

TOWN OF LITTLE COMPTON, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021



TOWN OF LITTLE COMPTON, RHODE ISLAND

JUNE 30, 2021

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CERTIFIED PUBLIC ACCOUNTANTS
126 President Avenue
Fall River, MA 02720
TEL. (508) 675-7889
FAX (508) 675-7859
www.hague-sahady.com

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Little Compton, Rhode Island (the Town) as of and for the year ended June 30, 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.

Town of Little Compton, Rhode Island

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 aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Little Compton, Rhode Island, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of the Matter

During the year ended June 30, 2021, the Town adopted Government Accounting Standard 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 and Budgetary comparison schedule – General fund and School Unrestricted Fund, Pension related disclosures, and OPEB related disclosures, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Little Compton, Rhode Island’s basic financial statements. The supplementary schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Tax collector’s annual report, Combining Governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balance, and Annual Supplemental Transparency Report (MTP2) are the responsibility of management and were derived from and relates 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 Tax collector’s annual report, Combining Governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balance, and Annual Supplemental Transparency Report (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Town of Little Compton, Rhode Island

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2022 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Hague, Sahady & Co. PC

Fall River, Massachusetts
January 10, 2022

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

As management of the Town of Little Compton, Rhode Island (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal years ended June 30, 2021 (FY 2021) and 2020 (FY 2020). We encourage readers to consider the information presented here in conjunction with additional information found within the financial statements.

Financial Highlights

Government-Wide Financial Statements (Primary Government)

- The liabilities and deferred inflows of the Town exceeded its assets and deferred outflows as of June 30, 2021 by \$596,166 (net position). The Town realized an increase in its net position by \$1,238,410 in FY 21.
- The Town's net other post-employment (OPEB) liability increased from \$1,833,046 at the beginning of the current year to \$1,883,883 on June 30, 2021.
- The Town's total bonded debt as of June 30, 2021 was \$8,553,958 consisting of a \$8,380,000 school renovation revenue bond which included \$173,958 of bond premiums. During 2021, \$480,000 was paid in principal and \$395,897 was paid in interest on the bonds.

Governmental Fund Financial Statements:

- The General Fund assets plus deferred outflows of the Town exceeded its liabilities plus deferred inflows as of June 30, 2021 and 2020 by \$3,001,238 and \$2,525,543 respectively.
- The School's operating funds, assets plus deferred outflow, exceeded its liabilities plus deferred inflows as of June 30, 2021 and June 30, 2020 by \$269,940 and \$57,287, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-Wide and Fund Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private sector business. The statements provide both short-term and long-term information about the Town's financial position, which assists in assessing the Town's economic position at the end of the fiscal year. These are prepared using the economic resources measurement focus and the accrual basis of accounting. They take into account all revenues recognized and expenses incurred even if the cash has not been received or paid.

The government-wide financial statements include two statements:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide and Fund Financial Statements (continued)

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

Government-Wide and Fund Financial Statements

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Governmental Funds (continued)

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

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

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

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

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

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

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

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

Fiduciary Funds

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

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

Custodial Funds - these funds report resources held in a purely custodial capacity for individuals, private organizations, or other governments.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Notes to the Financial Statements

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

Other Information

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

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, liabilities plus deferred inflows exceeded assets plus deferred inflows by \$596,166 and (\$667,877) as of June 30, 2021 and 2020, respectively.

At June 30, 2021, one of the largest portions of the Town's total net position reflects its investment in capital assets (e.g., land, construction in progress, land improvements, infrastructure, building and improvements, office equipment, computer equipment and software, vehicles, machinery and equipment, and textbooks and library books), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its residents; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide Financial Analysis (continued):

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

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>
Assets			
Current assets	\$ 5,229,003	\$ 4,257,234	\$ 971,769
Long-term assets	<u>13,077,411</u>	<u>13,708,163</u>	<u>(630,752)</u>
Total assets	<u>18,306,414</u>	<u>17,965,397</u>	<u>341,017</u>
Deferred Outflows of Resources			
Deferred outflows of resources	<u>3,014,136</u>	<u>2,562,928</u>	<u>451,208</u>
Total deferred outflows of resources	<u>3,014,136</u>	<u>2,562,928</u>	<u>451,208</u>
Liabilities			
Current liabilities	1,175,216	1,308,386	(133,170)
Long-term liabilities	<u>16,444,904</u>	<u>17,981,905</u>	<u>(1,537,001)</u>
Total liabilities	<u>17,620,120</u>	<u>19,290,291</u>	<u>(1,670,171)</u>
Deferred Inflows of Resources			
Deferred inflows of resources	<u>3,104,265</u>	<u>1,905,911</u>	<u>1,198,354</u>
Total deferred inflows of resources	<u>3,104,265</u>	<u>1,905,911</u>	<u>1,198,354</u>
Net Position			
Net investment in capital assets	3,528,787	3,654,571	(125,784)
Restricted	788,610	629,302	159,308
Unrestricted	<u>(3,721,231)</u>	<u>(4,951,750)</u>	<u>1,230,519</u>
Total net position	<u>\$ 596,166</u>	<u>\$ (667,877)</u>	<u>\$ 1,264,043</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide Financial Analysis (continued)

As of June 30, 2021, and 2020, cash and investments totaled \$3,910,223 and \$2,986,181 respectively, for the primary government.

The Town's net position increased by \$1,238,410 in 2021 and increased by \$974,674 in 2020.

The majority of general revenues are tax collections from the Town's taxpayers, which represents 81.4% and 81.1% of total revenues for fiscal years 2021 and 2020, respectively.

The Town's most significant expense is education, which in 2021 represented 54% of total expenses, followed by public safety and general governmental services at 31%.

	Changes in Net Position Primary Government		\$ Change
	2021	2020	
Revenues			
Program Revenues:			
Charges for services	\$ 1,221,748	\$ 817,684	\$ 404,064
Operating grants & contributions	836,824	1,006,417	(169,593)
Capital grants & contributions	27,917	175,000	(147,083)
General Revenues:			
Real estate & property taxes, net	13,163,468	12,970,986	192,482
Motor vehicle phase-out	33,750	74,338	(40,588)
General state aid	397,611	913,059	(515,448)
Meal tax	59,795	78,850	(19,055)
Telephone tax	43,654	44,379	(725)
Earnings on investments	3,463	9,187	(5,724)
Miscellaneous	511,775	19,713	492,062
Total revenue	<u>16,300,005</u>	<u>16,109,613</u>	<u>190,392</u>
Expenses			
General government	2,486,845	2,571,623	(84,778)
Finance administration	152,691	125,651	27,040
Public safety	2,133,630	1,993,391	140,239
Education	8,137,670	8,374,008	(236,338)
Public works	635,587	701,320	(65,733)
Transfer station	242,213	173,261	68,952
Parks, recreation, and other services	605,196	536,847	68,349
State contribution to teachers pension plan	300,430	280,954	19,476
Interest on debt	367,333	377,884	(10,551)
Total expenses	<u>15,061,595</u>	<u>15,134,939</u>	<u>(73,344)</u>
Increase(decrease) in net position	1,238,410	974,674	263,736
Net position-beginning of year, restated	(642,244)	(1,642,551)	1,000,307
Net position-end of year	<u>\$ 596,166</u>	<u>\$ (667,877)</u>	<u>\$ 1,264,043</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Government-Wide Financial Analysis (continued)

Component Unit. The assets plus deferred outflows of the Town's Component Unit, the Agricultural Trust, exceeded its liabilities plus deferred inflows by \$35,181,523. Net position, net of investment in capital assets, comprises \$30,557,746, or 86.8% of total net position. The remaining balance of net position of the Agricultural Trust, totaling \$4,623,777, is unrestricted.

Financial Analysis of Governmental Funds

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

As of June 30, 2020, the Town's governmental funds reported combined fund balances of \$4,318,238 of which \$3,148,498 constitutes unassigned fund balance, which is available for spending at the Town's discretion, \$249,572 constitutes assigned fund balance, which has been designated by the Town Council for specific purposes. \$0 is committed by Town Council toward the FY22 budget, \$793,978 is restricted by outside parties to be used for specific purposes. The remainder of the fund balance is non-spendable, representing amounts legally required to be maintained intact, non-spendable inventory or prepaid items.

The General Fund had a fund balance of \$3,001,238 and \$2,525,543 at June 30, 2021 and 2020, respectively. The School's Unrestricted fund balance is \$269,940 and \$57,287 at June 30, 2021 and 2020, respectively. The fund balance of the Non-Major Governmental Funds is \$1,047,060 and \$794,454 as of June 30, 2021 and 2020, respectively.

