,557,819	\$ (2,437,374)
Capital assets	40,569,884	40,657,321	11,200,626	9,998,037	51,770,510	50,655,358	1,115,152
Total assets	49,151,943	52,551,537	15,739,012	13,661,640	64,890,955	66,213,177	(1,322,222)
Deferred outflows of resources							
Bond refunding	71,720	83,827	-	-	71,720	83,827	(12,107)
Pension related outflows	1,299,701	1,427,362	-	-	1,299,701	1,427,362	(127,661)
Total deferred outflows of resources	1,371,421	1,511,189	-	-	1,371,421	1,511,189	(139,768)
Liabilities							
Current liabilities	4,200,967	10,082,445	348,022	226,818	4,548,989	10,309,263	(5,760,274)
Long-term liabilities	18,492,359	17,344,519	3,893,306	3,963,792	22,385,665	21,308,311	1,077,354
Total liabilities	22,693,326	27,426,964	4,241,328	4,190,610	26,934,654	31,617,574	(4,682,920)
Deferred inflows of resources							
Pension related inflows	643,686	351,048	-	-	643,686	351,048	292,638
Total deferred inflows of resources	643,686	351,048	-	-	643,686	351,048	292,638
Net position							
Net investment in capital assets	25,556,909	27,120,505	7,223,102	5,945,197	32,780,011	33,065,702	(285,691)
Restricted	2,115,726	2,460,751	17,956	44,324	2,133,682	2,505,075	(371,393)
Unrestricted	(486,283)	(3,296,542)	4,256,626	3,481,509	3,770,343	184,967	3,585,376
Total net position	<u>\$ 27,186,352</u>	<u>\$ 26,284,714</u>	<u>\$ 11,497,684</u>	<u>\$ 9,471,030</u>	<u>\$ 38,684,036</u>	<u>\$ 35,755,744</u>	<u>\$ 2,928,292</u>

Component unit. The assets plus deferred outflows of the Town's Component Unit, the Block Island Land Trust (Land Trust), exceeded its liabilities plus deferred inflows by \$35,425,463. Net investment in capital assets, comprises \$28,940,397, or 88% of total net position. The remaining balance of net position of the Land Trust, totaling \$6,485,066 restricted for land to be held in perpetuity.

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide Financial Analysis (Continued)

Changes in Net Position

The Town's net position increased by \$2,866,744 in FY 2021. Approximately 52.2% of the Town's total revenue came from taxes and payments in lieu of taxes, while 11.50% resulted from grants and contributions (including federal aid). Charges for various goods and services provided 24% of total revenue. The Town's expenses cover a range of services, the largest of which were for schools, public works and harbors, administration costs, and employee benefits. In 2021, governmental activities revenues exceeded expenses by \$840,120. Net revenues from business-type activities exceed program expenses in 2021 by \$2,026,656.

Town of New Shoreham's Changes in Net Position - Primary Government For the Year Ended June 30, 2021 and 2020

	Governmental Activities		Business-Type Activities		Total		Change
	2021	2020	2021	2020	2021	2020	
Revenues:							
Program Revenues:							
Charges for service	\$ 2,553,874	\$ 2,369,118	\$ 2,396,054	\$ 2,017,726	\$ 4,949,928	\$ 4,386,844	\$ 563,084
Operating grants and contributions	475,433	462,144	-	-	475,433	462,144	13,289
Capital grants and contributions	449,402	35,000	1,458,068	-	1,907,470	35,000	1,872,470
General Revenues:							
Property taxes	10,821,900	10,573,798	-	-	10,821,900	10,573,798	248,102
Grants and contributions	1,388,084	1,346,340	-	-	1,388,084	1,346,340	41,744
Other	1,053,017	166,702	119,238	70,284	1,172,255	236,986	935,269
Total revenue	<u>16,741,710</u>	<u>14,953,102</u>	<u>3,973,360</u>	<u>2,088,010</u>	<u>20,715,070</u>	<u>17,041,112</u>	<u>3,673,958</u>
Expenses:							
General government	2,676,260	2,100,047	-	-	2,676,260	2,100,047	576,213
Public safety	1,981,514	1,137,635	-	-	1,981,514	1,137,635	843,879
Education	6,232,648	5,458,958	-	-	6,232,648	5,458,958	773,690
Public works	1,259,087	347,808	-	-	1,259,087	347,808	911,279
Recreation, library, and other	1,888,842	1,942,894	-	-	1,888,842	1,942,894	(54,052)
Public infrastructure	2,878,009	1,486,751	-	-	2,878,009	1,486,751	1,391,258
Economic development	47,871	2,112,591	-	-	47,871	2,112,591	(2,064,720)
Capital outlay	-	-	-	-	-	-	-
Interest on debt	472,032	499,213	-	-	472,032	499,213	(27,181)
Sewer	-	-	1,247,861	1,280,130	1,247,861	1,280,130	(32,269)
Water	-	-	698,845	716,340	698,845	716,340	(17,495)
Total expenses	<u>17,436,263</u>	<u>15,085,897</u>	<u>1,946,706</u>	<u>1,996,470</u>	<u>19,382,969</u>	<u>17,082,367</u>	<u>2,300,602</u>
Transfer from component unit	74,662	84,374	-	-	74,662	84,374	(9,712)
Department of Transportation	-	173,749	-	-	-	173,749	(173,749)
Intra-Entity	-	(21,592)	-	-	-	(21,592)	21,592
Special Items- Sale of an Asset- Cherry Hill	1,460,011	-	-	-	1,460,011	-	1,460,011
Increase(decrease) in net position	840,120	103,736	2,026,656	91,540	2,866,774	195,276	1,363,644
Net position, July 1, 2020	<u>26,346,232</u>	<u>26,180,978</u>	<u>9,471,030</u>	<u>9,379,490</u>	<u>35,817,262</u>	<u>35,560,468</u>	<u>256,794</u>
Net position, June 30, 2021	<u>\$ 27,186,352</u>	<u>\$ 26,284,714</u>	<u>\$ 11,497,684</u>	<u>\$ 9,471,030</u>	<u>\$ 38,684,036</u>	<u>\$ 35,755,744</u>	<u>\$ 2,928,292</u>

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Governmental Activities

Governmental activities increased the Town's net position by \$840,120 or 3.189%, over the prior year. Key elements of this decrease are as follows:

- Property taxes were levied for debt service payments and program expenses.
- General revenues and charges for services were collected to offset governmental expenses.
- Sale of five affordable housing units at the Cherry Hill Property

A comparison of the total and net cost of services by function for the Town's governmental activities is shown below.

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>		<u>Change</u>
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	
Expenses net of program revenues:					
General government	\$ 2,676,260	\$ 2,100,047	\$ 1,906,911	\$ 1,591,658	\$ 315,253
Public safety	1,981,514	1,137,635	1,945,639	1,108,248	837,391
Public works	1,259,087	347,808	(382,908)	(1,118,759)	735,851
Education	6,232,648	5,458,958	5,877,224	5,120,161	757,063
Recreation, library, and other	1,888,842	1,942,894	1,609,392	1,578,241	31,151
Public infrastructure	2,878,009	1,486,751	2,481,393	1,451,751	1,029,642
Economic development	47,871	2,112,591	47,871	1,989,122	(1,941,251)
Capital Outlay	-	-	-	-	-
Interest on long-term debt	472,032	499,213	472,032	499,213	(27,181)
Total expenses net of program revenue	<u>\$ 17,436,263</u>	<u>\$ 15,085,897</u>	<u>\$ 13,957,554</u>	<u>\$ 12,219,635</u>	<u>\$ 1,737,919</u>

Component Unit

The net position of the Town's Component Unit increased by \$4,060,346. A key element in the increase is revenue derived from the 3% transfer fee.

General Fund Budgetary Highlights

The original budget for FY 2021 adopted at the Financial Town Meeting was \$15,316,210; no changes were made to the final budget.

Actual revenues reported in FY 2021 were more than budgeted amounts by \$387,332, primarily due from higher than anticipated building, recording and tourist revenue combined with scaled back budget estimates for FY2021.

Actual expenditures exceeded budgeted amounts by \$37,006 primarily due additional expenditures in salaries and debt service, partially offset by under expenditures in capital outlay and highways.

Further details of favorable and unfavorable variances for revenues and expenditures can be found on the Required Supplementary Information on the pages indicated on the Table of Contents of this report.

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounts to \$51,770,510 (net of accumulated depreciation). This investment includes land and land improvements, buildings and improvements, machinery and equipment, vehicles and vessels, furniture and fixtures, underground piping, wells/reserve osmosis/water supply and construction in progress. The total net increase in the Town's investment in capital assets for the current fiscal year was \$1,115,152, comprised of an increase related to business-type activities of \$1,202,589 offset by a decrease of \$87,437 related to governmental activities, net of accumulated depreciation.

Additions to capital assets in 2021 for governmental activities included construction-in-progress, road and bridge improvements, emergency vehicle investments and continued improvements at the School, offset by depreciation expense.

Additions to capital assets for business-type activities were primarily electrical and process upgrades and pump overhauls partially offset by depreciation expense.

Additional information on the Town's capital assets can be found in Note 8 to the financial statements.

	Capital Asset Administration						
	Governmental Activities		Business-Type Activities		Total		Change
	2021	2020	2021	2020	2021	2020	
Land and land easements	\$ 19,313,847	\$ 19,313,847	\$ 954,203	\$ 954,203	\$ 20,268,050	\$ 20,268,050	\$ -
Construction in progress	2,420,985	2,976,965	1,594,433	40,788	4,015,418	3,017,753	997,665
Infrastructure, net	2,860,477	2,319,800	6,926,015	7,190,066	9,786,492	9,509,866	276,626
Land improvements, net	4,797,689	4,519,241	-	-	4,797,689	4,519,241	278,448
Building & improvements, net	9,244,776	9,818,870	1,444,879	1,537,542	10,689,655	11,356,412	(666,757)
Automobiles and vessels, net	461,374	577,898	-	-	461,374	577,898	(116,524)
Machinery and equipment, net	1,207,578	861,257	281,096	275,438	1,488,674	1,136,695	351,979
Office equipment and furniture, net	220,883	224,320	-	-	220,883	224,320	(3,437)
Library books and textbooks net	42,275	45,123	-	-	42,275	45,123	(2,848)
Total	\$ 40,569,884	\$ 40,657,321	\$ 11,200,626	\$ 9,998,037	\$ 51,770,510	\$ 50,655,358	\$ 1,115,152

Additional information on the Town's capital assets can be found in Note 8 to the financial statements.

Long-term debt. As of June 30, 2021, the Town has total bonded debt outstanding of \$18,803,313, which is backed by the full faith and credit of the Town.

The Town has capital leases outstanding at June 30, 2021 with a balance totaling \$60,079.

The Town's Component Unit has total notes payable outstanding of \$1,716,674 consisting primarily of general obligation bonds issued through the Town.

Additional information on the Town's long-term debt can be found in Note 9 to the financial statements.

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Capital Asset and Debt Administration (Continued)

Long-term debt (continued).

Town of New Shoreham's Outstanding Debt - Primary Government

	Governmental Activities		Business-type Activities		Total		\$ Change
	2021	2020	2021	2020	2021	2020	
General obligation bonds	\$ 14,883,023	\$ 13,350,980	\$ 3,920,290	\$ 4,028,207	\$ 18,803,313	\$ 17,379,187	\$ 1,424,126
Capital leases	26,609	51,945	33,470	-	60,079	51,945	8,134
Accrued compensated absences	416,320	529,150	77,232	71,469	493,552	600,619	(107,067)
Net other post-employment benefit liability	377,411	190,109	-	-	377,411	190,109	187,302
Net pension liability	5,230,111	5,182,608	-	-	5,230,111	5,182,608	47,503
Total expenditures	<u>\$ 20,933,474</u>	<u>\$ 19,304,792</u>	<u>\$ 4,030,992</u>	<u>\$ 4,099,676</u>	<u>\$ 24,964,466</u>	<u>\$ 23,404,468</u>	<u>\$ 1,559,998</u>

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent (3%) of its total equalized valuation. The debt limitation for the Town is \$50,712,159 as of the December 31, 2019 assessment, which significantly exceeds the Town's outstanding general debt.

In January 2009, S&P upgraded the Town's bond rating from A+ to AA. Primary factors driving the ratings increase include sound financial position, low per capita debt levels and strong market value per capita. This rating was affirmed in June 2009, June 2010, June 2012, July 2015.

Component Unit

The Town's component unit, the Block Island Land Trust, was created by an Act of the Rhode Island General Assembly on January 15, 1986. The purpose of the Land Trust is to acquire, hold and manage real property and interests in real property situated in the Town consisting of open, agricultural, or littoral property. With the exception of property acquired for public recreational purposes, the Land Trust is required to hold all property solely as open space or for agricultural use or for water protection purposes, as determined by the Board of Trustees.

The Land Trust is funded principally by fees levied on qualifying real property transfers within the Town. The transfer fee adopted by the Land Trust for the year ended June 30, 2021 was 3%.

The Land Trust may request the Town to issue bonds for the purpose of financing its activities. The Land Trust has used proceeds from portions of authorized bond amounts for land and land right acquisitions and is responsible for the repayment of all principal and interest. The Land Trust was authorized to bond up to \$6,000,000 in May 2001. It used \$3,500,000 to purchase the Hodge property in FY 2003, and \$450,000 to purchase the Turnip Farm land; there is \$2,050,000 in authority remaining. At the May 2, 2005 Financial Town Meeting, voters authorized an additional \$4,000,000 for total authority of \$6,050,000. During 2012, the Town issued a bond in the amount of \$2,364,000 to finance the Trust's acquisitions. The remaining authority is \$3,686,000.

For further information regarding the Block Island Land Trust, refer to separately issues financial statements.

Town of New Shoreham, Rhode Island

Management Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Economic Factors and Next Year's Budget and Rates

The Town of New Shoreham, popularly known as Block Island, enjoys a favorable economic environment and local indicators point to continued strength despite uncertainty around tourism generally and business restrictions related to COVID-19. Travel and business restrictions related to COVID-19 had a lesser impact during Summer 2021 on the Town's finances than in many other communities. Tourism, construction and real estate demand remained strong.

Block Island is a 10 square mile island off the coast of Rhode Island at the mouth of Long Island Sound. The year-round population of approximately 1,051 ranks New Shoreham smallest among the 39 cities and towns in Rhode Island, but the summer population swells to between 15,000 and 20,000. Employment is primarily in service industries, focused on the tourism sector. The predominantly residential tax base (90% residential) shows small but steady growth that brought the net assessed value to \$1,697,744,297 at December 31, 2020.

The annual Financial Meeting was held May 3, 2021. With the approval of the tax payers on that date, the tax rate on real and tangible property increased by (\$0.34)/\$1,000 (5.35%) to \$6.70/\$1,000.

In October 2004, the Town entered into an agreement with the State of Rhode Island Department of Transportation for the management of the State-owned highways on the island. Under this agreement, the Town oversees the day-to-day maintenance and operations of the State highways. In exchange, the State compensates the Town \$425,000 annually. The State retains responsibility for any major capital improvements required.

Requests for Information

This financial report is designed to provide a general overview of the Town of New Shoreham's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 220, 16 Old Town Road, Block Island, RI 02807.

Basic Financial Statements

Town of New Shoreham, Rhode Island

Statement of Net Position

June 30, 2021

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Block Island Land Trust</u>
ASSETS				
Cash and cash equivalents	\$ 3,344,085	\$ 3,316,037	\$ 6,660,122	\$ 6,399,395
Receivables, net				
Personal property taxes	247,917	-	247,917	-
User charges	-	345,422	345,422	-
Intergovernmental	913,617	1,458,068	2,371,685	-
Departmental and other	221,558	-	221,558	-
Other		4,274	4,274	100,000
Internal Balances	585,415	(585,415)	-	-
Notes Receivable- Component Unit, net	1,716,674	-	1,716,674	-
Capital assets:				
Capital assets not being depreciated	21,734,832	2,548,636	24,283,468	30,816,619
Capital assets being depreciated, net	18,835,052	8,651,990	27,487,042	-
Total capital assets	<u>40,569,884</u>	<u>11,200,626</u>	<u>51,770,510</u>	<u>30,816,619</u>
Total assets	<u>49,151,943</u>	<u>15,739,012</u>	<u>64,890,955</u>	<u>37,316,014</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension related outflows	1,299,701	-	1,299,701	-
Loss on bond refunding	71,720	-	71,720	-
Total assets and deferred outflows of resources	<u>\$ 50,523,364</u>	<u>\$ 15,739,012</u>	<u>\$ 66,262,376</u>	<u>\$ 37,316,014</u>

The accompanying notes are an integral part of this statement

Town of New Shoreham, Rhode Island

Statement of Net Position

June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Block Island Land Trust
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,540,075	\$ 179,072	\$ 1,719,147	\$ 8,329
Accrued interest	63,771	23,764	87,535	-
Other current liabilities	-	7,500	7,500	-
Due to federal and state governments	44,714	-	44,714	-
Payable to external parties	-	-	-	6,000
Current portion of capital leases	2,098	1,737	3,835	-
Current portion of bond premium	35,714	-	35,714	-
Current portion of bonds and notes payable	2,355,768	107,824	2,463,592	366,674
Current portion of compensated absences	158,827	28,125	186,952	-
Portion due or payable in more than one year:				
Capital leases	24,511	31,733	56,244	-
Bond premium	75,578	-	75,578	-
Bonds and notes payable	12,527,255	3,812,466	16,339,721	1,350,000
Compensated absences	257,493	49,107	306,600	-
Net OPEB liability	377,411	-	377,411	-
Net pension liability	5,230,111	-	5,230,111	-
Total liabilities	22,693,326	4,241,328	26,934,654	1,731,003
DEFERRED INFLOWS OF RESOURCES				
Pension related inflows	643,686	-	643,686	-
Gains on refunding of debt	-	-	-	159,548
Total deferred inflows or resources	643,686	-	643,686	159,548
NET POSITION				
Net investment in capital assets	25,556,909	7,223,102	32,780,011	28,940,397
Restricted corpus of endowment funds	249,577	-	249,577	-
Restricted land trust note receivable	1,716,674	-	1,716,674	-
Restricted for capital outlay by bond covenant	16,391	-	16,391	-
Restricted for Deer management	26,309	-	26,309	-
Restricted for Historic records	22,008	-	22,008	-
Restricted for technology fund	84,767	-	84,767	-
Restricted for apartments	-	17,956	17,956	-
Restricted for land to be held in perpetuity	-	-	-	6,485,066
Unrestricted	(486,283)	4,256,626	3,770,343	-
Total net position	27,186,352	11,497,684	38,684,036	35,425,463
Total liabilities, deferred inflows or resources and net position	\$ 50,523,364	\$ 15,739,012	\$ 66,262,376	\$ 37,316,014