General Fund Budgetary Highlights

During fiscal year 2021, the actual charges to appropriations (expenditures) were lower than the final budgeted amounts by \$478,808 for the general fund and were lower than budgeted amount by \$249,864 for the school unrestricted fund. For 2020, the actual charges to appropriations (expenditures) were lower than the final budgeted amounts by \$130,301 for the general fund and were higher than budgeted amount by \$116,982 for the school unrestricted fund.

For 2021, revenues were \$114,684 in excess of budgeted amounts for the general fund and \$28,434 less than budgeted amounts for the school unrestricted fund. For 2020, revenues were \$317,598 in excess of budgeted amounts for the general fund and \$45,071 less than budgeted amounts for the school unrestricted fund.

General Fund Actual Comparisons (GAAP Basis)

The major differences between the actual results of the general fund and the final amended budget are as follows:

Total revenues were \$114,684 higher than budgeted primarily due to the following.

- \$128,788 less collected than anticipated for general property taxes.
- \$311,689 less collected than anticipated in intergovernmental revenue mainly decrease for Public School Housing State Aid.
- \$509,165 more collected than budgeted in licenses permits and fees.

Total expenditures were lower than anticipated by \$478,808 primarily due to the following:

- \$228,239 less spent in General Government
- \$134,699 less spent on Public Works

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Capital Asset Administration

The Town's investment in capital assets for governmental activities as of June 30, 2021 amounts to \$12,473,051, net of accumulated depreciation. The following is a summary of capital assets, net of accumulated depreciation where applicable, as of June 30, 2021 and 2020.

	Capital Assets		
	Governmental Activities		
	2021	2020	\$ Change
Primary government:			
Land	\$ 548,179	\$ 548,179	\$ -
Land improvements, net	378,501	391,060	(12,559)
Building & improvements, net	9,215,822	9,863,383	(647,561)
Infrastructure, net	1,064,924	1,099,093	(34,169)
Machinery and equipment, net	671,547	461,239	210,308
Office equipment and furniture, net	439,565	486,979	(47,414)
Technology equipment, net	3,575	3,821	(246)
Vehicles, net	125,089	61,317	63,772
Library and textbooks, net	25,849	13,277	12,572
	<u>\$ 12,473,051</u>	<u>\$ 12,928,348</u>	<u>\$ (455,297)</u>
 Component unit	<u>\$ 30,557,746</u>	<u>\$ 29,899,046</u>	<u>\$ 658,700</u>

Additional information on the Town's capital assets can be found starting on Note 3 of this financial statement.

Debt Administration

The Town's outstanding bonded debt and capital leases for governmental activities as of June 30, 2021 were \$8,553,958 and \$390,306, respectively. The following is a summary of outstanding debt as of June 30, 2021 and 2020.

	Debt Administration		
	Governmental Activities		
	2021	2020	\$ Change
Primary government:			
Capital leases	\$ 390,306	\$ 215,889	\$ 174,417
Bonds and notes payable	8,553,958	9,057,888	(503,930)
Total primary government	<u>\$ 8,944,264</u>	<u>\$ 9,273,777</u>	<u>\$ (329,513)</u>

Additional information on the Town's long-term debt may be found starting on Note 4 of this financial statement.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Factors Bearing on the Town's Future

The Fiscal Year ended June 30, 2021 included a number of significant events and achievements:

- It was the second year of deployment by the Town Administrator of a consistent budget approach and format across departments, offices and boards of the Town. The resulting detail and economies of scale were responsible for more accurate estimating and assigning of expenses and projection of future requirements. The Town's capital plan was improved significantly to recognize alternate sources of funding and optimization of scheduling.
- It was the first year of operation with an appointed Finance Director in place of an elected Town Treasurer/Tax Collector. The increased emphasis on collection of all taxes, especially those delinquent from prior years, was very successful, increasing revenues by several hundred thousand dollars.
- The continuing impact of the Coronavirus. The Town's relatively small staff of public safety personnel added new and different responsibilities to their existing charters. The escalating costs of providing dozens of vaccination sites stretched the Town's contingency funds. This impact was partially offset by receipt of Coronavirus Relief Funds of more than \$91,000.
- The Town successfully competed for the award of a Municipal Resiliency Program grant from the Rhode Island Infrastructure Bank. The resulting \$164,000 award will help the Town deal with three long-standing storm water problems.

Key initiatives for the Town's future are:

- Implementing an integrated revenue strategy that includes:
 - Prompt property tax collection.
 - Re-funding the existing school maintenance bond debt to take advantage of lower interest rates.
 - Careful application of American Recovery Plan funds provided to the Town from the federal government as a result of Coronavirus impact.
 - Innovative borrowing of up to \$2M, as authorized by the Town's electors for Fiscal Year 2022.
 - Investigating opportunities for increased revenues from short term rental and tangible property taxes.
- Continuing the successful focus on defining/planning for long-term needs by creating 5 and 10 year projection plans, with associated estimates for required revenue.
- Instituting an annual program of delinquent tax collection in order to accelerate revenue and preclude a backlog.
- Continuing careful monitoring and active management of the Town's defined benefit employee pension plan to ensure continued plan health.
- Exploring options to gain more favorable rates of return on investments of Town fund balances.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2021

Contacting the Town's Financial Management

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Net Position

June 30, 2021

	Primary Government Governmental Activities	Component Unit Agricultural Trust
ASSETS		
Cash and cash equivalents	\$ 3,873,561	4,422,447
Short-Term investments	36,662	-
Receivables, net		
Personal property taxes	687,609	-
Intergovernmental	9,223	-
Departmental and other	505,759	-
Prepaid expenses	74,134	-
Inventory	42,056	-
Internal Balances	-	243,000
Net pension asset	604,360	-
Capital assets:		
Land and land easements	548,179	30,557,746
Infrastructure, net	378,501	-
Building and building improvements, net	9,215,822	-
Land improvements, net	1,064,924	-
Vehicles, net	671,547	-
Machinery and equipment, net	439,565	-
Office equipment, net	3,575	-
Technology equipment, net	125,089	-
Library and textbooks, net	25,849	-
	12,473,051	30,557,746
Total capital assets		
	18,306,415	35,223,193
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	3,014,136	-
Total deferred outflows of resources	3,014,136	-
Total assets and deferred outflows of resources	\$ 21,320,551	\$ 35,223,193

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Net Position

June 30, 2021

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Agricultural Trust</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 260,220	\$ 22,156
Accrued interest	48,058	-
Due to Agricultural Trust	223,487	-
Due to General Fund	-	19,514
Current portion of capital leases	107,548	-
Current portion of bonds and notes payable	517,962	-
Current portion of compensated absences	17,941	-
Portion due or payable in more than one year:		
Capital leases	282,758	-
Bonds and notes payable	8,035,996	-
Compensated absences	221,275	-
Net pension liability	6,020,992	-
Net other post-employment benefit liability	1,883,883	-
Total liabilities	<u>17,620,120</u>	<u>41,670</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues	50,000	-
Pension related deferred inflows	3,054,265	-
Total deferred inflows of resources	<u>3,104,265</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	3,528,787	30,557,746
Restricted	788,610	-
Unrestricted	<u>(3,721,231)</u>	<u>4,623,777</u>
Total net position	<u>596,166</u>	<u>35,181,523</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 21,320,551</u>	<u>\$ 35,223,193</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2021

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Agricultural Trust
Governmental Activities						
General government	\$ 2,486,844	\$ 849,961	\$ 43,765	\$ -	\$ (1,593,118)	\$ -
Finance administration	152,691	-	-	-	(152,691)	-
Public safety	2,133,630	40,137	278,578	-	(1,814,915)	-
Education	8,137,670	45,131	39,887	27,917	(8,024,735)	-
Public works	635,587	144,106	37,569	-	(453,912)	-
Transfer station	242,213	-	-	-	(242,213)	-
Parks, recreation, and other services	605,196	142,414	136,595	-	(326,188)	-
State contribution to teacher pension plan	300,430	-	300,430	-	-	-
Interest on debt	367,333	-	-	-	(367,333)	-
Total primary government	<u>15,061,595</u>	<u>1,221,748</u>	<u>836,824</u>	<u>27,917</u>	<u>(12,975,106)</u>	<u>-</u>
Component Unit						
Agricultural Trust	<u>210,464</u>	<u>3,117,065</u>	<u>-</u>	<u>447,605</u>	<u>-</u>	<u>3,354,206</u>
Total Town of Little Compton	<u>\$ 15,272,059</u>	<u>\$ 4,338,813</u>	<u>\$ 836,824</u>	<u>\$ 475,522</u>	<u>\$ (12,975,106)</u>	<u>\$ 3,354,206</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2021

	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	Component Unit
	Governmental Activities	Agricultural Trust
Total Town of Little Compton	\$ (12,975,106)	\$ 3,354,206
General revenues		
Real estate and personal property, net of reserve for abatement	13,163,468	-
Motor vehicle phase-out	33,750	-
Medicaid reimbursement	-	-
General state aid	397,611	-
Donation revenue	-	-
Meal tax	59,795	-
Telephone tax	43,654	-
Earnings on investments	3,463	12,592
Miscellaneous	511,775	-
Total general revenues	<u>14,213,516</u>	<u>12,592</u>
Changes in net position	1,238,410	3,366,798
Net position - July 1, 2020, restated	<u>(642,244)</u>	<u>31,814,725</u>
Net position - June 30, 2021	<u>\$ 596,166</u>	<u>\$ 35,181,523</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds
Balance Sheet

June 30, 2021

	<u>Major Funds</u>		<u>Non-Major</u>	<u>Total</u>
	<u>General Fund</u>	<u>School Unrestricted</u>	<u>Governmental Funds</u>	<u>Governmental Funds</u>
Assets				
Cash and cash equivalents	\$ 2,931,796	\$ 122,779	\$ 818,986	\$ 3,873,561
Investments	-	-	36,662	36,662
Receivables:				
Property taxes, less reserve for abatements	687,609	-	-	687,609
Intergovernmental	2,154	-	7,069	9,223
Other	14,965	322,102	168,692	505,759
Prepaid items	1,911	10,700	61,523	74,134
Inventories	41,772	-	284	42,056
Due from other funds	50	-	44,037	44,087
Total assets	<u>3,680,257</u>	<u>455,581</u>	<u>1,137,253</u>	<u>5,273,091</u>
Deferred Outflows of Resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources and assets	<u>\$ 3,680,257</u>	<u>\$ 455,581</u>	<u>\$ 1,137,253</u>	<u>\$ 5,273,091</u>
Liabilities				
Accounts payable and accrued expenses	\$ 40,849	\$ 181,275	\$ 38,096	\$ 260,220
Due to Agricultural Trust	223,487	-	-	223,487
Other liabilities	-	-	-	-
Due to other funds	37,624	4,366	2,097	44,087
Total Liabilities	<u>301,960</u>	<u>185,641</u>	<u>40,193</u>	<u>527,794</u>
Deferred Inflows of Resources				
Unearned revenues - other	-	-	50,000	50,000
Unearned tax revenue	377,059	-	-	377,059
Total deferred inflows of resources	<u>377,059</u>	<u>-</u>	<u>50,000</u>	<u>427,059</u>
Fund balance				
Nonspendable	43,683	10,700	71,807	126,190
Restricted	-	-	778,610	778,610
Committed	-	-	-	-
Assigned	47,220	-	217,720	264,940
Unassigned	2,910,335	259,240	(21,077)	3,148,498
Total fund balance	<u>3,001,238</u>	<u>269,940</u>	<u>1,047,060</u>	<u>4,318,238</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 3,680,257</u>	<u>\$ 455,581</u>	<u>\$ 1,137,253</u>	<u>\$ 5,273,091</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

June 30, 2021

Total governmental fund balances	\$ 4,318,238
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	12,473,051
Long-term assets that are not financial resources in the current period and, therefore are not reported in the governmental funds	
TSB - net pension asset	604,360
Deferred taxes are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds	377,059
Deferred outflows of resources due to various aspects associated with Town pension plans	3,014,136
Deferred inflows of resources due to various aspects associated with Town pension plans	(3,054,265)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due	(48,058)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds and notes payable	(8,553,958)
Capital leases	(390,306)
Compensated absences	(239,216)
ERS - net pension liability	(4,541,783)
Town pension liability	(1,479,209)
Net other postemployment benefits liability	<u>(1,883,883)</u>
Net position of governmental activities	<u>\$ 596,166</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds

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

For the Year Ended June 30, 2021

	Major Fund		Non-Major	Total
	General Fund	School Unrestricted	Governmental Funds	Governmental Funds
Revenues				
General property taxes and penalties	\$ 13,121,688	\$ -	\$ -	\$ 13,121,688
Intergovernmental revenue	149,088	397,611	516,295	1,062,994
Donation revenues	-	-	25,165	25,165
Departmental and other revenue	-	40,266	394,733	434,999
Licenses, permits, and fees	959,165	-	-	959,165
Beach receipts	142,413	-	-	142,413
Investment income	3,369	-	94	3,463
State contribution to teachers' pension plan	-	300,430	-	300,430
Miscellaneous revenue	189,953	17,955	-	207,908
Total revenues	14,565,676	756,262	936,287	16,258,225
Expenditures				
General government	2,370,822	-	77,529	2,448,351
Financial administration	152,691	-	-	152,691
Public safety	2,172,873	-	189,847	2,362,720
Education	-	7,731,161	346,324	8,077,485
Public works	562,678	-	42,129	604,807
Transfer station	241,902	-	-	241,902
Parks, recreation, and other services	516,440	-	62,262	578,702
Capital expenditures	25,348	-	-	25,348
Debt service:				
Principal payments	480,000	-	-	480,000
Interest and fiscal charges	370,897	-	-	370,897
Total expenditures	6,893,652	7,731,161	718,091	15,342,904
Excess (deficiency) of revenues over expenditures	7,672,024	(6,974,899)	218,196	915,321
Other financing sources (uses)				
Transfers in	-	7,196,329	124,672	7,321,001
Transfers out	(7,196,329)	(8,777)	(115,895)	(7,321,001)
Other financing sources (uses)	(7,196,329)	7,187,552	8,777	-
Excess of revenue and other sources over expenditures and other uses	475,695	212,653	226,973	915,321
Fund balance, July 1, 2020, restated	2,525,543	57,287	820,087	3,402,917
Fund balance, June 30, 2021	\$ 3,001,238	\$ 269,940	\$ 1,047,060	\$ 4,318,238

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds

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

For the Year Ended June 30, 2021

Net change in fund balances - total governmental funds	\$ 915,321
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(455,297)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue	41,780
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	329,513
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due	3,564
The pension expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	375,463
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	(50,837)
Some expenses reported in the Statement of Activities, such as compensated absences does not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds	<u>78,903</u>
Change in net position of governmental position	<u><u>\$ 1,238,411</u></u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2021

	Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 662
Investments:	
Mutual funds	9,974,581
Collective funds	4,015,615
Accounts receivable	<u>513,239</u>
Total assets	<u>\$ 14,504,097</u>
Liabilities	
Deposits held	<u>\$ -</u>
Total liabilities	<u>-</u>
Net Position	
Restricted for pension benefits	<u>14,504,097</u>
Total net position	<u>14,504,097</u>
Total liabilities and net position	<u>\$ 14,504,097</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2021

	Pension Trust Fund
Additions	
Contributions:	
Employee contributions	\$ 48,622
Employer contributions	<u>477,135</u>
Total contributions	<u>525,757</u>
Net investment income:	
Net investment income	<u>2,880,371</u>
Total additions	<u>3,406,128</u>
Deductions	
Administrative expenses	16,206
Retirement benefits	<u>751,757</u>
Total deductions	<u>767,963</u>
Change in net position	2,638,165
Net position, July 1, 2020	<u>11,865,932</u>
Net position, June 30, 2021	<u><u>\$ 14,504,097</u></u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

Component Unit

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

B. Basic Financial Statements - Government-Wide Statements

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

C. Basic Financial Statements - Fund Financial Statements

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Governmental Funds

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

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

Fiduciary Funds

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

- a) The **Pension Trust Fund** accounts for contributions made by the Town and its participating employees to provide retirement benefits to participating employees.
- b) **Custodial funds** are established when the Town holds assets in custody for others in an agency capacity.

TOWN OF LITTLE COMPTON, 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

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

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

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

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts

Cash and cash equivalents:

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

Investments:

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

Property taxes:

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

Farm, Forest and Open Space:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Intergovernmental:

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

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

Capital assets:

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at fair value as of the date received. Capitalizable fixed assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Net interest costs related to construction projects are capitalized during the construction period. Such costs were not considered material during fiscal 2021.

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

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

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

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

Encumbrances:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Compensated absences:

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

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

Long-term obligations:

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

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

Fund Balance/Net Position:

Government-wide financial statements:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Governmental fund financial statements:

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

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

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

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

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

Interfund transactions:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Indirect expense allocation:

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

Use of estimates:

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

Accounting pronouncements implemented in the current year:

During the fiscal year June 30, 2021, the Town of Little Compton has adopted the following new accounting standard issues by GASB:

GASB Statement 84, *Fiduciary Activities*, if effective for periods beginning after December 15, 2021. 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 criterion 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. This Statement was implemented in fiscal year 2021 without any material impact.