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2021

	<u>Net (Expense) Revenue and Changes in Net Position</u>							
	<u>Expenses</u>	<u>Program Revenues</u>			<u>Primary Government</u>			<u>Component Unit</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>	<u>Block Island Land Trust</u>
Governmental Activities								
General government	\$ 2,676,260	\$ 587,650	\$ 181,699	\$ -	\$ (1,906,911)	\$ -	\$ (1,906,911)	\$ -
Public safety	1,981,514	35,875	-	-	(1,945,639)	-	(1,945,639)	-
Education	6,232,648	63,690	291,734	-	(5,877,224)	-	(5,877,224)	-
Public works	1,259,087	1,587,209	2,000	52,786	382,908	-	382,908	-
Recreation, library, and other	1,888,842	279,450	-	-	(1,609,392)	-	(1,609,392)	-
Public infrastructure	2,878,009	-	-	396,616	(2,481,393)	-	(2,481,393)	-
Economic development	47,871	-	-	-	(47,871)	-	(47,871)	-
Capital outlay	-	-	-	-	-	-	-	-
Interest on debt	472,032	-	-	-	(472,032)	-	(472,032)	-
Total governmental activities	<u>17,436,263</u>	<u>2,553,874</u>	<u>475,433</u>	<u>449,402</u>	<u>(13,957,554)</u>	<u>-</u>	<u>(13,957,554)</u>	<u>-</u>
Business-Type Activities								
Water	1,247,859	1,437,060	-	-	-	189,201	189,201	-
Sewer	698,845	958,994	-	1,458,068	-	1,718,217	1,718,217	-
Total business-type activities	<u>1,946,704</u>	<u>2,396,054</u>	<u>-</u>	<u>1,458,068</u>	<u>-</u>	<u>1,907,418</u>	<u>1,907,418</u>	<u>-</u>
Total primary government	<u>19,382,967</u>	<u>4,949,928</u>	<u>475,433</u>	<u>1,907,470</u>	<u>(13,957,554)</u>	<u>1,907,418</u>	<u>(12,050,136)</u>	<u>-</u>
Component Unit								
Block Island Land Trust	176,532	4,083,509	-	-	-	-	-	3,906,977
Total component units	<u>176,532</u>	<u>4,083,509</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,906,977</u>
Total Town of New Shoreham	<u>\$ 19,559,499</u>	<u>\$ 9,033,437</u>	<u>\$ 475,433</u>	<u>\$ 1,907,470</u>	<u>\$ (13,957,554)</u>	<u>\$ 1,907,418</u>	<u>\$ (12,050,136)</u>	<u>\$ 3,906,977</u>

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2021

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Block Island Land Trust</u>
Total Town of New Shoreham	\$ (13,957,554)	\$ 1,907,418	\$ (12,050,136)	\$ 3,906,977
General revenues				
Real estate and personal property, net of reserve for abatements	10,821,900	-	10,821,900	-
Hotel and meals tax	954,711	-	954,711	-
State housing aid	290,590	-	290,590	-
Earnings on investments	7,715	-	7,715	7,745
State aid to town	135,068	-	135,068	-
State aid to education	-	-	-	-
State contribution to teachers' pension plan	-	-	-	-
Other and Miscellaneous	1,053,017	119,238	1,172,255	220,286
Total general revenues	13,263,001	119,238	13,382,239	228,031
Special Item - Sale of easement			-	
Special Item - Transfer from component unit	74,662	-	74,662	(74,662)
Special Item- Sale of an Asset- Cherry Hill	1,460,011	-	1,460,011	-
Total general revenues, special items, and transfers	14,797,674	119,238	14,916,912	153,369
Changes in net position	840,120	2,026,656	2,866,776	4,060,346
Net position - July 1, 2020, as restated	26,346,232	9,471,028	35,817,260	31,365,117
Net position - June 30, 2021	<u>\$ 27,186,352</u>	<u>\$ 11,497,684</u>	<u>\$ 38,684,036</u>	<u>\$ 35,425,463</u>

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Governmental Funds
Balance Sheet

June 30, 2021

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Major Fund</u> <u>Capital Project</u> <u>Broadband Fund</u>	<u>Major Fund</u> <u>School</u> <u>Department</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Assets					
Cash and cash equivalents	\$ 1,585,224	\$ -	17,010	1,715,258	3,317,492
Investments	-	-	-	26,593	26,593
Receivables:					
Property taxes, net	247,917	-	-	-	247,917
Intergovernmental	262,546	-	23,829	627,242	913,617
Other	211,639	-	9,919	-	221,558
Due from other funds	5,761,406	1,032,519	958,374	1,918,372	9,670,671
Due from component unit	6,000	-	-	-	6,000
Notes Receivable, component unit	1,716,674	-	-	-	1,716,674
Investment in BIPCO	1,546,793	-	-	-	1,546,793
Total assets	11,338,199	1,032,519	1,009,132	4,287,465	17,667,315
Deferred outflows of resources					
None	-	-	-	-	-
Total assets and deferred outflows of resources	11,338,199	1,032,519	1,009,132	4,287,465	17,667,315
Liabilities					
Accounts payable and accrued expenses	1,032,440	31,849	429,782	46,004	1,540,075
Due to federal and state governments	44,714	-	-	-	44,714
Short term debt	-	-	-	-	-
Due to other funds	3,792,018	2,715,627	97,815	2,479,796	9,085,256
Total liabilities	4,869,172	2,747,476	527,597	2,525,800	10,670,045
Deferred inflows of resources					
Deferred revenue	198,876	-	-	-	198,876
Total deferred inflows of resources	198,876	-	-	-	198,876
Fund balances					
Nonspendable	1,716,674	-	-	249,577	1,966,251
Restricted	139,037	-	26,055	-	165,092
Assigned	497,122	-	455,480	1,494,130	2,446,732
Unassigned	3,917,318	(1,714,957)	-	17,958	2,220,319
Total fund balance	6,270,151	(1,714,957)	481,535	1,761,665	6,798,394
Total liabilities, deferred inflows of resources, and fund balance	\$ 11,338,199	\$ 1,032,519	\$ 1,009,132	\$ 4,287,465	\$ 17,667,315

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Reconciliation of Governmental Balance Sheet Fund Balances to the Statement of Net Position

June 30, 2021

Total governmental fund balances	\$ 6,798,394
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	40,569,884
Deferred loss on refunding	71,720
Other long-term liabilities related to net pension activity that are not available to pay for current-period expenditures and, therefore, are deferred outflows of resources in the funds.	1,299,700
Other deferred tax revenue not available to pay for current-period expenditures and, therefore, are not reported in the funds	198,876
Other long-term assets related to net pension activity that are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.	(643,686)
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(63,771)
Long-term liabilities are not due and payable in the current period period and, therefore are not reported in the governmental funds.	
Premium on Bonds	(111,292)
Bonds and notes payable	(14,883,023)
Capital leases	(26,608)
Compensated absences	(416,320)
Net other postemployment benefits liability	(377,411)
ERS - net pension liability	(3,869,499)
MERS - net pension liability	<u>(1,360,612)</u>
Net position of governmental activities	<u>\$ 27,186,352</u>

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Year Ended June 30, 2021

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Major Fund</u> <u>Capital Project</u> <u>Broadband Fund</u>	<u>Major Fund</u> <u>School</u> <u>Department</u>	<u>Non-Major</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
Revenues					
Real estate and personal property taxes	\$ 10,878,459	\$ -	\$ -	\$ -	\$ 10,878,459
Intergovernmental	1,627,763	-	291,734	-	1,919,497
Licenses, permits, and fees	727,563	-	-	-	727,563
Charges for services	-	-	63,690	-	63,690
Investment Income	5,781	-	-	1,934	7,715
State contribution to teachers' pension plan	-	-	249,319	-	249,319
Medicaid reimbursement	-	-	17,223	-	17,223
Other revenue	2,352,901	-	16,340	696,995	3,066,236
Total revenue	15,592,467	-	638,306	698,929	16,929,702
Expenditures					
General government	2,612,167	-	-	-	2,612,167
Public safety	1,567,701	-	-	-	1,567,701
Health and human services	-	-	-	-	-
Education	-	-	5,826,622	-	5,826,622
Public works	1,704,506	-	-	-	1,704,506
Recreation, library, and other	1,645,319	-	-	41,672	1,686,991
Public infrastructure	-	2,183,211	-	694,798	2,878,009
Economic development	-	-	-	65,470	65,470
Capital outlay	139,388	-	-	-	139,388
Debt service					
Principal	2,318,212	-	-	-	2,318,212
Interest	478,728	-	-	-	478,728
Bond issuance cost and fees	34,285	-	-	-	34,285
Total expenditures	10,500,306	2,183,211	5,826,622	801,940	19,312,079
Excess (deficiency) of revenues over expenditures	5,092,161	(2,183,211)	(5,188,316)	(103,011)	(2,382,377)
Other financing sources (uses)					
Bond proceeds	1,317,736	1,032,519	-	1,500,000	3,850,255
Sale of Asset	-	-	-	1,460,011	1,460,011
Transfer from component unit	74,662	-	-	-	74,662
Transfers in	201,713	-	5,227,875	11,669	5,441,257
Transfers out	(5,172,384)	-	(55,491)	(213,382)	(5,441,257)
Other financing sources (uses)	(3,578,273)	1,032,519	5,172,384	2,758,298	5,384,928
Excess of revenue and other sources over expenditures and other uses	1,513,888	(1,150,692)	(15,932)	2,655,287	3,002,551
Fund balance, July 1, 2020, restated	4,756,263	(564,265)	497,467	(893,622)	3,795,843
Fund balance, June 30, 2021	\$ 6,270,151	\$ (1,714,957)	\$ 481,535	\$ 1,761,665	\$ 6,798,394

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Reconciliation of Governmental Funds Statement of Revenues,
Expenditures and Changes in Fund Balance to Statement of Activities

For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 3,002,551
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(87,437)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.	(56,559)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Debt proceeds	(3,850,255)
Principal payments	2,318,212
Premium payments	-
Capital lease activity	25,336
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	6,696
In the Statement of Activities, loss on refunding is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(12,107)
In the Statement of Activities, long term receivables are accrued as long term assets, and recognized as revenue when received.	35,958
The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds.	(187,302)
Some expenses reported in the Statement of Activities, such as compensated absences do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	112,830
Some expenses reported in the Statement of Activities, such as state net pension liability do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	(467,802)
Change in net position of governmental activities	\$ 840,121

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Proprietary Funds
Statement of Net Position

June 30, 2021

	Business-Type Activities		
	Enterprise Funds		
	Sewer Enterprise	Water Enterprise	Total Enterprise
Assets			
Current assets			
Cash and cash equivalents	\$ 3,047,248	\$ 268,793	\$ 3,316,041
Receivables, net			
User fees	178,810	166,608	345,418
Intergovernmental	-	1,458,068	1,458,068
Assessments and miscellaneous fees	-	-	-
Other	4,274	-	4,274
Due from other funds	25,968	25,750	51,718
Total current assets	<u>3,256,300</u>	<u>1,919,219</u>	<u>5,175,519</u>
Non-current assets			
Capital assets not being depreciated	947,074	1,601,562	2,548,636
Capital assets being depreciated, net	4,813,324	3,838,666	8,651,990
Total non-current assets	<u>5,760,398</u>	<u>5,440,228</u>	<u>11,200,626</u>
Total assets	<u>9,016,698</u>	<u>7,359,447</u>	<u>16,376,145</u>
Deferred outflows of resources			
Deferred outflows	-	-	-
Total assets and deferred outflows of resources	<u>\$ 9,016,698</u>	<u>\$ 7,359,447</u>	<u>\$ 16,376,145</u>

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Proprietary Funds
Statement of Net Position

June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Sewer	Water	Total
	Enterprise	Enterprise	Enterprise
Liabilities			
Current liabilities			
Accounts payable and accrued expenses	\$ 58,885	\$ 120,187	\$ 179,072
Other current liabilities	7,500	-	7,500
Current portion of bonds payable	51,555	56,269	107,824
Current portion of capital leases	-	1,737	1,737
Current portion of compensated absences	16,043	12,082	28,125
Accrued interest payable	19,510	4,254	23,764
Due to other funds	75,810	561,323	637,133
Total current liabilities	229,303	755,852	985,155
Non-current liabilities			
Bonds payable	2,624,639	1,187,827	3,812,466
Capital leases	-	31,733	31,733
Compensated absences	27,028	22,079	49,107
Total non-current liabilities	2,651,667	1,241,639	3,893,306
Total liabilities	2,880,970	1,997,491	4,878,461
Deferred inflows of resources			
Deferred inflows	-	-	-
Total deferred inflows of resources	-	-	-
Net Position			
Net investment in capital assets	3,064,694	4,158,408	7,223,102
Restricted for apartments	17,956	-	17,956
Unrestricted	3,053,078	1,203,548	4,256,626
Total net position	6,135,728	5,361,956	11,497,684
Total liabilities, deferred inflows of resources and net position	\$ 9,016,698	\$ 7,359,447	\$ 16,376,145

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Proprietary Funds
Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Sewer Enterprise	Water Enterprise	Total Enterprise
Operating revenues			
Charges for services	\$ 1,437,060	\$ 958,994	\$ 2,396,054
Other revenues	71,755	47,483	119,238
Total operating revenues	<u>1,508,815</u>	<u>1,006,477</u>	<u>2,515,292</u>
Operating expenses			
Salaries and benefits	367,871	255,380	623,251
Services and supplies	437,858	220,281	658,139
Depreciation	378,539	186,908	565,447
Total operating expenses	<u>1,184,268</u>	<u>662,569</u>	<u>1,846,837</u>
Operating income (loss)	<u>324,547</u>	<u>343,908</u>	<u>668,455</u>
Nonoperating revenues (expenses)			
Grant activity	-	1,458,068	1,458,068
Interest income/(expense)	(63,591)	(36,276)	(99,867)
Total nonoperating revenue (expenses)	<u>(63,591)</u>	<u>1,421,792</u>	<u>1,358,201</u>
Income (loss) before transfers	<u>260,956</u>	<u>1,765,700</u>	<u>2,026,656</u>
Transfers			
Transfer in	-	-	-
Transfers out	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	260,956	1,765,700	2,026,656
Total net position, July 1, 2020	<u>5,874,772</u>	<u>3,596,256</u>	<u>9,471,028</u>
Total net position, June 30, 2021	<u>\$ 6,135,728</u>	<u>\$ 5,361,956</u>	<u>\$ 11,497,684</u>

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Proprietary Funds
Statement of Cash Flows

For the Year Ended June 30, 2021

	Business-type Activities		
	Enterprise Funds		
	Sewer Enterprise	Water Enterprise	Total Enterprise
Cash flows from operating activities			
Cash received from customers	\$ 1,523,241	\$ 959,533	\$ 2,482,774
Cash due from (to) governments	-	(1,458,068)	(1,458,068)
Payments to suppliers and employees	(767,793)	(344,081)	(1,111,874)
Net cash provided (used) by operating activities	755,448	(842,616)	(87,168)
Cash flows from noncapital financing activities			
Grant revenue	13,992	1,458,068	1,472,060
Transfers in (out)	55,074	537,122	592,196
Net cash provided by noncapital financing activities	69,066	1,995,190	2,064,256
Cash flows from capital and related financing activities			
Purchases and construction of capital assets	(140,088)	(1,627,946)	(1,768,034)
Principal paid on capital debt	(49,879)	(64,669)	(114,548)
Interest paid on capital debt	(77,942)	(40,152)	(118,094)
Net cash used by capital and related financing activities	(267,909)	(1,732,767)	(2,000,676)
Cash flows from investing activities			
None	-	10,001	10,001
Net cash used by investing activities	-	10,001	10,001
Net increase in cash and cash equivalents	556,605	(570,192)	(13,587)
Balances, July 1, 2020	2,490,643	838,985	3,329,628
Balances, June 30, 2021	\$ 3,047,248	\$ 268,793	\$ 3,316,041
Displayed as:			
Cash and cash equivalents	\$ 3,047,248	\$ 268,793	\$ 3,316,041

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Fiduciary Funds
Statement of Net Position

June 30, 2021

	Fiduciary Funds	
	OPEB Trust	Custodial Funds North Light Fund
Assets		
Cash and cash equivalents	\$ -	\$ 15,031
Investments	373,576	-
Accounts receivable	-	-
	373,576	15,031
Total assets	373,576	15,031
Liabilities		
Accounts payable	\$ -	\$ -
Deposits held	-	-
	-	-
Total liabilities	-	-
Net Position	373,576	-
Total net position	373,576	15,031
Total liabilities and net position	\$ 373,576	\$ 15,031

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Fiduciary Funds
Statement of Changes in Net Position

For the Year Ended June 30, 2021

	OPEB Trust	Custodial Funds North Light Fund
Additions		
Custody Deposits		
Employer contributions	\$ 40,800	\$ -
Earnings on investment	47,045	-
Total additions	87,845	-
Deductions		
Administrative expenses	954	-
Transfer out	-	-
Total deductions	954	-
Changes in fund equity held in trust for individuals, organizations, and other governments	86,891	-
Net position, July 1, 2020, as restated	286,685	15,031
Net position June 30, 2021	\$ 373,576	\$ 15,031

The accompanying notes are an integral part of this statement

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

The Town was incorporated in 1672 and is governed under a home rule charter adopted in 1988 and revised in 2001 and 2011. The charter provides for a Town Council/Town Manager form of government. Legislative authority is vested in a five-member Town Council elected to biennial terms. A five-member School Committee is vested with autonomous legislative authority over the Town's public school system. Members of the School Committee are elected to biennial terms.