Recently issued accounting pronouncements not yet effective:

GASB Statement 87, *Leases* is effective for periods beginning after December 15, 2021. 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 Little Compton, Rhode Island 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* is effective for periods beginning after December 15, 2021. The objectives of this statement 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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements not yet Effective (continued):

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 Little Compton, Rhode Island does not anticipate an impact from implementing this standard since there are currently no business-type activities or enterprise funds.

GASB Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* is effective for periods beginning after December 15, 2021. 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 Little Compton, Rhode Island has evaluated this standard and does not expect an impact to the financial reporting framework.

GASB Statement 91, *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2021. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics: (a) There are at least three parties involved: (1) an issuer, (2) a third-party obligor and (3) a debt holder or a debt trustee; (b) The issuer and the third party obligor are not within the same financial reporting entity; (c) The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; (d) The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuances; and (e) The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments.) This statement also addresses arrangements-often characterized as leases-that are associated with conduit debt obligations. The Town of Little Compton, Rhode Island is in the process of evaluating this statement and will evaluate the impact prior to the required implementation of FY22.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements not yet Effective (continued):

GASB Statement No. 92, *Omnibus 2021*. GASB Statement No. 92 addresses a variety of topics including, among other things, Leases, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans, Fiduciary Activities, Measurement of liabilities related to AROs. The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. GASB Statement No. 93 assists state and local governments in the transition away from existing interbank offered rates (IBOR) to other reference rates because of global reference rate reform, wherein the London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021. The objective of this Statement is to address implications that result from the replacement of an IBOR in Statement No. 53, Accounting and Financial Reporting for Derivative Instruments and Statement No. 87, Leases and other accounting and financial reporting implications. The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2022.

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. GASB Statement No. 94 establishes standards of accounting and financial reporting for Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs). The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2022.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2022.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

F. Budget Requirements, Accounting and Reporting

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

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

G. Pensions

Employees' Retirement System Plan (ERS)

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

Teachers' Survivors' Benefits Plan (TSB)

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

Town Pension Plan

(a) Basis of Accounting

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 1. Summary of Significant Accounting Policies (continued)

G. Pensions (continued)

(b) Plan Expenses

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

(c) Fair Value of Investments

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

(d) Income Taxes

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

(e) Use of Estimates

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

H. Other Post-Employment Benefits

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 2. Cash and Investments

A. Cash and Cash Equivalents

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

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

At June 30, 2021, the carrying amount of the Town's deposits, including the component unit, was \$8,296,669 and the bank balance was \$8,386,006. The entire bank balance was insured under FDIC or collateralized under an agreement with Washington Trust.

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

	<u>Insured/ Collateralized in Town's Name</u>	<u>Total Bank Balance</u>	<u>Carrying Amount</u>
Demand Deposits	\$ 3,177,424	\$ 3,177,424	\$ 3,122,542
ICS Account	1,951,843	1,951,843	1,951,843
Money Market	3,256,077	3,256,077	3,220,947
Petty Cash	-	-	675
Total Governmental	<u>\$ 8,385,344</u>	<u>\$ 8,385,344</u>	<u>\$ 8,296,008</u>
 Pension - Cash in investments	662	662	662
	<u>\$ 8,386,006</u>	<u>\$ 8,386,006</u>	<u>\$ 8,296,669</u>

B. Investments

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Maturities</u>
Primary Government:		
Short Term Investments		
Certificate of Deposit	\$ 12,629	10/29/2021
Certificate of Deposit	17,823	12/27/2021
Noncurrent Investments		
Stock	6,210	N/A
Total Investments	\$ 36,663	

<u>Investment Type</u>	<u>Carrying Amount</u>
Pension Trust Fund:	
Mutual Funds	\$ 9,974,581
Collective Funds	4,015,615
Total Investment	\$ 13,990,196

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 2. Cash and Investments (continued)

B. Investments (continued)

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2021, the Town's investments were unrated.

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

Investments representing 5% or more of total investments:

MFS Value	\$	1,589,652
Vanguard S&P 500		2,409,157
Vanguard Growth		1,069,698
Kayne Anderson Small Cap		1,510,698
Vanguard Small Cap Index		821,650
Vanguard Total International Index		894,854
Bradford Marzec Core Plus		1,557,745
Western Asset Core Plus		1,560,321
Western Core		897,548
Total Investments representing 5% or more	\$	<u>12,311,323</u>

All other investments:

First Eagle	\$	567,725
Oppenheimer International		722,626
Cohen Steers Real Estate Sec 1		388,522
Total all other investments	\$	<u>1,678,873</u>
Total Investments	\$	<u><u>13,990,196</u></u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 2. Cash and Investments (continued)

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

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

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

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

Description	June 30, 2021	Fair Value Measurement		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable (Level 3)
<i>Primary Government:</i>				
Certificate of Deposit	\$ 12,629	\$ -	\$ 12,629	\$ -
Certificate of Deposit	17,823	-	17,823	-
Stock	6,210	6,210	-	-
<i>Pension Trust Fund:</i>				
Mutual Funds	9,974,581	9,974,581	-	-
Collective Funds	4,015,615	4,015,615	-	-
Total investments by fair value level	<u>\$ 14,026,858</u>	<u>\$ 13,996,406</u>	<u>\$ 30,452</u>	<u>\$ -</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2021 was as follows:

Government Activities	July 1, 2020	Increases	Decreases	June 30, 2021
Capital assets not being depreciated:				
Land and land easements	\$ 548,179	\$ -	\$ -	\$ 548,179
Total capital assets not being depreciated	<u>548,179</u>	<u>-</u>	<u>-</u>	<u>548,179</u>
Capital assets being depreciated:				
Infrastructure	503,997	-	-	503,997
Buildings & building improvements	16,184,560	48,981	-	16,233,541
Land improvements	1,363,619	-	-	1,363,619
Vehicles	1,633,421	332,920	-	1,966,341
Machinery and equipment	1,465,640	48,354	-	1,513,994
Office equipment	97,681	-	-	97,681
Technology equipment	650,433	91,471	-	741,904
Library and textbooks	424,170	18,675	-	442,845
Total capital assets, being depreciated	<u>22,323,521</u>	<u>540,401</u>	<u>-</u>	<u>22,863,922</u>
Accumulated depreciation:				
Infrastructure	112,937	12,559	-	125,496
Buildings & building improvements	6,321,177	696,542	-	7,017,719
Land improvements	264,526	34,169	-	298,695
Vehicles	1,172,182	122,612	-	1,294,794
Machinery and equipment	978,661	95,768	-	1,074,429
Office equipment	93,860	246	-	94,106
Technology equipment	589,116	27,699	-	616,815
Library and textbooks	410,893	6,103	-	416,996
Total accumulated depreciation	<u>9,943,352</u>	<u>995,698</u>	<u>-</u>	<u>10,939,050</u>
Total capital assets being depreciated, net	<u>12,380,169</u>	<u>(455,297)</u>	<u>-</u>	<u>11,924,872</u>
Governmental activities capital assets, net	<u>\$ 12,928,348</u>	<u>\$ (455,297)</u>	<u>\$ -</u>	<u>\$ 12,473,051</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 3. Capital Assets (continued)

For the year ended June 30, 2021, depreciation was charged to the following functions:

Governmental activities:	
General government	\$ 54,213
Public safety	216,765
Public works	48,021
Education	649,894
Parks, recreation, and other services	<u>26,805</u>
Total governmental activities depreciation expense	<u><u>\$ 995,698</u></u>

Capital asset activity for the Town of Little Compton's Component Unit, the Agricultural Trust, for the year ended June 30, 2021 was as follows:

Government Activities	<u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Capital Assets				
Land and land easements	<u>\$ 29,899,046</u>	<u>\$ 658,700</u>	<u>\$ -</u>	<u>\$ 30,557,746</u>
Total capital assets	<u><u>29,899,046</u></u>	<u><u>658,700</u></u>	<u><u>-</u></u>	<u><u>30,557,746</u></u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 4. Long-term Obligations

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

	Balance, July 1, 2020	Additions	Retirements	Balance, June 30, 2021	Due within one year
Bonds payable:					
Revenue bonds - RIHEBC	\$ 8,860,000	\$ -	\$ 480,000	\$ 8,380,000	\$ 495,000
Premium on revenue bonds-RIHEBC	197,888	-	23,930	173,958	22,962
Total bonds payable	9,057,888	-	503,930	8,553,958	517,962
Capital leases	215,888	278,409	103,991	390,306	107,548
Compensated absences	318,118		78,902	239,216	17,941
Total long-term obligations	<u>\$ 9,789,782</u>	<u>\$ 278,409</u>	<u>\$ 710,753</u>	<u>\$ 9,357,438</u>	<u>\$ 666,413</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 4. Long-term Obligations (continued):

General Obligations Bonds:

At a Financial Town, meeting in fiscal year 2013, the Town approved the issuance of \$11,310,000 of revenue bonds. The bonds, dated December 10, 2013, are due May 15, 2034. The bonds provide for a varying interest rate with a yield of 4.1063%. Interest is due semiannually on November 15th and May 15th.