The council-appointed Town Manager serves as chief executive officer over all municipal services including public safety, public works (highway, harbors, maintenance, and sanitation), health and social services, recreation, public improvements, planning, zoning and inspection, and general administrative services. The Superintendent of Schools, appointed by the School Committee, serves as the chief executive officer for the School Department, which provides elementary and secondary education to Town residents.

All legislative powers of the Town, except such powers as are reserved by state law or vested in the Financial Town Meeting by the Charter and by-laws enacted by the Town Council, are vested in the Town Council by the Charter, including the ordering of any tax, making of appropriations and transacting of any other business pertaining to the financial affairs of the Town.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, "Determining Whether Certain Organizations Are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. It was further noted through GASB 61 that the Land Trust and Town share a material financial relationship. Through the application of GASB Statement Nos. 14 and GASB 61 criteria, the Block Island Land Trust (Land Trust) has been presented as a component unit of the Town, hereinafter referred to as "component unit," in the accompanying government wide financial statements. The separate financial statements of the Land Trust can be obtained from the Block Island Land Trust, PO Box 220, Block Island, RI 02807.

An elected Board of Trustees governs the Land Trust. The purpose of the Land Trust is to promote preservation of the environment and character of the Town; preserve suitable open spaces for recreation and for the conservation of forestry and wildlife; promote responsible development of real estate and sound conservational practices; protect environmentally sensitive or threatened existing and/or future fresh-water wellfields, aquifer recharge areas and wetlands; and to promote public access and views of harbors, ponds, marshes, farmland or forest situated in the Town. Upon termination or dissolution of the Land Trust, title to all remaining funds, land and land rights will vest with the Town. The Land Trust is included in the Town's reporting entity because of the significance of its operational and financial relationships with the Town.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

B. Basic Financial Statements - Government-Wide Statements

The government-wide statement of net position and statement of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds and distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The government-wide statement of activities presents a comparison between expenses and program revenue 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 the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

C. Basic Financial Statements - Fund Financial Statements

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the Town or meets the following criteria:

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

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

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

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

1. Governmental Funds

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

- a. **General Fund** is the primary operating fund of the Town and is always classified as a major fund. It is used to account for and report all financial resources not accounted for and reported in another fund.
- b. **Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Town's only major special revenue is comprised of aggregate School Department funds.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements - Fund Financial Statements (Continued)

1. Governmental Funds (Continued)

- c. **Capital Projects Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays. The Town's capital project funds include funds restricted for us on road construction, beach construction projects, general public works. The School's capital project fund is for School improvement projects, which is included within the combined School Department fund.
- d. **Permanent Funds** are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the Town's programs. The Town's only permanent fund is the Cemetery Fund, which is a non-major fund.

2. Proprietary Funds

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Both of the Town's enterprise funds, Sewer Fund and Water Fund, are major funds. The Town has no internal service funds.

3. Fiduciary Funds

Fiduciary funds are used to report assets held by the Town in a trustee or custodial capacity; therefore, they cannot be used to support the Town's own programs. The Town's only fiduciary funds are custodial funds which are established when the Town holds assets in custody for others in a custodial capacity and an OPEB trust fund which was established in 2016.

D. Measurement Focus and Basis of Accounting

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

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Sewer Fund and the Water Fund are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts

1. Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Under Rhode Island general laws, depository institutions must insure deposits of municipalities or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of date of maturity. The Town complied with these requirements. The Town does have a deposit policy for custodial credit risk or other risks, even though this risk is mitigated by collateralization agreements held by the Town which protect their cash and equivalents.

2. Investments

Investments are reported at fair value, based on quotations from applicable national securities exchanges. Unrealized gains and losses from changes in fair value are recognized as investment income. State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

The Town does have a deposit policy that addresses various investment risks. These risks are also mitigated by collateralization agreements held by the Town which protect their investments.

3. Interfund transactions

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

4. Farm, Forest and Open Space

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts (Continued)

5. Capital Assets

Government-wide financial statements:

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Capitalized fixed assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The Town is exempt from reporting the value of prior infrastructure assets in its financial statements; however, the Town elected to report infrastructure assets commencing July 1, 2005. The value of business-type fund infrastructure assets is fully reported and depreciated as applicable in the enterprise fund financial statements.

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

	<u>Useful Life</u>
Land improvements	30
Buildings and improvements	10-30
Furniture and fixtures	5
Motor vehicles and vessels	5-10
Machinery and equipment	5-10
Infrastructure	30

Capital assets of the component unit consist principally of non-depreciable land, which is stated at cost, if acquired, or estimated fair value at date of donation, if donated.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Fund financial statements:

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts (Continued)

6. *Compensated absences*

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

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

7. *Long-term obligations*

In the government-wide financial statements, long-term debt and other long-term obligations (including compensated absences) are reported as liabilities in the statement of net position. Bond issuance premiums and discounts are deferred and amortized over the term of the related debt using the effective interest method. Bond issuance costs are reported as expenses when incurred.

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

8. *Deferred Inflows of Resources*

In the governmental fund financial statement, deferred inflows of resources represent funds received in advance of being owed or receivables which will be collected and included in revenues of future fiscal years.

In the General Fund, deferred inflows of resources relate to revenue that is measurable, but not available.

In the government-wide financial statements revenue is recorded when earned. Therefore, for these statements deferred inflows of resources represents unearned revenues and pension related inflows.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts (Continued)

9. Fund equity/net position

Government-wide financial statements

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

- a) Net Investment in Capital Assets - to account for capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages note, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b) Restricted Net Position - Net position should be reported as restricted when constraints placed on net position used are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.
- c) Unrestricted Net Position - Unrestricted equity consists of net position that does not meet the definition of "restricted net position" or "net investment in capital assets".

Fund financial statements

The Town's fund balance is reported in the following categories:

- a) Nonspendable - amounts that cannot be spent because they are either a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b) Restricted - amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- c) Committed - amounts constrained to specific purposes by the Town, using its highest level of decision-making authority.

Commitments will only be used for specific purposes pursuant to a formal action of the Voters at a Financial Town Meeting. Formal action is required to approve, modify, or rescind a fund balance commitment.

- d) Assigned - amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed.

The Town Council has the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts (Continued)

9. Fund equity/net position (Continued)

- e) Unassigned - amounts available for any purpose.

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

10. Property tax revenue

Property taxes are recognized as revenue in the year they are levied and become available. Taxes are levied in July on (a) eighty percent of the full and fair value of real and tangible personal property owned within the Town the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered, reduced by the amount exempt under the Motor Vehicle Phase-Out Program and local ordinance. Taxes levied in July are payable on the 15th day of August. Taxes may be paid in quarterly installments on August 15, November 15, February 15 and May 15.

11. Intergovernmental revenues

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the same fiscal year or during the period of availability.

12. Program Revenues and Expenses

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

13. Bond Premiums

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source".

In the Government-Wide Statements, bond premiums are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts (Continued)

14. *Interfund Activity*

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefitting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

15. *Bond issuance costs*

Bond issuance costs for government-wide operations and proprietary funds are no longer deferred and amortized over the terms of the bonds. Bond issuance costs are recognized as debt service expenditures in the period in which they occurred per GASB Statement 65.

16. *Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

17. *Use of estimates*

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

18. *Employees' Retirement System (ERS) Pension*

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

E. Financial Statements Amounts (Continued)

19. *Municipal Employees' Retirement System (MERS) Pension*

For purposes of measuring the net pension liability (asset), 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 (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

20. *Other Post-Employment Benefits (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's plan and additions to/deductions from Town's fiduciary net position have been determined on the same basis as they are reported by the Town. For this purpose, the Town recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

F. Implementation of New Accounting Principles

During the fiscal year June 30, 2021, the Town of New Shoreham has adopted the following new accounting standards by GASB:

GASB Statement No. 84, *Fiduciary Activities* is effective for periods beginning after December 15, 2020. The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. An activity meeting the criteria should present a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. ***The Town of New Shoreham implemented this standard in the CY.***

During the fiscal year June 30, 2021, the Town of New Shoreham was evaluating the following new accounting standards by GASB:

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Implementation of New Accounting Principles (continued)

GASB Statement 87, *Leases* was originally effective for periods beginning after December 15, 2019, however it was postponed by an additional eighteen months by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The objective of this Statement is to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. ***The Town of New Shoreham is in the process of evaluating this Statement and expects an impact to the financial accounting and reporting framework in FY22.***

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* was originally effective for periods beginning after December 15, 2019, however, it was postponed an additional year by GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The objectives of this statements are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. ***The Town of New Shoreham is in the process of evaluating this Statement and does not expect an impact to the financial accounting and reporting framework in FY22.***

GASB Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* was originally effective for periods beginning after December 15, 2018, however, it was postponed an additional year by GASB Statement 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2020. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component units. ***The Town of New Shoreham has evaluated this standard and does not expect an impact to the financial reporting framework.***

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Implementation of New Accounting Principles (continued)

GASB Statement 91, *Conduit Debt Obligations* was originally effective for reporting periods beginning after December 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after December 15, 2021. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics: (a) There are at least three parties involves: (1) an issuer, (2) a third-party obligor and (3) a debt holder or a debt trustee; (b) The issuer and the third party obligor are not within the same financial reporting entity; (c) The debt obligation is not a parity bond of the issuer, not is it cross-collateralized with other debt of the issuer; (d) The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuances; and (5) The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments.) This Statement also addresses arrangements-often characterized as leases-that are associated with conduit debt obligations. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the requirement implementation of FY22.***

GASB Statement No. 92, *Omnibus 2020* was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. This statement enhances the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including, but not limited to effective dates of GASB 87 Leases for interim financial reports, reporting of transfers between the primary government and component unit defined benefit or defined benefit other postretirement benefit (OPEB) plan and the applicability of GASB 84 Fiduciary Activities to post employment benefit arrangements. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY22.***

GASB Statement No. 93, *Replacement of Interbank Offered Rates* was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. The objective of this statement is to address those and other accounting and financial implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR, most notably the London Interbank Offered Rate (LIBOR.) LIBOR is expected to cease in exist in its current form at the end of 2021 prompting governments to amend or replace certain financial instruments. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY22.***

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 1: Summary of Significant Accounting Policies (Continued)

F. Implementation of New Accounting Principles (continued)

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs.) A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying the control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period in time in an exchange or an exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs.) An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments.) This Statement (1) defines an SBITA, (2) establishes that an SBITA results in a right-to-use subscription asset, and intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of SBITA, and (4) requires note disclosures regarding a SBITA. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32* is effective for fiscal years beginning after June 30, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. ***The Town of New Shoreham is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY22.***

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 2: Compliance and Accountability

Budget Requirements, Accounting and Reporting

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

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

NOTE 3: Cash and cash equivalents

At June 30, 2021, the carrying amount of the Town's deposits was \$7,048,728 and the total bank balance was \$7,201,710.

The Town continues to maintain its collateralization and custodian agreement with the Washington Trust Company whereby certain funds are collateralized and held in the Town's name.

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

The Town has not experienced any losses of funds in excess of federally insured limits held in any financial institutions. Management feels that the Town is not exposed to any significant credit risk related to cash.

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

At June 30, 2021, deposits are categorized as follows:

	Insured/ Collateralized in Town's Name	Maturities	Total Bank Balance	Carrying Amount
Deposits:				
Demand deposits	\$ 3,371,624		\$ 5,403,133	\$ 5,165,655
Petty cash	-		-	7,437
Certificate of deposit	594,548	7/19/20-9/19/20	594,548	594,548
Money market	917,345		917,345	917,345
OPEB	-		373,576	286,685
Student Activity	62,028		-	62,028
North Light	15,031		-	15,031
	<u>\$ 4,960,576</u>		<u>\$ 7,288,601</u>	<u>\$ 7,048,728</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 4: Investments

At June 30, 2021, investments of the Town are categorized as follows:

Investments at Fair Value	June 30, 2021	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual funds	\$ 373,576	\$ 373,576	\$ -	\$ -
Total investments measured at fair value	\$ 373,576	\$ 373,576	\$ -	\$ -

NOTE 5: Assets Held in Trust

The Town's library is the beneficiary of the Island Free Library Endowment Fund held by the Rhode Island Foundation. Since the assets are administered at the discretion of the trustee, which has the unilateral power to redirect the use of the assets to another beneficiary, the assets are not included in the accompanying financial statements. The fair value of these assets at June 30, 2021 totaled approximately \$26,092.

NOTE 6: Interfund Receivables/Payables

Interfund receivables and payables at June 30, 2021 are as follows:

	Due from Other Funds	Due to Other Funds
Governmental Funds		
General Fund	\$ 5,767,406	\$ 3,792,018
Broadband Fund	\$ 1,032,519	\$ 2,715,627
School Department Fund	958,374	97,815
Non-Major Governmental Fund Component Unit	1,918,372	2,479,796 6,000
Proprietary Funds		
Sewer	25,968	75,810
Water	25,750	561,323
	\$ 9,728,389	\$ 9,728,389

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 6: Interfund Receivables/Payables (Continued)

The interfund receivables and payable arose from normal operations - principally payroll, school appropriations and financing.

	Transfers In	Transfers Out
Governmental Funds		
General Fund	\$ 276,375	\$ (5,172,384)
School Department	5,227,875	(55,491)
Special Revenue	11,669	(195,052)
Capital projects	-	(18,330)
Component Unit		
BILT		(74,662)
 Total transfers	 \$ 5,515,919	 \$ (5,515,919)

There were \$5,172,384 of funds which were transferred from the General fund to the School Department. This transfer of funds was made in accordance with the current year appropriation; therefore, it was anticipated prior to the beginning of the fiscal year by the Town and School.

NOTE 7: Block Island Power Company Investment

On November 7, 2016 the Town acquired 2/3 of the outstanding shares of the Block Island Power Company for \$1,800,000, financed with general obligation debt. Effective July 21, 2017 the RI State Legislature created the Block Island Utility District, a quasi-municipal corporation legally distinct from the State or the Town, to provide utility (including power) products to Block Island. In March 25, 2019 the assets of Block Island Power Company were sold to the Block Island Utility District, completing the transition to a non-profit, ratepayer-controlled utility district to own and operate the electric utility. Block Island Power Company (now Island Light and Power) is holding the proceeds of that assets sale and the Town is the sole shareholder of Island Light and Power. The Town's liquidated investment in Island Light and Power will ultimately be used toward repayment of the \$1,800,000 general obligation debt.

On August 8, 2020 the Town was issued a BOND of \$3,300,000 for 10 years. Of this amount \$1,800,000 was to pay the Short-Term BAN and the remainder was used to for funding of Thomas Property Capital Projects.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 8: Capital Assets

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Disposal</u>	<u>Balance June 30, 2021</u>
<u>Governmental Activities:</u>					
Not being depreciated:					
Land	\$ 19,313,847	\$ -	\$ -	\$ -	\$ 19,313,847
Construction in progress	2,976,965	1,751,658	847,627	1,460,011	2,420,985
Subtotal	<u>22,290,812</u>	<u>1,751,658</u>	<u>847,627</u>	<u>1,460,011</u>	<u>21,734,832</u>
Capital assets being depreciated:					
Infrastructure	3,420,211	689,364	-	-	4,109,575
Land improvements	6,940,916	609,304	-	-	7,550,220
Buildings and improvements	23,325,137	194,600	-	-	23,519,737
Machinery and equipment	2,480,380	494,513	-	-	2,974,893
Furniture and fixtures	911,777	19,535	-	-	931,312
Library books and textbooks	273,572	13,948	-	-	287,520
Motor vehicles and vessels	2,924,323	-	-	-	2,924,323
Total capital assets being depreciated:	<u>40,276,316</u>	<u>2,021,264</u>	<u>-</u>	<u>-</u>	<u>42,297,580</u>
Less accumulated depreciation for:					
Infrastructure	1,100,411	148,687	-	-	1,249,098
Land improvements	2,421,675	330,856	-	-	2,752,531
Buildings and improvements	13,506,267	768,694	-	-	14,274,961
Machinery and equipment	1,619,123	148,192	-	-	1,767,315
Furniture and fixtures	687,457	22,972	-	-	710,429
Library books and textbooks	228,449	16,796	-	-	245,245
Motor vehicles and vessels	2,346,425	116,524	-	-	2,462,949
Total accumulated depreciation	<u>21,909,807</u>	<u>1,552,721</u>	<u>-</u>	<u>-</u>	<u>23,462,528</u>
Total capital assets being depreciated, net	<u>18,366,509</u>	<u>468,543</u>	<u>-</u>	<u>-</u>	<u>18,835,052</u>
Governmental activities capital assets, net	<u>\$ 40,657,321</u>	<u>\$ 2,220,201</u>	<u>\$ 847,627</u>	<u>\$ 1,460,011</u>	<u>\$ 40,569,884</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 8: Capital Assets (Continued)

	<u>Balance July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2021</u>
Business-type activities:				
Not being depreciated:				
Land	\$ 954,203	\$ -	\$ -	\$ 954,203
Construction in progress	40,788	1,553,645	-	1,594,433
Subtotal	<u>994,991</u>	<u>1,553,645</u>	<u>-</u>	<u>2,548,636</u>
Capital assets being depreciated:				
Buildings and improvements	5,116,543	73,658	-	5,190,201
Equipment	1,802,075	61,847	-	1,863,922
Underground piping	14,602,592	21,028	-	14,623,620
Wells / reserves osmosis / water supply	1,879,973	60,482	-	1,940,455
Total capital assets being depreciated	<u>23,401,183</u>	<u>217,015</u>	<u>-</u>	<u>23,618,198</u>
Less accumulated depreciation for:				
Buildings and improvements	3,579,001	166,321	-	3,745,322
Equipment	1,526,637	56,189	-	1,582,826
Underground piping	8,682,641	301,785	-	8,984,426
Wells / reserves osmosis / water supply	609,858	43,776	-	653,634
Total accumulated depreciation	<u>14,398,137</u>	<u>568,071</u>	<u>-</u>	<u>14,966,208</u>
Total capital assets being depreciated, net	<u>9,003,046</u>	<u>(351,056)</u>	<u>-</u>	<u>8,651,990</u>
Business-type activities capital asset, net	<u>\$ 9,998,037</u>	<u>\$ 1,202,589</u>	<u>\$ -</u>	<u>\$ 11,200,626</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 8: Capital Assets (Continued)