	<u>Date issued</u>	<u>Maturity date</u>	<u>Amount issued</u>	<u>Interest rate</u>	<u>Balance, July 1, 2020</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 2021</u>	<u>Interest paid</u>
Revenue Bonds - RIHEBC	12/10/13	5/15/34	\$ 11,310,000	3.16% - 4.25%	\$ 8,860,000	\$ -	\$ 480,000	\$ 8,380,000	\$ 371,038
					<u>\$ 8,860,000</u>	<u>\$ -</u>	<u>\$ 480,000</u>	<u>\$ 8,380,000</u>	<u>\$ 371,038</u>

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 4. Long-term Obligations (continued):

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

Year	Principal	Interest	Total
2022	495,000	356,038	\$ 851,038
2023	520,000	334,987	854,987
2024	540,000	314,187	854,187
2025	560,000	292,588	852,588
2026	580,000	135,094	715,094
2027-2030	2,610,000	930,546	3,540,546
2031-2034	3,075,000	333,838	3,408,838
	<u>\$ 8,380,000</u>	<u>\$ 2,697,278</u>	<u>\$ 11,077,278</u>

The Town's obligation for capital leases is recorded in the government-wide financial statements. Changes in the Town's capital leases during the year ended June 30, 2021 were as follows:

	Date issued	Amount issued	Interest rate	Balance, July 1, 2020	Additions	Retirements	Balance, June 30, 2021	Due within one year	Interest Paid
Governmental activities:									
2015 Freightliner	09/10/15	\$ 385,402	2.92%	\$ 174,279	\$ -	\$ 56,427	\$ 117,852	\$ 58,077	\$ 5,097
2016 John Deere backhoe	11/06/18	\$ 89,900	5.75%	41,609	-	11,657	29,952	12,346	2,085
2020 Emergency Medical Vehicle	12/26/20	\$ 278,409	3.39%	-	278,409	35,907	242,502	37,125	9,438
				<u>\$ 215,888</u>	<u>\$ 278,409</u>	<u>\$ 103,991</u>	<u>\$ 390,306</u>	<u>\$ 107,548</u>	<u>\$ 16,620</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 4. Long-Term Obligations (continued):

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

<u>Year ending June 30,</u>	<u>Amount</u>
2022	120,617
2023	120,616
2024	49,927
2025	45,346
2026	45,346
2027	<u>45,346</u>
Minimum lease payments for all capital leases	427,198
Less amount representing interest	<u>36,892</u>
Total principal portion due	<u>\$ 390,306</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 5. Fund Balance Classification

	Major Funds		Non-Major Funds			Total
	General Fund	School Unrestricted	Special Revenue	Capital Projects	Permanent Trust	
Fund Balances:						
Nonspendable:						
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Inventories	41,772	-	284	-	-	42,056
Prepaid expenses	1,911	10,700	61,523	-	-	74,134
Restricted for:						
General government	-	-	34,745	-	-	34,745
Cemetery costs	-	-	-	-	112,794	112,794
Educational purposes	-	-	137	-	14,514	14,651
Public works operations	-	-	116,893	-	-	116,893
Public safety operations	-	-	297,154	-	-	297,154
Parks, recreation, and other	-	-	161,083	-	16,628	177,711
Community development	-	-	-	-	-	-
Capital expenditures	-	-	-	24,662	-	24,662
Assigned to:						
Public safety operations	14,000	-	-	-	-	14,000
General government	4,000	-	115,895	86,457	-	206,352
Public works operations	29,220	-	-	-	-	29,220
Educational purposes	-	-	15,368	-	-	15,368
Unassigned	<u>2,910,335</u>	<u>259,240</u>	<u>13,131</u>	<u>(34,208)</u>	<u>-</u>	<u>3,148,498</u>
	<u>\$ 3,001,238</u>	<u>\$ 269,940</u>	<u>\$ 816,213</u>	<u>\$ 76,911</u>	<u>\$ 153,936</u>	<u>\$ 4,318,238</u>

Note 6. Interfund Transactions

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

	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
Major Governmental Funds				
General fund	\$ 50	\$ 37,624	\$ -	\$ 7,196,329
School unrestricted fund	-	4,366	7,196,329	8,777
Non-Major Governmental Funds				
Special revenue funds	38,749	2,047	115,895	115,895
Permanent funds	-	50	-	-
Capital projects	5,288	-	8,777	-
Totals	<u>\$ 44,087</u>	<u>\$ 44,087</u>	<u>\$ 7,321,001</u>	<u>\$ 7,321,001</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans

Employees' Retirement System Defined Benefit Pension Plan (ERS)

General Information about the Pension Plan

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

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

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 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, 2020 for the state and Town, respectively. The Town contributed \$402,230, \$378,175 and \$358,346 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year. The State's share of contribution for fiscal 2021 was \$280,954 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

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

At June 30, 2021, the Town reported a liability of \$4,541,783 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	\$ 4,541,783
State's proportionate share of the net pension liability associated with the Town	<u>3,374,656</u>
Total net pension liability	<u>\$ 7,916,439</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 Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2021 the Town's proportion was 0.14215256%.

For the year ended June 30, 2021 the Town recognized gross pension expense of \$442,301 and revenue of \$164,168 for support provided by the State, resulting in a net pension expense of \$278,133. At June 30, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 44,406	\$ 88,512
Changes of assumptions	202,752	105,839
Net difference between projected and actual earnings on pension plan investments	92,208	-
Changes in proportion and differences between System contributions and proportionate share contributions	362,542	469,566
Contributions subsequent to the measurement date	402,230	-
	\$ 1,104,138	\$ 663,917
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ 37,991

\$402,230 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (160,488)
2023	22,970
2024	118,707
2025	85,344
2026	(5,487)
Thereafter	(23,055)
	\$ 37,991

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

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

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

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

The actuarial assumptions used in the June 30, 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:

Asset class	Target allocation	Long-term expected real rate of return
Global equity:		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Private Growth		
Private Equity	11.25%	9.71%
Non-Core RE	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
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%
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
	100.00%	

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

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

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

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

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 5,449,421	\$ 4,541,783	\$ 3,446,413

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

Defined Contribution Plan Description:

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

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

The Town recognized pension expense of \$67,113, 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 LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Teachers' Survivors Defined Benefit Pension Plan (TSB)

General Information about the Pension Plan

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

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

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

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

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

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

The Town contributed \$3,872, \$3,795 and \$3,910 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2021 the Town reported an asset of \$604,360 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2019. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021 the Town proportion was 0.50887672%.

For the year ended June 30, 2021 the Town recognized pension expense of \$210 an increase in the net pension asset. At June 30, 2021 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 51,834	\$ 128,871
Changes of assumptions	40,778	41,763
Net difference between projected and actual earnings on pension plan investments	29,492	
Changes in proportion and differences between System contributions and proportionate share contributions	299,620	267,106
Contributions subsequent to the measurement date	3,872	-
	<u>\$ 425,596</u>	<u>\$ 437,740</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (16,016)</u>

\$3,872 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2021 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 11,820
2023	24,118
2024	27,192
2025	(20,697)
2026	(31,051)
Thereafter	(27,398)
	<u>\$ (16,016)</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

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

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

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

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

The actuarial assumptions used in the June 30, 2019 valuation 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:

Asset class	Target allocation	Long-term expected real rate of return
Global equity:		
U.S. Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Private Growth		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
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%
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
	100.00%	

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

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

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

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

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

1.00% Decrease	Current Discount	1.00% Increase
(6.0%)	Rate (7.0%)	(8.0%)
\$ (502,710)	\$ (604,360)	\$ (727,069)

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

Town Pension Plan, Other than Certified Teachers

(a) Plan Administration

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers

(b) Plan Membership

At June 30, 2021, pension plan membership consisted of the following:

Active plan members	45
Terminated vested	11
Retirees and Beneficiaries	<u>40</u>
Subtotal	<u><u>96</u></u>

(c) Benefits Provided

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

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

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

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

Method used to value investments.

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

(d) Contributions

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

Employees are required to contribute to the Plan as follows:

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

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

Investments

(a) Investment Policy

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Investments (continued)

The following was the Committee's adopted asset allocation policy as of June 30, 2021:

<u>Asset Class</u>	<u>Asset Allocation</u>
Cash	0.28%
Fixed income	28.62%
Domestic equity	52.76%
International equity	15.58%
Real estate	2.76%
Total	100.0%

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

(b) Concentrations

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2021, the Plan had no investments in any one organization that represented 5% or more of the Plan's net position restricted for pension.

(c) Money-Weighted Rate of Return

For the year ended June 30, 2021 the annual money-weighted rate of return on Plan investments, net of investment expense, was 25.13%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

(d) Custodial Credit Risk

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

At June 30, 2021, there were no deposits subject to custodial credit risk.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Investments (continued)

(e) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. At June 30, 2021, there were no deposits subject to interest rate risk.

(f) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of June 30, 2021, the Plan has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded.

(g) Credit Risk

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

(h) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit. At June 30, 2021, there were no deposits subject to foreign currency risk.

(i) Derivatives

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

Certain commingled funds held by the Plan at the year-end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative holdings of the commingled fund managers can be found in their respective audited financial statements. The plan did not directly own any derivatives as of June 30, 2021.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan

The components of the net pension liability of the Plan at June 30, 2021, were as follows:

Total pension liability	\$	15,983,306
Plan fiduciary net position		<u>(14,504,097)</u>
Town's net pension liability		<u>\$ 1,479,209</u>
Plan fiduciary net position as a percentage of the total pension liability		90.75%

(a) Actuarial assumptions

The total pension 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:

Discount rate	6.79%
Long term rate of Return on investments	7.00%
Municipal Bond	2.18%, the Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index.
Inflation	2.50%
Mortality	Pub-2010 below median weighted 30% Teacher/ 40% Safety/

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period ended June 30, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (see the discussion of the pension plan's investment policy) are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Cash	2.60%
Fixed income	3.90%
Domestic equity	7.73%
International equity	9.20%
Real estate	9.10%

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

(b) Discount rate

The discount rate used to measure the total pension liability was 6.79 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to 20 years and the municipal bond rate for the remaining years of projected benefit payments to determine the total pension liability.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of 7/1/2020	\$ 14,419,610	\$ 11,865,932	\$ 2,553,678
Changes for the year:			
Service cost	303,084	-	303,084
Interest on total pension liability	1,004,390	-	1,004,390
Differences between expected and actual experience	556,349	-	556,349
Changes in assumptions	451,630	-	451,630
Changes in benefit terms	-	-	-
Contributions - employer	-	477,135	(477,135)
Contributions - employee	-	48,622	(48,622)
Net investment income	-	2,880,371	(2,880,371)
Benefit payments	(751,757)	(751,757)	-
Administrative expense	-	(16,206)	16,206
Net changes	1,563,696	2,638,165	(1,074,469)
Balance as of 6/30/2021	\$ 15,983,306	\$ 14,504,097	\$ 1,479,209

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

The following presents the net pension liability of the Plan, calculated using the discount rate of (6.79 percent), as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.79 percent) or 1-percentage-point higher (7.79 percent) than the current rate:

	1% Decrease (5.79%)	Current Discount Rate (6.79%)	1% Increase (7.79%)
Plan's Net Pension Liability	\$ 3,505,818	\$ 1,479,209	\$ (198,285)

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

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

For the year ended June 30, 2021, the Town recognized pension expense of \$225,449. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 497,723	\$ 217,056
Changes in assumptions	613,665	107,588
Difference between projected and actual earnings on plan investments	376,886	1,627,964
Total deferred outflows / (inflows)	\$ 1,488,274	\$ 1,952,608

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	\$ (185,581)
2023	(135,268)
2024	(141,903)
2025	(256,774)
2026	131,919
Thereafter	123,273
	\$ (464,334)

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 7. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

Aggregate Pension Amounts Reported in the Financial Statements:

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

	ERS	TSB	Town Plan	Total
Deferred Outflows of Resources - Pension	\$ 1,104,138	\$ 421,724	\$ 1,488,274	\$ 3,014,136
Deferred Inflows of Resources - Pension	663,917	437,740	1,952,608	3,054,265
Net Pension (Asset)	-	604,360	-	604,360
Net Pension Liability	4,541,783	-	1,479,209	6,020,992
Pension Expense	278,133	210	225,449	503,792
Total	\$ 6,587,971	\$ 1,464,034	\$ 5,145,540	\$ 13,197,545

Note 8. Other Post-employment Benefits

Plan Description

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

Plan Types

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 8. Other Post-employment Benefits (continued)

Town Membership

As of June 30, 2021, the latest available membership census is as follows:

Description	Active Employees	Inactive or Beneficiaries Receiving Benefits	Total
Number	42	6	48

Funding Policy

The Town and School Department fund these benefits on a pay-as-you-go basis. During the year ended June 30, 2021, post-employment benefits totaling \$136,911 were received by six participants.

Investment Policy

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

Asset Class	Target Allocation
Fixed income	35.0%
Domestic equity	47.0%
Internantional equity	15.5%
Real estate	2.5%
Total	100.0%

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 8. Other Post-employment Benefits (continued)

Concentrations

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

Net OPEB Liability of the Town

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

Total OPEB liability	\$ 1,883,883
Plans fiduciary net position	-
Town's net OPEB liability	<u>\$ 1,883,883</u>
Plan net position as a percentage of the total OPEB liability	0.00%

For the year ended June 30, 2021 OPEB expenses totaled \$187,748

Actuarial Methods and Assumptions

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

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2021.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	None noted
Actuarial Assumptions:	
Single Equivalent Discount Rate:	3.25%, net of OPEB plan investment expense, including inflation
Salary Increases:	2.00% annually as of June 30, 2021 and for future periods
Retirement rates:	The probability of remaining employed until retirement age from current and entry age by age comes from The U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Assumed retirement age:	62
Mortality:	Life expectancy by gender comes from the Life Expectancy Table from National Center for Health Statistics updated in 2015.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 8. Other Post-employment Benefits (continued)

Actuarial Methods and Assumptions (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

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

Discount rate

The discount rate used to measure the total OPEB liability was 3.8 percent. The projection of cash flows used to determine the discount rate assumed that Town and School contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

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

	Impact of 1% Change in Discount Rate		
	1% Decrease (2.80%)	Current discount rate (3.80%)	1% Increase (4.80%)
Total OPEB liability	\$ 1,990,168	\$ 1,883,883	\$ 1,784,768

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 8. Other Post-employment Benefits (continued)

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

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

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (4.00%)	Current trend rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 1,790,176	\$ 1,883,883	\$ 1,987,159

Note 9. Commitments and Contingencies

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

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

Note 10. Fund Deficits

Individual funds had the following deficit fund balances at June 30, 2021:

School Renovation - Town	\$ 33,856
AFG Grant	6,419
Pike's Peak	352
Basketball Court	52
Total	\$ 40,679

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 11. Risk Management

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

The School Department purchases commercial insurance for all of its risks of loss. There were no significant reductions in insurance coverage during the year ended June 30, 2021.

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

Note 12. Joint Venture

The Little Compton School Department (LCSD), in conjunction with three other member school departments, participates in a joint venture entitled the Newport County Regional Special Education Program (NCRSEP). NCRSEP was formed to provide services to qualified special needs students in the four towns. Each town is assessed its share of the NCRSEP annual operating budget based on each town's share of total students in the region averaged with each town's share of students in the special education program. NCRSEP also administers the federally funded IDEA Part B program for each of the towns. Each town pays salaries and employee benefits directly to the teachers and aides on their respective payroll that work directly for the program; such amounts are deducted from the gross annual assessment. LCSD's net assessment for 2021, net of IDEA funds was approximately \$244,128.

At June 30, 2021, a total of approximately \$230,395 in Medicaid reimbursements due to the LCSD has been recorded as a liability of NCRSEP. This amount represents Medicaid reimbursements received by NCRSEP over a number of years in excess of the budgeted receipts for Little Compton.

Separately audited financial statements of NCRSEP are available at Newport County Regional Special Education Program, Oliphant Lane, Middletown, RI 02842.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2021

Note 13. Subsequent Events

Management has evaluated events that have occurred subsequent to June 30, 2021 and through December 2021, and does not have any significant subsequent events to disclose.