Depreciation was charged to governmental functions as follows:

General government	\$	150,464
Public safety		383,818
Public works		357,786
Recreation, library, and other		278,417
Education		382,236
		382,236
	\$	1,552,721

Depreciation was charged to proprietary functions as follows:

Business-type activities:

Sewer Fund	\$	378,375
Water Fund		189,696
		189,696
	\$	568,071

NOTE 9: Long-Term Obligations

At summary of long-term obligations as of June 30, 2021 is as follows:

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Bonds and notes	\$ 14,883,023	\$ 3,920,290	\$ 18,803,313
Premium	111,292	-	111,292
	14,994,315	3,920,290	18,914,605
Subtotal			
Capital leases	26,609	33,470	60,079
Compensated absences	416,320	77,232	493,552
	15,437,244	4,030,992	19,468,236
Total debt outstanding			
Less portion due within one year	2,552,662	137,686	2,690,348
	\$ 12,884,582	\$ 3,893,306	\$ 16,777,888
Total long term debt outstanding			

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 9: Long-Term Obligations (Continued)

Changes in long-term obligations during the year ended June 30, 2021 were as follows:

	Balance July 1, 2020	Additions	Retirements	Balance June 30, 2021	Due within one year
Governmental activities:					
Bonds payable:					
Bonds and notes	\$ 13,350,980	\$ 5,930,000	\$ 4,397,957	\$ 14,883,023	\$ 2,356,023
Premium on bonds	147,249	-	35,957	111,292	35,714
Total bonds payable	<u>13,498,229</u>	<u>5,930,000</u>	<u>4,433,914</u>	<u>14,994,315</u>	<u>2,391,737</u>
Capital leases	51,945	-	25,336	26,609	2,098
Net pension liability	5,182,608	47,503	-	5,230,111	-
Net other post-employment benefit liability	190,109	187,302	-	377,411	-
Compensated absences	<u>529,150</u>	<u>-</u>	<u>112,830</u>	<u>416,320</u>	<u>158,827</u>
Total long-term obligations	<u>\$ 19,452,041</u>	<u>\$ 6,164,805</u>	<u>\$ 4,572,080</u>	<u>\$ 21,044,766</u>	<u>\$ 2,552,662</u>
Business-type activities:					
Bonds and notes	\$ 4,028,207	\$ -	\$ 107,917	\$ 3,920,290	\$ 107,824
Capital leases	-	41,837	8,367	\$ 33,470	1,737
Compensated absences	<u>71,469</u>	<u>53,978</u>	<u>48,215</u>	<u>77,232</u>	<u>28,125</u>
Total long-term obligations	<u>\$ 4,099,676</u>	<u>\$ 95,815</u>	<u>\$ 164,499</u>	<u>\$ 4,030,992</u>	<u>\$ 137,686</u>
Total government-wide obligations	<u>\$ 23,551,717</u>	<u>\$ 6,260,620</u>	<u>\$ 4,736,579</u>	<u>\$ 25,075,758</u>	<u>\$ 2,690,348</u>

Changes in bond anticipation note during the year ended June 30, 2021 were as follows:

Purpose	Maturity Date	Balance 7/1/2020	Increase	Decrease	Balance 6/30/2021
BAN 2018 (BIPCO)	11/4/2020	\$ 1,800,000	-	1,800,000	\$ -
BAN 2019 (Housing Board)	8/26/2020	1,000,000	-	1,000,000	-
		\$ 2,800,000	\$ -	2,800,000	\$ -

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 9: Long-Term Obligations (Continued)

General obligation bonds and notes:

General obligation bonds currently outstanding for governmental activities are as follows:

Purpose	Amount of original issue	Fiscal year of issue	Interest rate	Fiscal year of maturity	Balance, July 1, 2020	New issues	Refundings	Retirements	Balance, June 30, 2021
Governmental activities									
2010 Bond	\$ 3,440,000	2010	3.0-4.0%	2030	\$ 2,080,000	-	\$ 2,080,000	-	-
Thomas Property	240,000	2012	5.25%	2022	46,981	-	-	28,956	18,025
BILT 2012 New Money	2,364,000	2012	2.0-4.0%	2032	1,570,000	-	-	110,000	1,460,000
Hodge Property (Refunding)	599,940	2012	2.0-4.0%	2022	145,541	-	-	72,215	73,326
Hodge Property (Refunding)	2,100,060	2012	2.0-4.0%	2022	509,459	-	-	252,785	256,674
Refunding bond - school (Refunding)	1,140,340	2012	2.0-4.0%	2022	259,500	-	-	127,303	132,197
Town library (Refunding)	744,120	2012	2.0-4.0%	2022	169,336	-	-	83,071	86,265
Town hall (Refunding)	444,540	2012	2.0-4.0%	2022	101,163	-	-	49,627	51,536
School Construction 2005 (Refunding)	4,930,000	2015	2.25%	2025	2,445,000	-	-	460,000	1,985,000
School Construction 2006 (Refunding)	645,000	2015	2.40%	2026	365,000	-	-	60,000	305,000
Town Hall Construction 2006 (Refunding)	640,000	2015	2.40%	2026	365,000	-	-	65,000	300,000
2014 MRBRF - Weldon's Way	255,000	2015	0.6-3.0%	2029	177,000	-	-	16,000	161,000
2016 MRBRF - Old Town Road	296,000	2016	0.8-2.7%	2035	255,000	-	-	14,000	241,000
2017 MRBRF (Road & Bridge Old Town Road)	449,000	2017	.72 - 2.22%	2037	411,000	-	-	19,000	392,000
2017 Series B Refunding (2009)	1,635,000	2017	2.69%	2029	1,420,000	-	-	160,000	1,260,000
2017 Series A (Dr. House & Beach House)	1,400,000	2017	2.30%	2027	1,150,000	-	-	135,000	1,015,000
2018 RIIB- West Beach	1,995,000	2018	1.21-2.53%	2033	1,881,000	-	-	116,000	1,765,000
2020 Refunding (2010 Refunding)	2,080,000	2020	1.406%	2030	-	2,080,000	-	183,000	1,897,000
	3,300,000	2020	1.78%	2030	-	3,300,000	-	313,000	2,987,000
	550,000	2020	1.41%	2030	-	550,000	-	53,000	497,000
Total	\$ 29,248,000				\$ 13,350,980	\$ 5,930,000	\$ 2,080,000	\$ 2,317,957	\$ 14,883,023

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 9: Long-Term Obligations (Continued)

General obligation bonds and notes:

Bonds and notes currently outstanding for business-type activities are as follows:

<u>Purpose</u>	<u>Amount of original issue</u>	<u>Fiscal year of issue</u>	<u>Interest rate</u>	<u>Fiscal year of maturity</u>	<u>Balance, July 1, 2020</u>	<u>New issues</u>	<u>Retirements</u>	<u>Balance, June 30, 2021</u>
Enterprise Funds								
<i>Sewer Fund</i>								
Headworks	\$ 349,000	2007	4.13%	2047	\$ 289,210	\$ -	\$ 6,035	\$ 283,175
Sewer Improvements	192,500	2006	4.375%	2046	157,698	-	3,377	154,321
Land	472,175	2005	4.25%	2045	376,613	-	8,746	367,867
Sewer Improvements	458,000	2012	2.75%	2052	409,094	-	7,776	401,318
2014 Sewer Improvements	219,000	2014	2.75%	2053	199,231	-	3,619	195,612
2015 Sewer Improvements	689,000	2015	2.75%	2055	637,892	-	11,080	626,812
2017 Sewer Improvements	674,000	2018	3.13%	2058	656,336	-	9,247	647,089
Total sewer	<u>3,053,675</u>				<u>2,726,073</u>	<u>-</u>	<u>49,880</u>	<u>2,676,194</u>
<i>Water Fund</i>								
Discharge	442,000	2007	4.125%	2047	366,293	-	7,640	358,653
Water Supply	450,000	2011	3.25%	2051	392,126	-	7,520	384,606
Water Supply	179,445	2005	4.25%	2045	143,121	-	3,324	139,797
Clean Water GOB	614,287	2004	3.26%	2024	196,000	-	36,000	160,000
2015 Water Supply	123,000	2015	2.75%	2055	113,873	-	1,978	111,895
2015 Water Supply	98,000	2015	2.75%	2055	90,731	-	1,586	89,145
Total water	<u>1,906,732</u>				<u>1,302,134</u>	<u>-</u>	<u>58,048</u>	<u>1,244,096</u>
Total enterprise	<u>\$ 4,960,407</u>				<u>\$ 4,028,207</u>	<u>\$ -</u>	<u>\$ 107,928</u>	<u>\$ 3,920,290</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 9: Long-Term Obligations (Continued)

General obligation bonds and notes (continued):

At June 30, 2021, scheduled annual debt service requirements to maturity for general obligation bonds and notes are as follows:

Governmental Activities:

Year ending June 30,	Principal	Interest	Total
2022	2,356,023	289,993	2,646,016
2023	1,765,000	236,921	2,001,921
2024	1,786,000	200,629	1,986,629
2025	1,827,000	163,716	1,990,716
2026	1,323,000	131,976	1,454,976
2027-2031	4,936,000	304,351	5,240,351
2032-2036	836,000	27,954	863,954
2037-2038	54,000	1,463	55,463
	<u>\$ 14,883,023</u>	<u>\$ 1,357,003</u>	<u>\$ 16,240,026</u>

Business-Type Activities:

Year ending June 30,	Principal	Interest	Total
2022	112,375	132,461	244,836
2023	115,954	128,349	244,303
2024	120,608	124,067	244,675
2025	124,356	119,611	243,967
2026	85,203	115,895	201,098
2027-2031	472,420	533,070	1,005,490
2032-2036	560,599	444,891	1,005,490
2037-2041	665,912	329,578	995,490
2042-2046	757,340	213,686	971,026
2047-2051	518,750	101,254	620,004
2052-2056	330,449	31,115	361,564
2057-2059	56,324	2,645	58,969
	<u>\$ 3,920,290</u>	<u>\$ 2,276,622</u>	<u>\$ 6,196,912</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

NOTE 9: Long-Term Obligations (Continued)

General obligation bonds and notes (continued):

Component unit:

This component unit general obligation bond is being paid by the Town's general government with funds being transferred from the component unit. This amount is already being accounted for within the governmental activities portion of this note.

Year ending June 30,	Principal	Interest	Total
2022	241,674	64,603	306,277
2023	115,000	54,000	169,000
2024	120,000	49,400	169,400
2025	120,000	44,600	164,600
2026	125,000	39,800	164,800
2027-2030	680,000	463,827	1,143,827
2031-2032	315,000	19,000	334,000
	\$ 1,716,674	\$ 735,230	\$ 2,451,904

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities, and are direct obligations and pledge the full faith and credit of the Town. In addition, general obligation bonds have been issued to refund previously outstanding general obligation bonds.

Rhode Island General Law caps the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2019 was \$1,690,405,290 limiting the amount of non-exempted general obligation bonds outstanding to \$50,712,159. At June 30, 2021, general obligation bonds outstanding totaled \$18,914,349 including amounts which are exempt from the cap.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 9: Long-Term Obligations (Continued)

General obligation bonds and notes (continued):

The component unit may request that the Town issue bonds for the purpose of financing its activities. On November 15, 2002, the Town issued general obligation bonds in the amount of \$4,500,000, of which \$3,500,000 was designated to finance the acquisition of open space and farmland by the component unit. These funds were used to purchase the 24.8 acre Hodge Property for an aggregate sale price of \$8,500,000. The component unit, the Town, and each of the other two unrelated third parties are identified as the buyers, and the agreement between the buyers and seller is executed as a single contract, according to an undivided interest in the property among the four parties. On June 6, 2012, the Town issued \$2,364,000 in general obligation bonds with an average interest rate of 3.0% to refinance the acquisition of open space by the component unit.

In 2003, the component unit issued a note to the Town in the amount of \$3,500,000 as its portion of the Town's general obligation bond related to the acquisition of the Hodge Property. The terms and payments required on this note generally coincide with the interest rates, principal installments and maturities of the related general obligation bond of the Town. The balance of the note receivable from the component unit at June 30, 2021 was \$1,716,674.

Compensated absences:

Compensated absences typically have been liquidated in the General Fund, School Department governmental funds and Sewer and Water Funds.

NOTE 10: Other Post-Employment Benefits

Other post-employment benefits:

Plan Description

The School Department of New Shoreham Post-Employment benefit is a single employer defined benefit postretirement health insurance plan. The Town does not take part in this plan. The School Department provides health benefits to its public school professional staff with 20 years of accumulated service. A teacher at the Block Island School may continue to receive the same health care coverage as offered to the bargaining unit for five contract years, until Medicare takes over or age 65, whichever occurs first.

Contributions

The contribution requirements of plan members are established and may be amended through provisions of Rhode Island General Law, Town Ordinances and through collective bargaining. The plan has set up a trust in fiscal year 2016.

Plan Membership

At June 30, 2021, the plans membership consisted of the following:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Participants	23	0	23

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 10: Other Post-Employment Benefits (Continued)

Concentrations

There were no concentrations noted as of June 30, 2021.

Rate of return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 5.39%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the School Department

The components of the net OPEB liability of the School Department at June 30, 2021 were as follows:

Description	Amounts
Total OPEB Liability (TOL)	\$ 750,986
Fiduciary Net Position	373,575
Net OPEB Liability (NOL)	377,411
Funded Ratio (Fiduciary Net Position / NOL)	49.74%
Covered Payroll (active plan members)	\$ 2,026,587
NOL as a Percentage of Covered Payroll	18.62%

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

Description	Assumption
Single Equivalent Discount Rate	4.90%, net of OPEB plan investment expense, including inflation.
Inflation	2.60% as of June 30, 2021 and for future periods
Investment rate of return	5.39%, net of OPEB plan investment expense, including inflation.
Salary increases	2.60% annually as of June 30, 2021 and for future periods

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 10. Other Post-Employment Benefits (Continued):

Investment Policy

The Town's policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
U.S. Equity	22.00%
Non-U.S. Equity	14.00%
U.S. Aggregate Bonds	23.00%
Intermediate-Term Credit	14.00%
Short-Term Credit	8.00%
Non-U.S. Bonds	15.00%
REITs	4.00%
Total	100.00%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
U.S. Equity	5.30%
Non-U.S. Equity	8.00%
U.S. Aggregate Bonds	3.10%
Intermediate-Term Credit	3.60%
Short-Term Credit	3.50%
Non-U.S. Bonds	2.80%
REITs	4.80%
I. Real Rate of Return	3.49%
II. Inflation Assumption	1.90%
III. Total Nominal Return [I. + II.]	5.39%

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 10. Other Post-Employment Benefits (Continued):

Discount rate

The discount rate used to measure the total OPEB liability was 5.39 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020	\$ 476,794	\$ 286,685	\$ 190,109
Service cost	34,849	-	34,849
Interest on net OPEB liability and service cost	28,140	-	28,140
Differences between actual and expected experience	220,842	-	220,842
Changes in assumptions	(9,639)	-	(9,639)
Benefit payments, including refunds	-	-	-
Contributions - employer	-	40,800	(40,800)
Administratives expenses	-	(955)	955
Net investment income	-	47,045	(47,045)
Net changes	<u>274,192</u>	<u>86,890</u>	<u>187,302</u>
Balances at June 30, 2021	<u>\$ 750,986</u>	<u>\$ 373,575</u>	<u>\$ 377,411</u>

Net OPEB Liability

Total OPEB liability	\$ 750,986
Plans fiduciary net position	<u>373,575</u>
Town's net OPEB liability	<u>\$ 377,411</u>
Plan net position as a percentage of the total OPEB liability	49.74%

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 10. Other Post-Employment Benefits (Continued):

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

Deferred outflows of resources	
Differences between actual and expected experience	165,631
Net difference between projected and actual earnings on OPEB plan investments	(15,371)
Changes of assumptions	(9,834)
Deferred inflows of resources	
Differences between actual and expected experience	<u>(362,764)</u>
Total	<u>\$ (222,338)</u>

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

Year Ended June 30:

2022	\$ 19,361
2023	18,702
2024	15,191
2025	(37,979)
2026	(31,939)
Thereafter	<u>(205,674)</u>
	<u>(222,338)</u>

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

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentagepoint lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current discount rate:

	<u>Impact of 1% Change in Discount Rate</u>		
	1% Decrease (3.90%)	Current discount rate (4.90%)	1% Increase (5.90%)
Total OPEB liability	\$ 423,535	\$ 377,411	\$ 334,147

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 10. Other Post-Employment Benefits (Continued):

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

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (7.00% decreasing to 3.50%)	Current trend rate (8.00% decreasing to 4.50%)	1% Increase (9.00% decreasing to 5.50%)
Total OPEB liability	\$ 322,169	\$ 377,411	\$ 438,780

NOTE 11: ERS Pension Plan

General Information about the Pension Plan

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

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

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

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

Cost of living adjustments are provided but are currently suspended until the collective plans administered by ERSRI reach a funded status of 80%. Until the plans reach an 80% funded status, interim cost of living adjustments is provided at four-year intervals commencing with the plan year ending June 30, 2016. The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 11: ERS Pension Plan (Continued)

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Town's teachers were required to contribute 3.75% of their annual covered salary except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Town; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the state and the Town, respectively. The Town contributed \$344,769, \$322,180 and \$283,141 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2021, the Town reported a liability of \$6,744,631 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town proportionate share of net pension liability	\$ 3,869,499
State's proportionate share of the net pension liability associated with the Town	<u>2,875,132</u>
Total net pension liability	<u><u>\$ 6,744,631</u></u>

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The School Department proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2020 the School Department's proportion was .12111085%.