The COVID-19 pandemic and the continued uncertainty around it continued to play a role in 2021. With the release of COVID-19 vaccinations, Town operations have continued with minimal disruption. While the COVID-19 situation is still fluid, State and Municipal policies have been enacted to limit the exposure, spread, and severity of the virus. The Town will continue to actively monitor the COVID-19 pandemic in Fiscal Year 2022 as it evolves, ensuring the Town is in compliance with government regulations, while simultaneously maintaining day to day fiscal operations solvency.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>		Appropriations and Transfers	Total Available	Actual	Encumbrances Carried Forward to FY21	Variance Favorable (Unfavorable)
	Encumbrances Carried Forward from FY20	Budget As Adopted					
Revenues							
General property taxes and penalties	\$ -	\$ 13,250,476	\$ -	\$ 13,250,476	\$ 13,121,688	\$ -	\$ (128,788)
Intergovernmental	-	460,777	-	460,777	149,088	-	(311,689)
Licenses, permits, and fees	-	450,000	-	450,000	959,165	-	509,165
Beach receipts	-	283,739	-	283,739	142,413	-	(141,326)
Investment income	-	-	-	-	3,369	-	3,369
Miscellaneous	-	6,000	-	6,000	189,953	-	183,953
Total revenues	-	14,450,992	-	14,450,992	14,565,676	-	114,684
Expenditures							
General government	42,000	2,658,362	(101,300)	2,599,062	2,370,822	-	228,240
Financial administration	5,000	167,358	-	172,358	152,691	4,000	15,667
Public safety	15,000	2,173,830	78,835	2,267,665	2,172,873	14,000	80,792
Public works	133,300	638,897	(45,600)	726,597	562,678	29,220	134,699
Transfer station	-	203,891	37,340	241,231	241,902	-	(671)
Parks, recreation, and other services	9,600	526,780	-	536,380	516,440	-	19,940
Capital expenditures	-	200,000	(174,651)	25,349	25,349	-	-
Debt service:							
Principal payments	-	455,000	-	455,000	480,000	-	(25,000)
Interest and fiscal charges	-	396,038	-	396,038	370,897	-	25,141
Total expenditures	204,900	7,420,156	(205,376)	7,419,680	6,893,652	47,220	478,808
Excess (deficiency) of revenues over expenditures	(204,900)	7,030,836	205,376	7,031,312	7,672,024	(47,220)	593,492

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
 Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2021

	<u>Original Budget</u>				<u>Actual</u>	<u>Encumbrances Carried Forward to FY21</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Encumbrances Carried Forward to FY20</u>	<u>Budget As Adopted</u>	<u>Appropriations and Transfers</u>	<u>Total Available</u>			
Other financing sources and (uses)							
Transfer to education	-	(7,196,329)	-	(7,196,329)	(7,196,329)	-	-
(Addition to) / use of fund balance	-	165,493	-	165,493	-	-	(165,493)
Transfers from (to) other funds	-	-	(205,376)	(205,376)	-	-	205,376
Total other financing sources (uses)	-	(7,030,836)	(205,376)	(7,236,212)	(7,196,329)	-	39,883
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ (204,900)	\$ -	\$ -	\$ (204,900)	475,695	\$ (47,220)	\$ 633,375
Adjustment of budgetary basis to U.S. GAAP				-			
Excess (deficiency) of revenues and other sources over expenditures and other uses, GAAP basis				475,695			
Fund balance, July 1, 2020				2,525,543			
Fund balance, June 30, 2021				\$ 3,001,238			

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
Notes to Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 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 an annual operating budget legally adopted by the Town Council. The annual operating budget’s appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund operating budget is in conformity with the legally enacted budgetary basis, which is not in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

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

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

For the year ended June 30, 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.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
 Budgetary Comparison Schedule – Unrestricted School Fund
 For the Year Ended June 30, 2021

	<u>Budget</u> As <u>Adopted</u>	<u>Actual</u>	<u>Variance</u> Favorable (Unfavorable)
Revenues:			
Funds received State RI - unrestricted	\$ 405,266	\$ 397,611	\$ (7,655)
Out of district student tuitions	54,000	40,266	(13,734)
Federal aid - entitlements, grants and restricted funds	15,000	17,955	2,955
Miscellaneous receipts	10,000	-	(10,000)
Total revenues	<u>484,266</u>	<u>455,832</u>	<u>(28,434)</u>
Expenditures:			
Salaries	3,453,700	3,543,947	(90,247)
Fringe benefits	1,257,238	1,279,923	(22,685)
Technical and professional services	305,031	261,078	43,953
Purchased property services	109,800	125,362	(15,562)
Purchased other services	2,174,600	1,869,497	305,103
Materials and supplies	256,500	219,572	36,928
Capital outlay	107,726	108,620	(894)
Other operating expenses	16,000	22,732	(6,732)
Total expenditures	<u>7,680,595</u>	<u>7,430,731</u>	<u>249,864</u>
Excess of expenditures over revenues	<u>(7,196,329)</u>	<u>(6,974,899)</u>	<u>221,430</u>
Other financing sources (uses):			
Transfer from Town appropriations	7,196,329	7,196,329	-
Transfer to other funds	-	(8,777)	(8,777)
Total other financing sources (uses)	<u>7,196,329</u>	<u>7,187,552</u>	<u>(8,777)</u>
Excess of expenditures over revenues and other financing sources, budgetary basis	<u>\$ -</u>	212,653	<u>\$ 212,653</u>
Adjustment of budgetary basis to U.S. GAAP basis		<u>-</u>	
Excess of expenditures over revenues and other financing sources, U.S. GAAP basis		212,653	
Fund balance, July 1, 2020		<u>57,287</u>	
Fund balance, June 30, 2021		<u>\$ 269,940</u>	

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

For the Year Ended June 30, 2020

Budgetary – GAAP Reporting Reconciliation – *Unrestricted School Fund*

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

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

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

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) (Non-GAAP Budgetary Basis)	\$ 212,653
State contribution to teachers' pension plan revenue on behalf	300,430
State contribution to teacher's pension plan expense on behalf	<u>(300,430)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 212,653</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Proportionate Share of Net Pension Liability
Employees Retirement System

Last 10 Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the net pension liability	0.14215256%	0.14354785%	0.13937877%	0.12817260%	0.13503440%	0.12442040%
Employer's proportionate share of the net pension liability	\$ 4,541,783	\$ 4,580,280	\$ 4,428,409	\$ 4,042,675	\$ 4,028,856	\$ 3,425,297
State's proportionate share of the net pension liability associated with the school district	<u>3,374,656</u>	<u>3,431,104</u>	<u>3,303,275</u>	<u>3,055,291</u>	<u>2,759,175</u>	<u>2,340,055</u>
Total	<u>\$ 7,916,439</u>	<u>\$ 8,011,384</u>	<u>\$ 7,731,684</u>	<u>\$ 7,097,966</u>	<u>\$ 6,788,031</u>	<u>\$ 5,765,352</u>
Employer's covered employee payroll	2,794,696	2,678,301	2,671,179	2,515,703	2,392,194	2,834,252
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	162.51%	171.01%	165.78%	160.70%	168.42%	120.85%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%

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.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Employer Contributions
Employees Retirement System

Last 10 Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 402,230	\$ 378,175	\$ 358,346	\$ 333,080	\$ 299,704	\$ 304,597
Contributions in relation to the actuarially determined contribution	<u>402,230</u>	<u>378,175</u>	<u>358,346</u>	<u>333,080</u>	<u>299,704</u>	<u>304,597</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,794,696	\$ 2,678,301	\$ 2,671,179	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252
Contributions as a percentage of covered- employee payroll	14.39%	14.12%	13.42%	13.24%	12.53%	10.75%

Notes:

1.) 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.

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Town's Proportionate Share of Net Pension Asset
Teachers' Survivors Benefit Plan

Last 10 Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Employer's proportion of the net pension asset	0.50887672%	0.52422974%	0.51005638%	0.38891074%	0.61972762%	0.27774680%
Employer's proportionate share of the net pension asset	\$ 604,360	\$ 594,717	\$ 455,120	\$ 321,732	\$ 617,074	\$ 259,292
Employer's covered employee payroll	\$ 2,794,696	\$ 2,678,301	\$ 2,671,719	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	21.63%	22.21%	17.03%	12.79%	25.80%	9.15%
Plan fiduciary net position as a percentage of the total pension asset	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%

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.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Contributions
Teachers' Survivors Benefit Plan

Last 10 Years

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

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Notes to ERS and TSB Pension Plans

For the Year Ended June 30, 2021

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 the 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 independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Notes to ERS and TSB Pension Plans

For the Year Ended June 30, 2021

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.