For the year ended June 30, 2021 the School Department recognized gross pension expense of \$380,751 and revenue of \$290,967 for support provided by the State. At June 30, 2020 the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 11: ERS Pension Plan (Continued)

Description of Outflows/Inflows	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 37,833	\$ 75,411
Changes of assumptions	172,741	90,172
Net difference between projected and actual earnings on pension plan investments	78,559	-
Changes in proportion and differences between System contributions and proportionate share contributions	239,100	126,934
Contributions subsequent to the measurement date	344,769	-
	<u>\$ 873,002</u>	<u>\$ 292,517</u>

Deferred outflows of resources totaling \$344,769 related to pensions resulting from the School Department's contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	7,056
2023	69,034
2024	99,414
2025	79,310
2026	(3,603)
Thereafter	(15,495)
	<u>\$ 235,716</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 11: ERS Pension Plan (Continued)

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

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

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

The actuarial assumptions used in the June 30, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 11: ERS Pension Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
GROWTH		
Global Equity:		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-Total	40.00%	
Private Growth		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
Opportunities Private Credit	1.50%	9.71%
Sub-Total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-Total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	77.00%
Systematic Trend	5.00%	4.20%
Sub-Total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.51%
Private Infrastructure	2.40%	5.85%
TIPs	1.00%	1.37%
Natural Resources	1.00%	3.76%
Sub-Total	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-Total	15.00%	

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 11: ERS Pension Plan (Continued)

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

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

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

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 4,642,786	\$ 3,869,499	\$ 2,936,268

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

NOTE 12: Defined Contribution Pension Plan

Defined Contribution Plan Description:

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute between 1% and 1.5% of annual covered salary depending on the employee’s total years of service as of June 30, 2012. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The School recognized pension expense of \$5,293, for the fiscal year ended June 30, 2021.

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan

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.

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained accessing the ERSRI website at 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.

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 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.

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

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 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% 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 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% 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 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.

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 2.00% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012: benefits are based on 2.50% of the member's FAC for each year of service prior to July 1, 2012 and 2.00% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC.

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 in (a) and (b) 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).

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. The first interim COLA may begin January 1, 2018.

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 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

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 every fourth year provision described in (i) 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 \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees covered by benefit terms.

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

	General Employees	Police Plan
Retirees and Beneficiaries	25	2
Inactive, Non-retired Members	55	3
Active Members	54	5
Total	134	10

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

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 1% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) of their salaries. The Town of New Shoreham (Town) 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 School Department contributed \$158,406 to their general employee plan in the year ended June 30, 2020 which was 6.11% of annual covered payroll and \$85,089 to their police department plan in the year ended June 30, 2020 which was 20.08% of their annual covered payroll.

Net Pension Liability (Asset) – The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial cost method	Entry Age Normal - the individual Entry Age Actuarial Cost methodology is used
Amortization method	Level percentage of payroll, closed
Actuarial assumptions	
Investment rate of return	7.00%
Projected salary increases	General employees 3.50% to 7.50%; Police & Fire Employees 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality – variants of the RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.
Cost of living adjustments	A 2% COLA is assumed after January 1, 2014.

The actuarial assumptions used in the June 30, 2019 valuation rolled forward to June 30, 2020 and the calculation of the total pension liability at June 30, 2020 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

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 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
GROWTH		
Global Equity:		
U.S. equity	23.00%	6.31%
International Developed	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-Total	40.00%	
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunities Private Credits	1.50%	9.71%
Sub-Total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-Total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-Total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-Total	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-Total	15.00%	

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

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

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

	General	Police
Pension liability:		
Balance as of June 30, 2019	\$ 8,517,368	\$ 2,306,177
Changes for the year:		
Service cost	211,403	88,333
Interest on total pension liability	586,620	161,766
Changes in assumptions	(98,800)	4,081
Difference between expected and actual experience of total pension liability	(147,788)	(33,941)
Benefit payments, including employee refunds	(485,564)	(78,805)
Balance as of June 30, 2020	8,583,239	2,447,611
Fiduciary net position:		
Balance as of June 30, 2019	7,810,898	1,697,064
Employer contributions	188,836	90,197
Employee contributions	60,859	43,329
Net investment income	286,728	66,312
Benefit payments, including employee refunds	(485,564)	(78,805)
Administrative expense	(7,900)	(1,827)
Other changes	-	111
Balance as of June 30, 2020	7,853,857	1,816,381
Net pension liability (asset)	\$ 729,382	\$ 631,230

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

Sensitivity of the Net Pension Liability to changes in the discount rate. The following presents the net pension liability (asset) of the employers calculated using the discount rate of 7.0 percent, as well as what the employers' 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.

Employee

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 1,503,051	\$ 729,382	\$ (204,201)

Police

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 846,452	\$ 631,230	\$ 371,523

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

General Employee Plan

For the year ended June 30, 2021 the employer recognized pension expense of \$329,815. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 54,154	\$ 75,919
Difference between expected and actual experience	34,067	120,173
Net difference between projected and actual earnings on pension plan investments	223,047	82,730
Contributions subsequent to the measurement date	158,406	-
	\$ 469,674	\$ 278,822
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ 32,446

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

General Employee Plan (Continued)

\$158,406 reported as deferred outflows of resources related to pensions resulting from the Town's contributions 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 and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2022	\$	7,662
2023		(6,839)
2024		(516)
2025		32,139
2026		-
Thereafter		-
	<u>\$</u>	<u>32,446</u>

Police Department Plan

For the year ended June 30, 2021 the employer recognized pension expense of \$115,415. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in assumptions	\$ 48,236	\$ 1,684
Difference between expected and actual experience	43,451	52,418
Net difference between projected and actual earnings on pension plan investments	28,088	-
Contributions subsequent to the measurement date	85,089	-
	<u>\$ 204,864</u>	<u>\$ 54,102</u>
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		<u>\$ 65,673</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 13: Municipal Employees' Retirement System (MERS) Pension Plan (Continued)

Police Department Plan (Continued)

Deferred outflows of resources of \$85,089 related to pensions resulting from the Town's contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2021. Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 10,118
2023	19,875
2024	25,517
2025	14,826
2026	(2,259)
Thereafter	(2,404)
	<u>\$ 65,673</u>

Aggregate Pension Amounts Reported in the Financial Statements

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

<i>Town</i>	MERS General	MERS Police	ERS	Total
Deferred Outflows of Resources - Pension	\$ 311,268	\$ 138,020	\$ 850,413	\$ 1,299,701
Deferred Inflows of Resources - Pension	278,822	72,347	292,517	643,686
Net Pension Liability (Asset)	729,382	631,230	3,869,499	5,230,111
Pension Expense	<u>329,815</u>	<u>115,415</u>	<u>376,830</u>	<u>822,060</u>
Total	<u>\$1,649,287</u>	<u>\$957,012</u>	<u>\$5,389,259</u>	<u>\$ 7,995,558</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

Note 14: Defined Contribution Plan Description:

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 5% of their annual covered salary and employers contribute 1% to 1.5% of annual covered salary. 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 System issues a publicly available financial report that includes financial statements and required supplementary information for plans administered by the system. The report may be obtained at <http://www.ersri.org>.

NOTE 15: Commitments and Contingencies

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

NOTE 16: Fund Balance Classification

	Major Funds			Non-Major Funds			Total
	General Fund	Capital Project Broadband Fund	School Department	Special Revenue	Capital Projects	Permanent Trust	
Fund Balances:							
Nonspendable:							
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 249,577	\$ 249,577
Land Trust note receivable	1,716,674	-	-	-	-	-	1,716,674
Restricted for:							
Capital outlay by bond covenant	16,391	-	-	-	-	-	16,391
North Light purposes	15,617	-	-	-	-	-	15,617
Old Harbor Dock	-	-	-	-	-	-	-
Deer Management	254	-	26,055	-	-	-	26,309
Historic records trust	22,008	-	-	-	-	-	22,008
Technology fund	84,767	-	-	-	-	-	84,767
Assigned to:							
Other	-	-	-	-	-	-	-
Reserve for encumbrances	497,122	-	-	-	-	-	497,122
Educational purposes	-	-	455,480	-	-	-	455,480
Public Works Infrastructure	-	-	-	-	490,590	-	490,590
Recreational, library, and other purposes	-	-	-	985,652	17,888	-	1,003,540
Unassigned	3,917,318	(1,714,957)	-	(96)	18,054	-	2,220,319
	<u>\$ 6,270,151</u>	<u>\$ (1,714,957)</u>	<u>\$ 481,535</u>	<u>\$ 985,556</u>	<u>\$ 526,532</u>	<u>\$ 249,577</u>	<u>\$ 6,798,394</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 17: Restatement

The following was the restatement that occurred at the Governmental Funds and Governmental Activities level:

	<u>Governmental Activities</u>	<u>School Special Revenue</u>	<u>Custodial Funds</u>
Beginning balance, July 1, 2020	\$ 26,284,714	\$ -	\$ -
GASB Statement No. 84 Implementation	61,516	(61,516)	15,031
Beginning balance, July 1, 2020	<u>\$ 26,346,230</u>	<u>\$ (61,516)</u>	<u>\$ 15,031</u>

	<u>Major Governmental Funds</u>	<u>Non-Major Special Revenue</u>
Beginning balance, July 1, 2020	\$ -	\$ (1,699,432)
To reclassify non-major special revenue fund as a major fund according to GASB 34	<u>(564,265)</u>	<u>564,265</u>
Beginning balance, July 1, 2020	<u>\$ (564,265)</u>	<u>\$ (1,135,167)</u>

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to the Basic Financial Statements

June 30, 2021

NOTE 18: Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool Rhode Island Interlocal Risk Management Trust, Inc. (the Trust) which provides coverage for property/liability and workers' compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts.

The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town is insured for a maximum of \$3,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2020.

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

NOTE 19: Litigation

The Town is a party to various claims, legal actions, and complaints. It is not presently possible to determine the outcome of these cases; as a result, no liability has been recorded in the financial statements. In the opinion of the Town's management and Town Solicitor, these matters are not anticipated to have a material financial impact on the Town.

NOTE 20: Subsequent Events

Management has evaluated subsequent events through December 10, 2021, the date the financial statements were available to be issued. There were not material disclosures deemed necessary.

On March 9, 2020 the Governor of the State of Rhode Island declared a State of Emergency in response to limit the spread of COVID-19 Coronavirus, which the World Health Organization characterized as being a pandemic. As a result of the spread of COVID-19, there is considerable uncertainty around the duration of the pandemic accordingly, the financial impact related to State funding and other revenues and other potential financial impacts cannot be reasonably estimated at this time. Management is carefully monitoring the situation.

Required Supplementary Information

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

	Original Budget			Actual	Encumbrances Carried To FY 21	Variance Favorable (Unfavorable)
	Encumbrances Carried from FY 20	Budget As Adopted	Total Available			
Revenues						
Taxes	\$ -	\$ 10,821,314	\$ 10,821,314	\$ 10,826,056	\$ -	\$ 4,742
Intergovernmental	-	991,364	991,364	1,391,278	-	399,914
Licenses, permits, and fees	-	447,215	447,215	727,563	-	280,348
Interest and investment	-	3,500	3,500	(247,426)	-	(250,926)
Other revenues	-	1,837,370	1,837,370	1,790,624	-	(46,746)
Total revenues	-	14,100,763	14,100,763	14,488,095	-	387,332
Expenditures						
General government	-	1,430,621	1,430,621	1,456,997	-	(26,376)
Finance administration	-	404,837	404,837	426,763	-	(21,926)
Fire, rescue, and emergency services	-	310,882	310,882	343,346	-	(32,464)
Police	-	1,128,350	1,128,350	1,224,355	-	(96,005)
Highways and maintenance	-	943,594	943,594	800,765	-	142,829
Harbors	-	582,709	582,709	653,145	-	(70,436)
Building official	-	300,203	300,203	250,596	-	49,607
Recreation	-	374,076	374,076	349,379	-	24,697
Library	-	516,458	516,458	485,148	-	31,310
GIS / Technology	-	327,480	327,480	294,637	-	32,843
Boards and commissions	-	192,664	192,664	180,563	-	12,101
Community support	-	694,269	694,269	687,020	-	7,249
Grant support	-	-	-	123,772	-	(123,772)
Capital outlay	565,639	543,000	1,108,639	139,388	497,122	472,129
Debt service	-	2,392,433	2,392,433	2,831,225	-	(438,792)
Total expenditures	565,639	10,141,576	10,707,215	10,247,099	497,122	(37,006)
Excess (deficiency) of revenues over expenditures	(565,639)	3,959,187	3,393,548	4,240,996	(497,122)	350,326
Other financing sources and (uses):						
Bond Proceeds	-	-	-	1,317,736	-	1,317,736
Bond issuance costs and fees	-	-	-	(34,285)	-	(34,285)
Transfer from other funds	-	1,215,447	1,215,447	276,374	-	(939,073)
Transfer to other funds	-	(5,174,634)	(5,174,634)	(5,172,384)	-	2,250
	-	(3,959,187)	(3,959,187)	(3,612,559)	-	346,628
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ (565,639)	\$ -	\$ (565,639)	\$ 628,437	\$ (497,122)	\$ 696,954
Adjustment of budgetary basis to U.S. GAAP				885,451		
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				1,513,888		
Fund balance, July 1, 2020				4,756,263		
Fund balance, June 30, 2021				\$ 6,270,151		

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to Required Supplementary Information Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

Budgetary - GAAP Reporting Reconciliation - General Fund

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

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

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

For the year ended June 30, 2021 there were no significant timing perspectives or differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses, therefore, there were no differences when presenting the budgetary and GAAP basis presentation.

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

*See notes to the required supplementary information
See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to Required Supplementary Information
Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

	General Fund
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 628,437
Unbudgeted grant revenues	243,400
Unbudgeted grant expenditures	(123,772)
Unbudgeted Other Transfers in	276,374
Unbudgeted bond proceeds & OFS	1,937,332
Unbudgeted bond issuance cost	32,685
Unbudgeted Misc. Costs	(53,039)
Unbudgeted capital costs	(1,834,285)
Budgeted principal & interest for Block Island Land Trust bond which offsets note payable	437,447
Increase (decrease) in 60 day accrual	<u>(30,691)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 1,513,888</u>

See notes to the required supplementary information
See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Budgetary Comparison Schedule – School Unrestricted

For the Year Ended June 30, 2021

	Original Budget		Total Available	Actual	Encumbrances Carried to FY 21	Variance Favorable (Unfavorable)
	Encumbrances Carried from FY 20	Budget As Adopted				
Revenues						
Federal and State governments	\$ -	\$ 199,459	\$ 199,459	\$ 195,132	\$ -	\$ (4,327)
Other revenues	-	-	-	-	-	-
Total revenues	-	199,459	199,459	195,132	-	(4,327)
Expenditures						
Salaries	-	3,262,282	3,262,282	3,228,604	-	33,678
Employee benefits	-	1,324,685	1,324,685	1,303,223	-	21,462
Purchased services	-	624,552	624,552	548,356	-	76,196
Supplies and materials	-	198,667	198,667	189,973	-	8,694
Capital outlay	-	30,000	30,000	22,558	-	7,442
Total expenditures	-	5,440,186	5,440,186	5,292,714	-	147,472
Excess (deficiencies) of revenues over expenditures	-	(5,240,727)	(5,240,727)	(5,097,582)	-	143,145
Other financing sources (uses)						
Transfer from Town of New Shoreham	-	5,172,384	5,172,384	5,172,384	-	-
Transfers out	-	(28,000)	(28,000)	(55,491)	-	(27,491)
Re-appropriated fund balance	-	96,343	96,343	-	-	(96,343)
Total other financing sources (uses)	-	5,240,727	5,240,727	5,116,893	-	(123,834)
Excess (deficiencies) of revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ -	19,311	\$ -	\$ 19,311
Adjustment of budgetary basis to U.S. GAAP basis				-		
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				19,311		
Fund balance, July 1, 2020				436,169		
Fund balance, June 30, 2021				<u>\$ 455,480</u>		

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Notes to Required Supplementary Information
Budgetary Comparison Schedule – School Unrestricted

For the Year Ended June 30, 2021

Budgetary – GAAP reporting Reconciliation – Unrestricted School Fund

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

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

Therefore, timing perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses for the year ended June 30, 2021 are as follows:

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 19,311
State contribution to teachers' pension plan revenue on behalf	249,319
State contribution to teacher's pension plan expense on behalf	<u>(249,319)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 19,311</u>

See notes to the required supplementary information
See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information Notes to Required Supplementary Information

Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2021

Budget preparation and budgetary basis of accounting:

In accordance with the Town Charter, the Town Manager must present to the Council, not later than the third Monday in March of each year, recommended annual operating and capital budgets for the operations of each department, agency, board and commission of town government whose activities are to be supported in whole or in part by Town funds during the next fiscal year. The School Committee makes such submissions of estimates no later than the first Monday in March. The Town Council schedules at least one public hearing on the budget recommendations it receives from the Town Manager, which takes place prior to final Council approval of the Town budgets for submission to the Financial Town Meeting, with whatever changes the Council deems appropriate to be voted no later than the third Monday in April. The electors of the Town assemble annually at a Financial Town Meeting on the first Monday in May for the purpose of approving the budget. The recommended budget must include an appropriation to fund school expenditures in excess of their anticipated revenues as requested by the Superintendent and approved by the School Committee. Estimates of sums expected to become available from federal and state grants for the support of the public schools are to be included in the total requested for school expenditures. The Town Council appropriates these funds for expenditure by the School Committee, and appropriates such additional funds from local tax revenues as may be required to meet the total school budget which the Town Council approves. The School Committee does not have the authority to obligate the Town financially beyond the total budgetary amount voted by the Town Council. The Town Council can change only the total amount of the School Committee's recommended budget. The Town Council can authorize, as required, capital expenditures, grants, and expenditures over a certain dollar amount, as set by ordinance, after the Financial Town Meeting, and oversee implementation of budget proposals.

The General Fund and the School Department annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include re-appropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

Budget compliance:

Costs of operations for all departments, offices and agencies established within the Town Charter must be appropriated through an annual budget ordinance. These departments are presented within the General Fund and the School Department Municipal budgetary control is legally enforced at the department level. Appropriation transfers between departments require approval by three of the five-member Town Council. The Town Council may authorize other over-expenditures of certain appropriations, which were due to circumstances that could not be anticipated in budget preparations provided that the over-expenditures do not exceed the total budget amount for the fiscal year.

The Town Council is authorized to expend grant funds applied for and awarded to the Town, and, to the extent proceeds from grants exceed the amount budgeted by the Town, the Town Treasurer is authorized with the advice and consent of the Town Council to expend these excess proceeds for the purposes designated in the grant.

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Schedule of Changes to Net Pension Liability- Employees' Retirement System

*Last Ten Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Employer's proportion of the net pension liability	0.12111085%	0.12119414%	0.11872757%	0.10739696%	0.11439191%
Employer's proportionate share of the net pension liability	\$ 3,869,499	\$ 3,867,025	\$ 3,772,270	\$ 3,387,393	\$ 3,412,971
State's proportionate share of the net pension liability associated with the school district	<u>2,875,132</u>	<u>2,896,802</u>	<u>2,813,842</u>	<u>2,560,055</u>	<u>2,337,384</u>
Total	<u>\$ 6,744,631</u>	<u>\$ 6,763,827</u>	<u>\$ 6,586,112</u>	<u>\$ 5,947,448</u>	<u>\$ 5,750,355</u>
Employer's covered employee payroll	\$ 2,376,727	\$ 2,281,923	\$ 2,249,388	\$ 2,138,527	\$ 2,013,831
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	162.81%	169.46%	167.70%	158.40%	169.48%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.60%	54.30%	54.00%	54.06%

Notes:

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

**Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Schedule of Changes to Net Pension Liability- Employees' Retirement System

*Last Ten Years**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 344,769	\$ 322,180	\$ 302,543	\$ 283,141	\$ 251,125
Contributions in relation to the actuarially determined contribution	<u>344,769</u>	<u>322,180</u>	<u>302,543</u>	<u>283,141</u>	<u>251,125</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,376,727	\$ 2,281,923	\$ 2,249,388	\$ 2,138,527	\$ 2,013,831
Contributions as a percentage of covered- employee payroll	14.51%	14.12%	13.45%	13.24%	12.47%

Notes:

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

**Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Schedule of Changes to Net Pension Liability- Employees' Retirement System
 Municipal Employees' Retirement System (MERS) – General Employee Plan

*Last Ten Years**

Measurement period	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
A. Total pension liability					
1. Service Cost	\$ 211,403	\$ 204,123	\$ 207,410	\$ 187,499	\$ 198,515
2. Interest on the Total Pension Liability	586,620	564,961	534,919	519,815	505,381
3. Changes of benefit terms	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(147,788)	(12,231)	93,112	24,167	(164,932)
5. Changes of assumptions	(98,800)	-	-	352,282	-
6. Benefit payments, including refunds of employee contributions	<u>(485,564)</u>	<u>(416,589)</u>	<u>(392,676)</u>	<u>(373,082)</u>	<u>(308,932)</u>
7. Net change in total pension liability	65,871	340,264	442,765	710,681	230,032
8. Total pension liability – beginning	<u>8,517,368</u>	<u>8,177,104</u>	<u>7,734,339</u>	<u>7,023,658</u>	<u>6,793,626</u>
9. Total pension liability – ending (a)	<u>\$ 8,583,239</u>	<u>\$ 8,517,368</u>	<u>\$ 8,177,104</u>	<u>\$ 7,734,339</u>	<u>\$ 7,023,658</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 188,836	\$ 158,708	\$ 163,153	\$ 176,642	\$ 177,648
2. Contributions – employee	60,859	62,942	62,060	58,797	59,083
3. Net investment income	286,728	483,638	563,546	758,523	(1,278)
4. Benefit payments, including refunds of employee contributions	(485,564)	(416,589)	(392,676)	(373,082)	(308,932)
5. Pension Plan Administrative Expense	(7,900)	(7,558)	(7,502)	(7,166)	(7,085)
6. Other	-	(1,457)	-	(18)	1
7. Net change in plan fiduciary net position	42,959	279,684	388,581	613,696	(80,563)
8. Plan fiduciary net position – beginning	<u>7,810,898</u>	<u>7,531,214</u>	<u>7,142,633</u>	<u>6,528,937</u>	<u>6,609,500</u>
9. Plan fiduciary net position – ending (b)	<u>\$ 7,853,857</u>	<u>\$ 7,810,898</u>	<u>\$ 7,531,214</u>	<u>\$ 7,142,633</u>	<u>\$ 6,528,937</u>
C. Net pension liability - ending (a) - (b)	\$ 729,382	\$ 706,470	\$ 645,890	\$ 591,706	\$ 494,721
D. Plan fiduciary net position as a percentage of the total pension liability	91.50%	91.71%	92.10%	92.96%	92.96%
E. Covered employee payroll	\$ 2,593,900	\$ 2,441,660	\$ 2,392,271	\$ 2,261,744	\$ 2,213,104
F. Net pension liability as a percentage of covered payroll	28.12%	28.93%	27.00%	26.16%	22.35%

**Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Schedule of Changes to Net Pension Liability- Employees' Retirement System
 Municipal Employees' Retirement System (MERS) – General Employee Plan

*Last Ten Years**

	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>
Actuarially determined contribution	\$ 158,406	\$ 188,836	\$ 158,708	\$ 163,153	\$ 176,642
Contributions in relation to the actuarially determined contribution	<u>158,406</u>	<u>188,836</u>	<u>158,708</u>	<u>163,153</u>	<u>176,642</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 2,593,900	\$ 2,441,660	\$ 2,392,271	\$ 2,363,522	\$ 2,261,744
Contributions as a percentage of covered-employee payroll	6.11%	7.73%	6.63%	6.90%	7.81%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
3. *Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.*

**Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Schedule of Changes to Net Pension Liability- Employees' Retirement System
 Municipal Employees' Retirement System (MERS) – Police Department Plan

*Last Ten Years**

Measurement Date	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016
A. Total pension liability					
1. Service Cost	\$ 88,333	\$ 84,050	\$ 80,284	\$ 68,447	\$ 55,494
2. Interest on the Total Pension Liability	161,766	150,926	136,509	130,826	125,264
3. Changes of benefit terms	-	-	-	-	-
4. Difference between expected and actual experience of the Total Pension Liability	(33,941)	(3,460)	66,028	(28,339)	(33,733)
5. Changes of assumptions	4,081	-	-	107,933	-
6. Benefit payments, including refunds of employee contributions	(78,805)	(78,805)	(78,671)	(79,345)	(79,345)
7. Net change in total pension liability	141,434	152,711	204,150	199,522	67,680
8. Total pension liability – beginning	2,306,177	2,153,466	1,949,316	1,749,794	1,682,114
9. Total pension liability – ending (a)	<u>\$ 2,447,611</u>	<u>\$ 2,306,177</u>	<u>\$ 2,153,466</u>	<u>\$ 1,949,316</u>	<u>\$ 1,749,794</u>
B. Plan fiduciary net position					
1. Contributions – employer	\$ 90,197	\$ 81,086	\$ 76,772	\$ 87,723	\$ 70,840
2. Contributions – employee	43,329	44,237	42,350	39,445	29,982
3. Net investment income	66,312	105,079	115,731	147,774	(405)
4. Benefit payments, including refunds of employee contributions	(78,805)	(78,805)	(78,671)	(79,345)	(79,345)
5. Pension Plan Administrative Expense	(1,827)	(1,642)	(1,541)	(1,396)	(1,091)
6. Other	111	479	478	28,974	-
7. Net change in plan fiduciary net position	119,317	150,434	155,119	223,175	19,981
8. Plan fiduciary net position – beginning	1,697,064	1,546,630	1,391,511	1,168,336	1,148,355
9. Plan fiduciary net position – ending (b)	<u>\$ 1,816,381</u>	<u>\$ 1,697,064</u>	<u>\$ 1,546,630</u>	<u>\$ 1,391,511</u>	<u>\$ 1,168,336</u>
C. Net pension liability - ending (a) - (b)	\$ 631,230	\$ 609,113	\$ 606,836	\$ 557,805	\$ 581,458
D. Plan fiduciary net position as a percentage of the total pension liability	74.21%	73.59%	71.82%	71.38%	66.77%
E. Covered employee payroll	\$ 423,660	\$ 400,621	\$ 381,759	\$ 362,343	\$ 302,090
F. Net pension liability as a percentage of covered payroll	148.99%	152.04%	158.96%	153.94%	192.48%

**Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information
 Schedule of Contributions - Municipal Employees' Retirement System (MERS) Police
 Municipal Employees' Retirement System (MERS) – Police Department Plan

*Last Ten Years**

	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>
Actuarially determined contribution	\$ 85,089	\$ 90,197	\$ 81,086	\$ 76,772	\$ 87,723
Contributions in relation to the actuarially determined contribution	<u>85,089</u>	<u>90,197</u>	<u>81,086</u>	<u>76,772</u>	<u>87,723</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 423,660	\$ 400,621	\$ 381,759	\$ 375,025	\$ 362,343
Contributions as a percentage of covered-employee payroll	20.08%	22.51%	21.24%	20.47%	24.21%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the Municipal Employee's Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.*

**Schedule is intended to show information or ten years- additional years will be displayed as they become available*

*See notes to the required supplementary information
 See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information Other Post-Employment Benefits - Schedule of Contributions

*Last Ten Years**

The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.

The schedules are intended to show information for 10 years – additional years will be displayed as they become available.

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

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

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

June 30, 2020 measurement date –

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

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

June 30, 2019 measurement date –

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

June 30, 2018 measurement date –

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

June 30, 2017 measurement date –

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

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

*See notes to the required supplementary information
See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information Other Post-Employment Benefits - Schedule of Contributions

*Last Ten Years**

June 30, 2016 measurement date –

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

June 30, 2015 measurement date –

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

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

*See notes to the required supplementary information
See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Actuarial determined contribution	\$ 55,705	\$ 23,466	\$ 25,882	\$ 58,123	\$ 59,397	\$ 69,632
Contributions in relation to the actuarially determined contribution	40,800	38,511	62,483	72,587	168,761	110,777
Contribution deficiency (excess)	<u>\$ 14,905</u>	<u>\$ (15,045)</u>	<u>\$ (36,601)</u>	<u>\$ (14,464)</u>	<u>\$ (109,364)</u>	<u>\$ (41,145)</u>
 Covered-employee payroll	 \$ 2,026,587	 \$ 2,150,555	 \$ 2,116,782	 \$ 2,063,140	 \$ 2,066,162	 \$ 2,013,803
 Contributions as a percentage of covered-employee payroll	 2.01%	 1.79%	 2.95%	 3.52%	 8.17%	 5.50%

*Sixth year of implementation of GASB 74, therefore only six years of the ten required data is available.

*See notes to the required supplementary information
See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years*

Actuarial Methods and Assumptions:

Measurement Date	June 30, 2021
Actuarial Valuation Date	June 30, 2021 with no adjustments to get to the June 30, 2021 measurement date. Liabilities as of July 1, 2020 are based on an actuarial valuation date of July 1, 2019 projected to July 1, 2020 on a "no gain / loss" basis.
Discount Rate	5.50% as of July 1, 2020 and 4.90% as of June 30, 2021 for accounting and funding disclosure purposes. Refer to the Discussion of Discount Rate section for more information on the selection of the discount rate.
Payroll Growth	2.60% per year
Inflation Rate	2.60% per year
Cost Method	Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where: *Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and *Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.
Asset Valuation Method	Market Value
Employer Funding Policy	The District is expected to contribute the Actuarially Determined Contribution annually.
Census Date	Census information was provided by the District in October 2021. We have reviewed it for reasonableness and no material modifications were made to the census data.
Healthcare Coverage Election Rate	Active employees with current coverage: 100% Active employees with no coverage: 0% Inactive employees with current coverage: N/A Inactive employees with no coverage: N/A
Spousal Coverage	65% of active employees are assumed to be married and elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.
Mortality	Active and Retired Teachers and Principals: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2020
Disability	None
Turnover Rate	Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. The termination rates are based on the RI ERS actuarial valuation as of June 30, 2019. Sample rates are as shown below: YOS ERS 0 15.00% 5 3.83% 10 1.87% 15 1.23% 20 0.91% 24 0.76%

*See notes to the required supplementary information
See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Total OPEB liability						
Service cost	\$ 34,849	\$ 33,966	\$ 32,472	\$ 31,044	\$ 45,176	\$ 44,031
Interest on net OPEB liability and service cost	28,140	42,318	40,199	42,924	32,726	33,236
Differences between actual and expected experience	220,842	(321,174)	(19,492)	(102,667)	6,032	16,556
Changes of assumptions	(9,639)	(11,477)	-	10,324	(153,599)	-
Benefit payments, including refunds	<u>-</u>	<u>(4,511)</u>	<u>(27,483)</u>	<u>(37,587)</u>	<u>(97,704)</u>	<u>(110,777)</u>
Net change in total OPEB liability	274,192	(260,878)	25,696	(55,962)	(167,369)	(16,954)
Total OPEB liability - beginning	<u>476,794</u>	<u>737,672</u>	<u>711,976</u>	<u>767,938</u>	<u>935,307</u>	<u>952,261</u>
Total OPEB liability - ending	<u>\$ 750,986</u>	<u>\$ 476,794</u>	<u>\$ 737,672</u>	<u>\$ 711,976</u>	<u>\$ 767,938</u>	<u>\$ 935,307</u>
OPEB fiduciary net position						
Benefit payments, including refunds	\$ -	\$ (4,511)	\$ (27,483)	\$ (37,587)	\$ (97,704)	\$ (110,777)
Contributions - employer	40,800	38,511	62,483	72,587	168,761	110,777
Administrative expenses	(955)	-	-	-	-	-
Net investment income	<u>47,045</u>	<u>12,295</u>	<u>(5,031)</u>	<u>6,939</u>	<u>6,822</u>	<u>4,366</u>
Net change in plan fiduciary net position	86,890	46,295	29,969	41,939	77,879	4,366
Plan fiduciary net position - beginning	<u>286,685</u>	<u>240,390</u>	<u>210,421</u>	<u>168,482</u>	<u>90,603</u>	<u>86,237</u>
Plan fiduciary net position - ending	<u>\$ 373,575</u>	<u>\$ 286,685</u>	<u>\$ 240,390</u>	<u>\$ 210,421</u>	<u>\$ 168,482</u>	<u>\$ 90,603</u>
Plan's net pension liability - ending	<u>\$ 377,411</u>	<u>\$ 190,109</u>	<u>\$ 497,282</u>	<u>\$ 501,555</u>	<u>\$ 599,456</u>	<u>\$ 844,704</u>

*Sixth year of implementation of GASB 74, therefore only five years of the ten required data is available.

*See notes to the required supplementary information
See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years*

Actuarial Valuation Date	Fiduciary Net Position	Total OPEB Liability (TOL)	Net OPEB Liability (NOL)	Funded Ratio	Covered Payroll	NOL as a % of Covered Payroll
6/30/2021	373,575	750,986	377,411	49.74%	2,026,587	18.62%
6/30/2020	286,685	476,794	190,109	60.13%	2,150,555	8.84%
6/30/2019	240,390	737,672	497,282	32.59%	2,116,782	23.49%
6/30/2018	210,421	711,976	501,555	29.55%	2,063,140	24.31%
6/30/2017	168,482	767,938	599,456	21.94%	2,066,162	29.01%
6/30/2016	90,603	935,307	844,704	9.69%	2,013,803	41.95%

*Sixth year of implementation of GASB 74, therefore only five years of the ten required data is available.

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See independent auditors' report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Required Supplementary Information

Other Post-Employment Benefits - Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

Last Ten Years*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Annual money-weighted rate of return, net of investment expense	4.90%	6.49%	-2.39%	4.12%	5.80%

*Sixth year of implementation of GASB 74, therefore only five years of the ten required data is available.

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See independent auditors' report*

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Other Supplementary Information

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Budgetary Comparison Schedule - Sewer Enterprise Fund

For the Year Ended June 30, 2021

	Original Budget	Additional	Total		Variance
	As	Appropriations	Available	Actual	Favorable
	Adopted	and Transfers			(Unfavorable)
Revenue					
Charges for services	\$ 1,070,136	\$ -	\$ 1,070,136	\$ 1,437,060	\$ 366,924
Interest income	10,000	-	10,000	13,992	3,992
Miscellaneous	357,114	-	357,114	71,755	(285,359)
Total revenue	<u>1,463,970</u>	<u>-</u>	<u>1,463,970</u>	<u>1,522,807</u>	<u>58,837</u>
Expenses					
Personnel services	358,648	-	358,648	367,871	(9,223)
Purchase of services	276,400	-	276,400	222,571	53,829
Supplies	107,300	-	107,300	152,401	(45,101)
Other charges and expenditures	98,200	-	98,200	62,886	35,314
Capital outlay	91,720	-	91,720	-	91,720
Debt service	127,820	-	127,820	127,462	358
Depreciation	377,163	-	377,163	378,539	(1,376)
Total expenses	<u>1,437,251</u>	<u>-</u>	<u>1,437,251</u>	<u>1,311,730</u>	<u>125,521</u>
Excess(deficiency) of revenues over expenses	<u>26,719</u>	<u>-</u>	<u>26,719</u>	<u>211,077</u>	<u>184,358</u>
Other financing sources (uses):					
Transfers between funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenses and other uses	<u>\$ 26,719</u>	<u>\$ -</u>	<u>\$ 26,719</u>	<u>211,077</u>	<u>\$ 184,358</u>
Adjustments of budgetary basis for US GAAP basis				<u>49,879</u>	
Excess of revenues and other source over expenditures and other financing uses, US GAAP basis				<u>260,956</u>	
Fund balance, July 1, 2020				<u>5,874,772</u>	
Fund balance, June 30, 2021				<u>\$ 6,085,849</u>	

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Budgetary Comparison Schedule - Water Enterprise Fund

For the Year Ended June 30, 2021

	Original Budget As Adopted	Additional Appropriations and Transfers	Total Available	Actual	Variance Favorable (Unfavorable)
Revenues:					
Charges for services	\$ 564,914	\$ -	\$ 564,914	\$ 958,994	\$ 394,080
Interest income	5,000	-	5,000	10,001	5,001
Miscellaneous	8,000	-	8,000	1,505,551	1,497,551
	<u>577,914</u>	<u>-</u>	<u>577,914</u>	<u>2,474,546</u>	<u>1,896,632</u>
Expenses:					
Purchase of services	131,856	-	131,856	156,198	(24,342)
Supplies	27,000	-	27,000	22,885	4,115
Other charges and expenditures	51,750	-	51,750	41,198	10,552
Depreciation	185,488	-	185,488	186,908	(1,420)
Debt service	104,825	-	104,825	104,315	510
	<u>779,880</u>	<u>-</u>	<u>779,880</u>	<u>766,884</u>	<u>12,996</u>
Excess(deficiency) of revenues over expenses	(201,966)	-	(201,966)	1,707,662	1,909,628
Other financing sources (uses):					
Contributions from Reserves	201,966	-	201,966	-	(201,966)
Excess (deficiency) of revenues and other sources over expenses and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,707,662</u>	<u>\$ 1,707,662</u>
Adjustments of budgetary basis for US GAAP basis				<u>58,038</u>	
Excess of revenue and other source over expenditures and other financing uses, US GAAP basis				<u>1,765,700</u>	
Fund balance, July 1, 2020				<u>3,596,256</u>	
Fund balance, June 30, 2021				<u>\$ 5,303,918</u>	

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Notes to Supplementary Information

For the Year Ended June 30, 2021

The previous budgetary comparison pages are held on the budgetary basis of accounting. The following schedule provide a reconciliation from the budgetary basis of accounting to the GAAP basis of accounting.

	Sewer Enterprise Fund	Water Enterprise Fund
Excess (deficiency) of revenues and other sources over expenditures/expenses and other uses (Non-GAAP Budgetary Basis)	\$ 211,077	\$ 1,765,700
Budgeted debt principal not considered an expense on full accrual statements	<u>49,879</u>	<u>58,038</u>
Excess (deficiency) of revenues and other sources over expenditures/expenses and other uses (GAAP Basis)	<u><u>\$ 260,956</u></u>	<u><u>\$ 1,707,662</u></u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Tax Collector's Annual Report

For the Year Ended June 30, 2021

Real estate and personal property tax receivable:

Tax Roll Year	Balance July 1, 2020	Assessment	Abatements Refunds	Tranfers/ Adjustments	Amount to be collected	Collections	Balance June 30, 2021	FY 2021 Cash Collections Summary			July - August 2021 (FY 22) Cash Collections Subject to 60-day FY 21 Accrual
								July - August 2020 Collections Subject to 60-day FY20 Accrual	September - June-21 Collections	Total FY 2021 Cash Collections	
2020		\$ 10,787,342	\$ 920	\$ (10,584)	\$10,777,678	\$10,594,502	\$ 183,176		10,594,502	10,594,502	\$ 80,540
2019	258,431	-	5,368	(3,516)	260,283	213,402	46,881	-	213,402	213,402	9,805
2018	38,323	-	-	-	38,323	13,604	24,719	96,277	(82,673)	13,604	-
2017	27,041	-	-	-	27,041	3,907	23,134	5,368	(1,461)	3,907	-
2016	1,353	-	-	-	1,353	273	1,080	33	240	273	-
2015	3,558	-	-	-	3,558	279	3,279	-	279	279	-
2014	1,087	-	-	-	1,087	89	998	-	89	89	-
2013	740	-	-	-	740	-	740	-	-	-	-
2012	652	-	-	(14)	638	-	638	-	-	-	-
2011	797	-	-	(737)	60	-	60	-	-	-	-
2010	106	-	-	-	106	-	106	-	-	-	-
2009	152	-	-	-	152	-	152	-	-	-	-
2008	169	-	-	-	169	-	169	-	-	-	-
2007	50	-	-	-	50	-	50	-	-	-	-
2006	152	-	-	-	152	-	152	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-
2004	39	-	-	-	39	-	39	-	-	-	-
2003 and prior	5,792	-	-	-	5,792	-	5,792	-	-	-	-
	<u>\$ 338,442</u>	<u>\$ 10,787,342</u>	<u>\$ 6,288</u>	<u>\$ (14,851)</u>	<u>\$11,117,221</u>	<u>\$10,826,056</u>	<u>\$ 291,165</u>	<u>\$ 101,678</u>	<u>\$10,724,378</u>	<u>\$ 10,826,056</u>	<u>\$ 90,345</u>
Less: Allowance for Uncollectible accounts	<u>40,000</u>						<u>40,000</u>				
	<u>\$ 298,442</u>						<u>\$ 251,165</u>				

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Tax Collector's Annual Report

For the Year Ended June 30, 2021

Schedule of property valuation assessed as of December 31, 2020:

	<u>Valuation</u>	<u>Levy</u>
Real property	1,681,518,442	10,603,743
Motor vehicles	13,998,242	82,347
Tangible personal property	<u>15,905,641</u>	<u>101,252</u>
Total	1,711,422,325	10,787,342
Less: Exemptions and motor vehicle phase out		
Real property	(14,263,537)	-
Motor vehicles	(5,548,135)	-
Tangible personal property	<u>-</u>	<u>-</u>
Total	<u><u>1,691,610,653</u></u>	<u><u>10,787,342</u></u>

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 10,826,056
60-day FY20 Accrual	90,345
<i>July-August 2021 Collections</i>	
60-day FY19 Accrual	<u>(101,678)</u>
<i>July-August 2020 Collections</i>	
Current Year Property Tax Revenue	<u><u>\$ 10,814,723</u></u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2021

	Special Revenue	Capital Projects	Permanent Trust Funds	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 963,811	\$ 508,920	\$ 242,527	\$ 1,715,258
Investments	26,593	-	-	26,593
Federal and state grants receivable	400	626,842	-	627,242
Due from other funds	-	1,911,322	7,050	1,918,372
Total assets	<u>990,804</u>	<u>3,047,084</u>	<u>249,577</u>	<u>4,287,465</u>
Deferred outflows of resources				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 990,804</u>	<u>\$ 3,047,084</u>	<u>\$ 249,577</u>	<u>\$ 4,287,465</u>
Liabilities				
Accounts payable and accrued expenses	\$ 4,380	\$ 41,624	\$ -	\$ 46,004
Short-Term Debt	-	-	-	\$ -
Due to other funds	868	2,478,928	-	2,479,796
Total liabilities	<u>5,248</u>	<u>2,520,552</u>	<u>-</u>	<u>2,525,800</u>
Deferred inflows of resources				
Deferred revenue	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	-	249,577	249,577
Assigned	985,652	508,478	-	1,494,130
Unassigned	(96)	18,054	-	17,958
Total fund balance	<u>985,556</u>	<u>526,532</u>	<u>249,577</u>	<u>1,761,665</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 990,804</u>	<u>\$ 3,047,084</u>	<u>\$ 249,577</u>	<u>\$ 4,287,465</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Permanent Trust Funds</u>	<u>Total Non-Major Governmental Funds</u>
Revenues				
Other revenue	\$ 293,329	\$ 396,616	\$ 7,050	\$ 696,995
Investment income	952	-	982	1,934
Total revenue	<u>294,281</u>	<u>396,616</u>	<u>8,032</u>	<u>698,929</u>
Expenditures				
Recreation, library, and other	41,497	175	-	41,672
Public infrastructure	-	694,798	-	694,798
Economic development	<u>17,599</u>	<u>47,871</u>	<u>-</u>	<u>65,470</u>
Total Expenditures	<u>59,096</u>	<u>742,844</u>	<u>-</u>	<u>801,940</u>
Excess (deficiency) of revenues over expenditures	235,185	(346,228)	8,032	(103,011)
Other financing sources (uses)				
Bond proceeds	-	1,500,000	-	1,500,000
Sale of Asset	1,460,011			1,460,011
Transfers in	11,669	-	-	11,669
Transfers out	<u>(195,052)</u>	<u>(18,330)</u>	<u>-</u>	<u>(213,382)</u>
Total other financing sources (uses)	<u>1,276,628</u>	<u>1,481,670</u>	<u>-</u>	<u>2,758,298</u>
Excess of revenue and other sources over expenditures and other uses	1,511,813	1,135,442	8,032	2,655,287
Fund balance, July 1, 2020	<u>(526,257)</u>	<u>(608,910)</u>	<u>241,545</u>	<u>(893,622)</u>
Fund balance, June 30, 2021	<u>\$ 985,556</u>	<u>\$ 526,532</u>	<u>\$ 249,577</u>	<u>\$ 1,761,665</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2021

	Special Revenue Funds				
	<u>Landing Fees</u>	<u>BICEP - RLO Fund</u>	<u>OHTF - RLO Fund</u>	<u>BIHB - RLO Fund</u>	<u>Library Fund</u>
Assets:					
Cash and cash equivalents	\$ 132,875	\$ 372	\$ 88,911	\$ 622,798	\$ 118,855
Investments	-	-	-	-	26,593
Federal and state grants receivable	-	400	-	-	-
Due from other funds	-	-	-	-	-
Total assets	<u>132,875</u>	<u>772</u>	<u>88,911</u>	<u>622,798</u>	<u>145,448</u>
Deferred Outflows of Resources					
None	-	-	-	-	-
Total outflows of resources and assets	<u>132,875</u>	<u>772</u>	<u>88,911</u>	<u>622,798</u>	<u>145,448</u>
Liabilities:					
Retainage payable	-	-	-	4,076	-
Accounts payable and accrued expenses	-	-	-	-	304
Due to other funds	-	868	-	-	-
Total liabilities	<u>-</u>	<u>868</u>	<u>-</u>	<u>4,076</u>	<u>304</u>
Deferred Inflows of Resources					
Unearned Revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:					
Assigned	132,875	-	88,911	618,722	145,144
Unassigned	-	(96)	-	-	-
Total fund balances (deficits)	<u>132,875</u>	<u>(96)</u>	<u>88,911</u>	<u>618,722</u>	<u>145,144</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 132,875</u>	<u>\$ 772</u>	<u>\$ 88,911</u>	<u>\$ 622,798</u>	<u>\$ 145,448</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2021

	Capital Projects Fund					
	Sidewalk Const Fund	Roads Const Fund	PW Infrastructure	Beach Construction	West Beach Construction	Thomas Prop Construction
Assets:						
Cash and cash equivalents	\$ -	\$ -	\$ 508,920	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Federal and state grants receivable	570,365	-	-	-	56,477	-
Due from other funds	-	-	-	240,000	171,322	1,500,000
Total assets	570,365	-	508,920	240,000	227,799	1,500,000
Deferred Outflows of Resources						
None	-	-	-	-	-	-
Total outflows of resources and assets	570,365	-	508,920	240,000	227,799	1,500,000
Liabilities:						
Retainage payable	9,775	31,849	-	-	-	-
Accounts payable and accrued expenses	-	-	-	-	-	-
Due to other funds	665,610	657,514	18,330	222,112	250,033	665,329
Total liabilities	675,385	689,363	18,330	222,112	250,033	665,329
Deferred Inflows of Resources						
Unearned Revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances:						
Assigned	-	-	490,590	17,888	-	-
Unassigned	(105,020)	(689,363)	-	-	(22,234)	834,671
Total fund balances (deficits)	(105,020)	(689,363)	490,590	17,888	(22,234)	834,671
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 570,365	\$ -	\$ 508,920	\$ 240,000	\$ 227,799	\$ 1,500,000

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet – Non-Major Governmental Funds

June 30, 2021

	Cemetery Funds
Assets:	
Cash and cash equivalents	\$ 242,527
Due from other funds	7,050
	249,577
Total assets	-
Deferred Outflows of Resources	
None	-
	-
Total outflows of resources and assets	249,577
Liabilities:	
Warrants Payable	-
	-
Total liabilities	-
	-
Deferred Inflows of Resources	
Unearned Revenue	-
	-
Total deferred inflows of resources	-
Fund balances nonspendable	249,577
	249,577
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 249,577

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

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

For the Year Ended June 30, 2021

	Special Revenue				
	Landing Fees	BICEP - RLO Fund	OHTF - RLO Fund	BIHB - RLO Fund	Library Fund
Revenues:					
State grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	23	428	501
Other	135,144	-	20,782	1,586,368	11,046
Total revenues	135,144	-	20,805	1,586,796	11,547
Expenditures:					
Culture & recreation	-	-	11,857	23,522	6,118
Economic development	-	10	-	17,589	-
Public infrastructure	-	-	-	-	-
Total expenditures	-	10	11,857	41,111	6,118
Excess (deficiency) of revenue over expenditures	135,144	(10)	8,948	1,545,685	5,429
Other financing sources (uses):					
Bond proceeds	-	-	-	-	-
Transfers In	-	-	-	-	11,669
Transfers Out	(183,383)	-	-	-	(11,669)
Excess (deficiency) of revenues and other sources over expenditures and other uses	(48,239)	(10)	8,948	1,545,685	5,429
Fund Balance, July 1, 2020	181,114	(86)	79,963	(926,963)	139,715
Fund Balance, June 30, 2021	<u>\$ 132,875</u>	<u>\$ (96)</u>	<u>\$ 88,911</u>	<u>\$ 618,722</u>	<u>\$ 145,144</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

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

For the Year Ended June 30, 2021

	Capital Projects					
	Sidewalk Const Fund	Roads Const Fund	PW Infrastructure	Beach Construction	West Beach Construction	Thomas Prop Construction
Revenues:						
State grants	\$ 396,616	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>396,616</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:						
Culture & recreation	-	-	-	-	175	-
Economic development	40,671	-	-	-	-	7,200
Public infrastructure	-	689,363	-	-	-	5,435
Total expenditures	<u>40,671</u>	<u>689,363</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>12,635</u>
Excess (deficiency) of revenue over expenditures	355,945	(689,363)	-	-	(175)	(12,635)
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	1,500,000
Transfers In	-	-	-	-	-	-
Transfers Out	-	-	(18,330)	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>355,945</u>	<u>(689,363)</u>	<u>(18,330)</u>	<u>-</u>	<u>(175)</u>	<u>1,487,365</u>
Fund Balance, July 1, 2020	<u>(460,965)</u>	<u>-</u>	<u>508,920</u>	<u>17,888</u>	<u>(22,059)</u>	<u>(652,694)</u>
Fund Balance, June 30, 2021	<u>\$ (105,020)</u>	<u>\$ (689,363)</u>	<u>\$ 490,590</u>	<u>\$ 17,888</u>	<u>\$ (22,234)</u>	<u>\$ 834,671</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

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

For the Year Ended June 30, 2021

	<u>Cemetery Funds</u>
Revenues:	
Federal grants	\$ -
Investment income	982
Other	<u>7,050</u>
	.
Total revenues	<u>8,032</u>
Expenditures:	
General government	<u>-</u>
Total expenditures	<u>-</u>
Excess (deficiency) of revenue over expenditures	8,032
Excess (deficiency) of revenues and other sources over expenditures and other uses	8,032
Fund Balance, Unassigned June 30, 2020	<u>241,545</u>
Fund Balance, Unassigned June 30, 2021	<u>\$ 249,577</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - School Department

June 30, 2021

	School Restricted				Total School Department Funds
	School Unrestricted	School Special Revenue	Capital Projects	School Lunch	
Assets					
Cash and cash equivalents	\$ (56,959)	\$ 62,028	\$ -	\$ 11,941	\$ 17,010
Receivables, other	9,919	-	-	-	9,919
Due from state and federal government	6,750	17,079	-	-	23,829
Due from Town of New Shoreham	77,182	-	-	8,184	85,366
Due from other funds	844,638	22,410	-	5,960	873,008
Total assets	881,530	101,517	-	26,085	1,009,132
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 881,530	\$ 101,517	\$ -	\$ 26,085	\$ 1,009,132
Liabilities					
Accounts payable and accrued expenses	\$ 422,250	\$ -	\$ -	\$ 7,532	\$ 429,782
Due to other funds	3,800	75,462	-	18,553	97,815
Total liabilities	426,050	75,462	-	26,085	527,597
Deferred inflows of resources					
Deferred Revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund balances					
Restricted	-	26,055	-	-	26,055
Assigned	455,480	-	-	-	455,480
Total fund balance	455,480	26,055	-	-	481,535
Total liabilities, deferred inflows of resources, and fund balance	\$ 881,530	\$ 101,517	\$ -	\$ 26,085	\$ 1,009,132

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Statement of Revenues, Expenditures and
 Changes in Fund Balances - School Department

For the Year Ended June 30, 2021

	School Restricted				Total School Department Funds
	School Unrestricted	School Special Revenue	Capital Projects	School Lunch	
Revenues					
Federal and state grant income	\$ 177,909	\$ 99,425	\$ 14,400	\$ -	\$ 291,734
Medicaid reimbursement	17,223	-	-	-	17,223
Charges for services	-	12,083	-	51,607	63,690
Other revenue	-	16,340	-	-	16,340
State contribution to teachers' pension plan	249,319	-	-	-	249,319
Total revenue	444,451	127,848	14,400	51,607	638,306
Expenditures					
Education	5,542,033	163,091	55,156	66,342	5,826,622
Total Expenditures	5,542,033	163,091	55,156	66,342	5,826,622
Excess (deficiency) of revenues over expenditures	(5,097,582)	(35,243)	(40,756)	(14,735)	(5,188,316)
Other financing sources (uses):					
Transfers in	5,172,384	-	40,756	14,735	5,227,875
Transfers out	(55,491)	-	-	-	(55,491)
Total other financing sources (uses)	5,116,893	-	40,756	14,735	5,172,384
Excess of revenue and other sources over expenditures and other uses	19,311	(35,243)	-	-	(15,932)
Fund balance, July 1, 2020, restated	436,169	61,298	-	-	497,467
Fund balance, June 30, 2021	\$ 455,480	\$ 26,055	\$ -	\$ -	\$ 481,535

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - School Restricted- Special Revenue

June 30, 2021

	<u>Reap Grant</u>	<u>Title III</u>	<u>Title IV</u>	<u>Title IIA</u>	<u>English Language</u>	<u>RTTT</u>	<u>Champlin Foundation Grant</u>
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	248	-	-	-	-	16,340
Due from state or federal government	9,325	-	1,526	-	39	-	-
Total assets	<u>9,325</u>	<u>248</u>	<u>1,526</u>	<u>-</u>	<u>39</u>	<u>-</u>	<u>16,340</u>
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ 9,325</u>	<u>\$ 248</u>	<u>\$ 1,526</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 16,340</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Due to other funds	9,325	248	1,526	-	39	2	-
Total liabilities	<u>9,325</u>	<u>248</u>	<u>1,526</u>	<u>-</u>	<u>39</u>	<u>2</u>	<u>-</u>
Deferred Inflows of Resources							
None	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance							
Restricted	-	-	-	-	-	-	16,340
Unassigned	-	-	-	-	-	(2)	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 9,325</u>	<u>\$ 248</u>	<u>\$ 1,526</u>	<u>\$ -</u>	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ 16,340</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - School Restricted- Special Revenue

June 30, 2021

	CARES Act ESSER	CARES Act Supplemental Impact Education Aid	CARES Act Substitute Teacher	CARES Act Take it Outside	CARES Act ESSER II Priority 1&2
Assets					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-
Due from state or federal government	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Outflows of Resources					
None	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-
Due to other funds	-	-	-	-	52,802
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,802</u>
Deferred Inflows of Resources					
None	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance					
Restricted					
Unassigned	-	-	-	-	(52,802)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - School Restricted- Special Revenue

June 30, 2021

	Title I	School Based	IDEA	IDEA		School	Student
	Part A	HIV / STD	Part B	Preschool	Cafeteria	Lunch	Activities
		Prevention					
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,941	62,028
Due from other funds	-	-	-	-	-	8,184	491
Due from state or federal government	-	-	10,013	1,507	-	5,960	-
Total assets	-	-	10,013	1,507	-	26,085	62,519
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ -	\$ -	\$ 10,013	\$ 1,507	\$ -	\$ 26,085	\$ 62,519
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,532	\$ -
Deferred Revenue	-	-	-	-	-	-	-
Due to other funds	-	-	10,013	1,507	-	18,553	-
Total liabilities	-	-	10,013	1,507	-	26,085	-
Deferred Inflows of Resources							
None	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-
Fund Balance							
Restricted	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	62,519
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ -	\$ 10,013	\$ 1,507	\$ -	\$ 26,085	\$ 62,519

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - School Restricted- Capital Projects

June 30, 2021

	School Improvements
Assets:	
Cash & Cash Equivalents	-
Total assets	-
Deferred Outflows of Resources:	
None	-
Total deferred outflows of resources	-
Liabilities:	
Accounts Payable	-
Total liabilities	-
Deferred Inflows of Resources:	
None	-
Total deferred inflows of resources	-
Fund Balances:	
Unassigned	-
Total fund balances (deficits)	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	-

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Reap Grant	Title III	Title IV	Title IIA	English Language	RISCA	Champlin Foundation Grant
Revenues							
Federal grant income	\$ 16,174	\$ 640	\$ 4,979	\$ 3,000	\$ -	\$ -	\$ -
State grant income	-	-	-	-	39	-	-
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	16,340
Total revenues	<u>16,174</u>	<u>640</u>	<u>4,979</u>	<u>3,000</u>	<u>39</u>	<u>-</u>	<u>16,340</u>
Expenditures							
Education	<u>16,174</u>	<u>640</u>	<u>4,979</u>	<u>3,000</u>	<u>39</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>16,174</u>	<u>640</u>	<u>4,979</u>	<u>3,000</u>	<u>39</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-	16,340
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-	16,340
Fund balance, July 1, 2020	-	-	-	-	-	(2)	-
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ 16,340</u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	CARES Act ESSER	CARES Act Supplemental Impact Education Aid	CARES Act Substitute Teacher	CARES Act Take it Outside	CARES Act ESSER II Priority 1&2
Revenues					
Federal grant income	\$ 12,538	\$ 15,027	\$ 7,448	\$ 7,500	\$ -
State grant income	-	-	-	-	-
Charges for services	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	12,538	15,027	7,448	7,500	-
Expenditures					
Education	12,538	15,027	7,448	7,500	52,802
Total Expenditures	12,538	15,027	7,448	7,500	52,802
Excess (deficiency) of revenue over expenditures	-	-	-	-	(52,802)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers (out)	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	(52,802)
Fund balance, July 1, 2020	-	-	-	-	-
Fund balance, June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ (52,802)

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Title I Part A	School Based HIV / STD Prevention	IDEA Part B	IDEA Part B	RI Energy Resources	School Lunch	Student Activities
Revenues							
Federal grant income	\$ 5,084	\$ -	\$ 25,489	\$ 1,507	\$ -	\$ -	\$ -
State grant income	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	51,607	12,083
Other	-	-	-	-	-	-	-
Total revenues	5,084	-	25,489	1,507	-	51,607	12,083
Expenditures							
Education	5,084	-	25,489	1,507	-	66,342	10,864
Total Expenditures	5,084	-	25,489	1,507	-	66,342	10,864
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	(14,735)	1,219
Other financing sources (uses)							
Transfers in	-	-	-	-	-	14,735	-
Transfers (out)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-	1,219
Fund balance, July 1, 2020	-	-	-	-	-	-	61,300
Fund balance, June 30, 2021	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 62,519

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances - School Restricted Fund-Capital Projects

For the Year Ended June 30, 2021

	School Improvements
Revenues:	
Federal and State Grants	\$ 14,400
Total revenues	<u>14,400</u>
Expenditures:	
Education	<u>55,156</u>
Total expenditures	<u>55,156</u>
Excess (deficiency) of revenue over expenditures	(40,756)
Other financing sources (uses):	
Transfer in	<u>40,756</u>
Total other financing sources (uses)	<u>40,756</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-
Beginning fund balances, July 1, 2020	<u>-</u>
Ending fund balances, June 30, 2021	<u><u>\$ -</u></u>

See independent auditors' report

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue
Annual Supplemental Transparency Report (MTP2) – Expenditures
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education Department
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

REVENUE	Municipal	Education Department
Current Year Levy Tax Collection	\$ 10,556,929	\$ -
Last Year's Levy Tax Collection	213,402	-
Prior Years Property Tax Collection	(2,435)	-
Interest & Penalty	57,124	-
PILOT & Tax Treaty (excluded from levy) Collection	20,550	-
Other Local Property Taxes	-	-
Licenses and Permits	679,295	-
Fines and Forfeitures	17,833	-
Investment Income	6,232	-
Departmental	1,801,594	-
Rescue Run Revenue	-	-
Police & Fire Detail	21,975	-
Other Local Non-Property Tax Revenues	195,973	-
Tuition	-	-
Impact Aid	-	-
Medicaid	-	17,223
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	49,313
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	59,000	56,872
COVID - ESSER	-	12,538
COVID - CRF	70,781	29,975
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	51,918	-
COVID - ARPA	-	-
MV Excise Tax Reimbursement	6,910	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	90,133	-
Library Construction Aid	63,008	-
Public Service Corporation Tax	10,909	-
Meals & Beverage Tax / Hotel Tax	954,711	-
LEA Aid	-	177,909
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	227,582	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	44,935	14,881
Motor Vehicle Phase Out	19,775	-
Other Revenue	707,067	30,276
Local Appropriation for Education	-	5,172,384
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 15,875,201	\$ 5,561,371
Financing Sources: Transfer from Capital Funds	\$ 201,713	\$ -
Financing Sources: Transfer from Other Funds	74,662	-
Financing Sources: Debt Proceeds	1,317,736	-
Financing Sources: Other	1,460,011	-
Rounding	-	-
Total Other Financing Sources	\$ 3,054,122	\$ -

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

<u>EXPENDITURES</u>	<u>General</u> <u>Government</u>	<u>Finance</u>	<u>Social</u> <u>Services</u>	<u>Centralized</u> <u>IT</u>	<u>Planning</u>	<u>Libraries</u>	<u>Public</u> <u>Works</u>	<u>Parks and</u> <u>Rec</u>	<u>Police</u> <u>Department</u>
Compensation- Group A	\$ 485,023	\$ 271,350	\$ 15,920	\$ -	\$ 227,599	\$ 222,106	\$ 492,878	\$ 167,791	\$ 664,667
Compensation - Group B	-	-	-	-	-	-	-	-	24,562
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	8,825	1,828	-	-	726	-	13,836	882	99,860
Overtime - Group B	-	-	-	-	-	-	-	-	271
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	42,795
Active Medical Insurance - Group A	88,992	53,818	-	-	61,841	58,827	96,906	25,707	97,296
Retiree Medical Insurance - Group A	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	7,658	3,242	-	-	4,270	3,729	5,283	1,440	5,608
Retiree Dental insurance- Group A	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
Payroll Taxes	38,415	21,273	1,218	-	17,741	17,415	38,311	13,055	59,251
Life Insurance	2,231	1,475	-	-	1,183	1,219	2,018	530	-
State Defined Contribution- Group A	4,850	2,714	-	-	2,276	2,221	3,660	978	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	3,750	-	-	-	-	-	-	-	-
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	35,213	19,700	-	-	16,524	16,125	26,568	7,098	33,983
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	8,476	4,888	-	-	5,564	5,408	8,684	1,976	5,876
Qualified Trust OPEB Contribution- Group A	-	-	-	-	-	-	-	-	-
Qualified Trust OPEB Contribution- Group B	-	-	-	-	-	-	-	-	-
Qualified Trust OPEB Contribution- Group C	-	-	-	-	-	-	-	-	-
Qualified Trust OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Purchased Services	284,052	(32,064)	-	126,946	104,897	25,038	88,348	27,553	40,921
Materials/Supplies	11,005	6,033	10	7,733	4,898	17,259	18,164	457	7,510
Software Licenses	-	-	-	104,808	-	-	-	-	-
Capital Outlays	14,540	-	-	27,406	-	36,168	126,066	18,330	17,778
Insurance	266,631	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	36,666	354,300	64,475	16,815
Vehicle Operations	-	-	-	-	-	-	-	1,000	25,843
Utilities	50,985	-	-	-	-	27,071	123,449	253	9,921
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	5,548	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	1,225	-	-
Trash Removal & Recycling	-	-	-	-	-	-	77,828	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	648,185	-	-	-	-	-	-	-	-
Other Operation Expenditures	528,695	38,221	23,243	20,825	13,831	53,863	96,904	50,157	71,398
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	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,487,526	\$ 392,478	\$ 40,391	\$ 287,718	\$ 461,350	\$ 523,115	\$ 1,579,976	\$ 381,682	\$ 1,224,355

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 197,019	\$ 700	\$ -	\$ -	\$ -	\$ 2,745,053	\$ 2,410,177
Compensation - Group B	-	-	-	-	-	-	24,562	338,153
Compensation - Group C	-	-	-	-	-	-	-	536,561
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime - Group A	-	9,468	-	-	-	-	135,425	-
Overtime - Group B	-	-	-	-	-	-	271	-
Overtime - Group C	-	-	-	-	-	-	-	2,728
Police & Fire Detail	-	-	-	-	-	-	42,795	-
Active Medical Insurance - Group A	-	58,857	-	-	-	-	542,244	374,255
Retiree Medical Insurance - Group A	-	-	-	-	-	-	-	-
Active Medical Insurance- Group B	-	-	-	-	-	-	-	34,460
Retiree Medical Insurance- Group B	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	113,461
Retiree Medical Insurance- Group C	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	3,490	-	-	-	-	34,720	22,399
Retiree Dental insurance- Group A	-	-	-	-	-	-	-	-
Active Dental Insurance- Group B	-	-	-	-	-	-	-	2,204
Retiree Dental Insurance- Group B	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	5,970
Retiree Dental Insurance- Group C	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
Payroll Taxes	-	16,161	-	-	-	-	222,840	251,203
Life Insurance	-	1,155	-	-	-	-	9,811	16,465
State Defined Contribution- Group A	-	1,970	-	-	-	-	18,669	13,985
State Defined Contribution - Group B	-	-	-	-	-	-	-	883
State Defined Contribution - Group C	-	-	-	-	-	-	-	4,410
Other Benefits- Group A	-	-	-	-	-	-	3,750	28,912
Other Benefits- Group B	-	-	-	-	-	-	-	2,823
Other Benefits- Group C	-	-	-	-	-	-	-	13,824
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	-	14,304	-	-	-	-	169,515	328,446
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	22,736
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	30,507
Other Defined Benefit / Contribution	-	3,198	-	-	-	-	44,070	-
Qualified Trust OPEB Contribution- Group A	-	-	-	-	-	-	-	40,800
Qualified Trust OPEB Contribution- Group B	-	-	-	-	-	-	-	-
Qualified Trust OPEB Contribution- Group C	-	-	-	-	-	-	-	-
Qualified Trust OPEB Contribution- Total	-	-	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-	665,691	532,152
Materials/Supplies	-	86	-	-	-	-	73,155	62,086
Software Licenses	-	-	-	-	-	-	104,808	13,962
Capital Outlays	160	-	8,000	-	-	-	248,448	104,948
Insurance	-	-	-	-	-	-	266,631	17,810
Maintenance	-	5,082	-	-	-	-	477,338	53,423
Vehicle Operations	-	-	-	-	-	-	26,843	11,457
Utilities	-	26,329	-	-	-	-	238,008	159,753
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	5,548	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	1,225	-
Trash Removal & Recycling	-	-	-	-	-	-	77,828	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	648,185	-
Other Operation Expenditures	-	6,227	2,025	-	-	-	905,389	26,353
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	5,172,384	-	-	5,172,384	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,291,999	-	1,291,999	-
Municipal Debt- Interest	-	-	-	-	786,082	-	786,082	-
School Debt- Principal	-	-	-	-	647,303	-	647,303	-
School Debt- Interest	-	-	-	-	95,078	-	95,078	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	40,800
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 160	\$ 343,346	\$ 10,725	\$ 5,172,384	\$ 2,820,462	\$ -	\$ 15,725,668	\$ 5,577,303

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	183,383	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 183,383	\$ -
Net Change in Fund Balance¹	3,020,272	(15,932)
Fund Balance¹ - beginning of year	\$5,090,290	\$436,169
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	61,298
Misc. Adjustment	(1,000,000)	-
Fund Balance¹ - beginning of year adjusted	4,090,290	497,467
Rounding	-	-
Fund Balance¹ - end of year	\$ 7,110,562	\$ 481,535

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

*See notes to the supplementary information
See independent auditor's report*

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance1	Beginning Fund Fund Balance1 (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance1 (Deficit)	Ending Fund Balance1 (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 5,090,290	-	\$ 5,090,290	
<i>Misc adj due to Housing Board fund incorrectly reflecting SIM source in FY20 MTP2</i>						(1,000,000)	-	(1,000,000)	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No funds subtracted for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 4,090,290</u>	<u>-</u>	<u>\$ 4,090,290</u>	
General Fund	\$ 15,592,467	\$ 1,594,111	\$ 10,500,306	\$ 5,172,384	\$ 1,513,888	\$ 4,756,263	\$ -	\$ 4,756,263	\$ 6,270,151
Landing Fee Fund	135,144	-	-	183,383	(48,239)	181,114	-	181,114	132,875
Prevention Task Force	-	-	10	-	(10)	(86)	-	(86)	(96)
Old Harbor Task Force	20,805	-	11,857	-	8,948	79,962	-	79,962	88,910
Housing Board	126,785	1,460,011	41,111	-	1,545,685	(926,963)	-	(926,963)	618,722
Totals per audited financial statements	<u>\$ 15,875,201</u>	<u>\$ 3,054,122</u>	<u>\$ 10,553,284</u>	<u>\$ 5,355,767</u>	<u>\$ 3,020,272</u>	<u>\$ 4,090,290</u>	<u>\$ -</u>	<u>\$ 4,090,290</u>	<u>\$ 7,110,562</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 5,172,384.00	\$ (5,172,384.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 15,875,201</u>	<u>\$ 3,054,122</u>	<u>\$ 15,725,668</u>	<u>\$ 183,383</u>	<u>\$ 3,020,272</u>	<u>\$ 4,090,290</u>	<u>\$ -</u>	<u>\$ 4,090,290</u>	<u>\$ 7,110,562</u>

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance1	Beginning Fund Fund Balance1 (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance1 (Deficit)	Ending Fund Balance1 (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 436,169	61,298	\$ 497,467	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 436,169</u>	61,298	<u>\$ 497,467</u>	
School Unrestricted Fund	\$ 444,451	\$ 5,172,384	\$ 5,542,033	\$ 55,491	\$ 19,311	\$ 436,169	\$ -	\$ 436,169	\$ 455,480
SBA School Capital Project Fund	14,400	40,756	55,156	-	-	-	-	-	-
School Special Revenue Funds	179,455	14,735	229,433	-	(35,243)	-	61,298	61,298	26,055
Totals per audited financial statements	<u>\$ 638,306</u>	<u>\$ 5,227,875</u>	<u>\$ 5,826,622</u>	<u>\$ 55,491</u>	<u>\$ (15,932)</u>	<u>\$ 436,169</u>	<u>\$ 61,298</u>	<u>\$ 497,467</u>	<u>\$ 481,535</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 5,172,384	\$ (5,172,384)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(249,319)	-	(249,319)	-	-	-	-	-	-
Transfers from Special Revenue funds not included on MTP or UCOA file	-	-	-	-	-	-	-	-	-
Transfers to Capital fund not included on MTP or UCOA file	-	(40,756)	-	(40,756)	-	-	-	-	-
Transfers to Special Revenue funds not included on MTP or UCOA file	-	(14,735)	-	(14,735)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 5,561,371</u>	<u>\$ -</u>	<u>\$ 5,577,303</u>	<u>\$ -</u>	<u>\$ (15,932)</u>	<u>\$ 436,169</u>	<u>\$ 61,298</u>	<u>\$ 497,467</u>	<u>\$ 481,535</u>
Reconciliation from MTP2 to UCOA									
OPEB trust fund activity included in UCOA but not in the MTP2	47,045		955						
	(4)		(1)						
Totals per UCOA Validated Totals Report	<u>\$ 5,608,412</u>		<u>\$ 5,578,257</u>						

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

TOWN OF NEW SHOREHAM, RHODE ISLAND

Supplementary Information Annual Supplemental Transparency Portal (MTP2)

For the Year Ended June 30, 2021

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

See independent auditors' report

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The Honorable First Warden and Members of the Town Council
Town of New Shoreham, Rhode Island
New Shoreham, Rhode Island

*Independent Auditor's 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*

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business activities, discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 5, 2021.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Handwritten signature in cursive script that reads "Hague, Sabady & Co. PC".

Fall River, Massachusetts
December 05, 2021