Teachers Survivor Benefit Plan – the employee and employer contribution rates were applied to the first \$11,500 of member salary for fiscal 2018. In fiscal 2017 and prior the rate was applied to a salary up to \$9,600. Covered employee payroll is the full amount of employer payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

*Last 10 Years

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

*Eighth year of implementation of GASB 67 therefore only eight years of the 10 year required data is available.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

**Last 10 Years*

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

**Eighth year of implementation of GASB 67 therefore only eight years of the 10 year required data is available.*

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

Last 10 Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution	\$ 462,349	\$ 462,349	\$ 391,779	\$ 391,670	\$ 492,988	\$ 434,295	\$ 375,537	\$ 412,141	\$ 420,236	\$ 336,738
Contributions in relation to the actuarially determined contribution	477,135	433,569	442,000	391,670	492,988	434,295	412,141	412,141	420,236	336,738
Contribution deficiency (excess)	<u>\$ (14,786)</u>	<u>\$ 28,780</u>	<u>\$ (50,221)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,604)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	2,203,176	2,270,980	2,204,191	2,160,776	2,173,104	2,119,651	1,992,934	1,951,935	1,798,862	1,864,145
Contributions as a percentage of covered-employee payroll	21.66%	19.09%	20.05%	18.13%	22.69%	20.49%	20.68%	21.11%	23.36%	18.06%

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
 Schedule of Investment Returns and Notes - Town Employees' Pension Plan

**Last 10 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>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	25.13%	2.64%	6.24%	7.85%	12.07%	0.58%	3.49%	15.09%

**Eighth year of implementation of GASB 67 therefore only eight years of the 10 year required data is available.*

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, 2021

Methods and assumptions used to determine contribution rates:

Discount rate	6.79% for purposed of determining Net Pension Liability
Expected Long Term Rate of Return	7.00%
Municipal bond	2.18%
Inflation	2.50%
Pre and post retirement mortality	Pub-2010 below median weighted 30% teacher / 40% safety / 30% general government with scale MP-2021 generational improvements (Male/Female.) Separate tables are used for Employees, Healthy Retirees, Contingent Survivors, and Disabled Annuitants.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

**Last 10 Years*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB liability				
Service cost	\$ 54,615	\$ 49,964	\$ 75,673	\$ 72,620
Interest on net OPEB liability and service cost	50,409	79,363	91,747	98,938
Differences between actual and expected experience	82,724	(601,314)	(14,387)	(86,535)
Changes of assumptions	-	-	-	-
Benefit payments, including refunds	(136,911)	(136,911)	(125,461)	(144,114)
Net change in total OPEB liability	50,837	(608,898)	27,572	(59,091)
Total OPEB liability - beginning	1,833,046	2,441,944	2,414,372	2,473,463
Total OPEB liability - ending	<u>\$ 1,883,883</u>	<u>\$ 1,833,046</u>	<u>\$ 2,441,944</u>	<u>\$ 2,414,372</u>
OPEB fiduciary net position				
Benefit payments, including refunds	\$ (136,911)	\$ (136,911)	\$ (125,461)	\$ (144,114)
Trust administrative expenses	-	-	-	-
Contributions - employer	136,911	136,911	125,461	144,114
Contribution - Active employees	-	-	-	-
Net investment income	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan's net pension liability - ending	<u>\$ 1,883,883</u>	<u>\$ 1,833,046</u>	<u>\$ 2,441,944</u>	<u>\$ 2,414,372</u>
Plan fiduciary net position as % of total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	2,612,310	2,612,310	2,639,408	2,639,408
Plan NOL as % of covered employee payroll	72.12%	70.17%	92.52%	91.47%

**Fourth year of implementation of GASB 67 therefore only four years of the 10 year required data is available.*

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
Schedule of Employers Contributions and Notes – OPEB

**Last 10 Years*

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Actuarial determined contribution	\$ 136,911	\$ 136,911	\$ 125,461	\$ 144,114
Contributions in relation to the actuarially determined contribution	136,911	136,911	125,461	144,114
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 2,612,310	\$ 2,612,310	\$ 2,639,408	\$ 2,639,408
Contributions as a percentage of covered-employee payroll	5.24%	5.24%	4.75%	5.46%

**Fourth year of implementation of GASB 67 therefore only four years of the 10 year required data is available.*

Notes to Required Supplementary Information:

Valuation Date: Actuarially Determined Contribution was calculated as of June 30, 2021.
 Actuarial Cost Method: Individual Entry Age Normal
 Asset-Valuation Method: None noted

Actuarial Assumptions:

Single Equivalent Discount Rate: 3.25%, net of OPEB plan investment expense, including inflation
 Salary Increases: 2.00% annually as of June 30, 2021 and for future periods
 Retirement rates: The probability of remaining employed until retirement age from current and entry age by age comes from The U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
 Assumed retirement age: 62
 Mortality: Life expectancy by gender comes from the Life Expectancy Table from National Center for Health Statistics updated in 2015.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2021

Tax Roll Year	Balance, July 1, 2020	Current Year Assessment	Adjustments/ abatements	Transfers	Amount to be collected	Collections	Balance, June 30, 2021	FY2021 Cash Collections Summary			
								July - August 2020 Collections Subject to 60 days FY20 Accrual	September-June 2021 Collections	Total FY 2021 Cash Collections	July - August 2021 Collections Subject to 60 days FY21 Accrual
2020		\$ 13,162,799	\$ (15,708)	\$ 17,089	13,164,180	\$ 12,688,534	475,646	\$ -	\$ 12,688,534	12,688,534	\$ 231,163
2019	384,630	-	(1,248)	15,766	399,148	347,320	51,828	220,541	126,779	347,320	9,155
2018	77,285	-	(1,198)	1,250	77,337	47,094	30,243	27,578	19,516	47,094	560
2017	29,251	-	13,595	73	42,919	19,900	23,019	5,503	14,397	19,900	34
2016	27,119	-	-	-	27,119	9,373	17,746	2,407	6,966	9,373	-
2015	23,974	-	-	-	23,974	6,795	17,179	1,875	4,920	6,795	-
2014	21,334	-	-	-	21,334	4,079	17,255	1,609	2,470	4,079	-
2013	21,014	-	-	-	21,014	5,963	15,051	1,535	4,428	5,963	-
2012	18,836	-	-	-	18,836	3,401	15,435	-	3,401	3,401	494
2011	15,622	-	-	-	15,622	3,245	12,377	1,123	2,122	3,245	-
2010	11,420	-	-	-	11,420	2,719	8,701	454	2,265	2,719	-
2009	14,253	-	-	-	14,253	2,138	12,115	-	2,138	2,138	-
2008	7,919	-	-	-	7,919	2,122	5,797	72	2,050	2,122	187
2007	2,761	-	-	-	2,761	108	2,653	-	108	108	-
2006	2,077	-	-	-	2,077	-	2,077	-	-	-	-
2005	590	-	-	-	590	-	590	-	-	-	-
2004	559	-	-	-	559	-	559	-	-	-	-
2003 (and prior)	2,725	-	-	-	2,725	-	2,725	-	-	-	-
Total	\$ 661,370	\$ 13,162,799	\$ (4,560)	\$ 34,178	\$ 13,853,787	\$ 13,142,791	\$ 710,996	\$ 262,696	\$ 12,880,094	\$ 13,142,791	\$ 241,593
Allowance for Uncollectable Accounts	(23,387)						(23,387)				
Net Property Tax Receivable	\$ 637,983						\$ 687,609				

See independent auditor's report and notes to supplementary information

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2021

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 13,142,791
<i>July-August 2021 Collections</i>	
60-day FY21 Accrual	<u>241,593</u>
	13,384,384
<i>July-August 2020 Collections</i>	
60-day FY20 Accrual	<u>(262,696)</u>
 Current Year Property Tax Revenue	 <u><u>\$ 13,121,688</u></u>

Description of property	Valuations	Levy
Real property	\$ 2,138,827,961	\$ 12,811,579
Motor vehicles	37,589,536	522,495
Tangible personal	<u>11,244,248</u>	<u>133,357</u>
 Total	 2,187,661,745	 13,467,431
 Less: Exemptions and motor vehicle phase out		
Real Property	(10,668,200)	(62,347)
Motor vehicles	<u>(17,402,166)</u>	<u>(242,285)</u>
	<u>(28,070,366)</u>	<u>(304,632)</u>
 Current year assessment	 <u><u>\$ 2,159,591,379</u></u>	 <u><u>\$ 13,162,799</u></u>

See independent auditor's report and notes to supplementary information

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet

June 30, 2021

	Special Revenue Town	Special Revenue School	Permanent Trust Funds	Capital Projects	Total Non-Major Governmental Funds
Assets					
Cash and cash equivalents	\$ 560,586	\$ 18,925	\$ 117,852	\$ 121,623	\$ 818,986
Short-Term investments	-	-	36,662	-	36,662
Receivables:					
Intergovernmental	7,069	-	-	-	7,069
Other	168,692	-	-	-	168,692
Prepaid expenses	61,523	-	-	-	61,523
Inventories	-	284	-	-	284
Due from other funds	14,383	24,366	-	5,288	44,037
Total assets	<u>812,253</u>	<u>43,575</u>	<u>154,514</u>	<u>126,911</u>	<u>1,137,253</u>
Deferred outflows of resources					
Deferred outflows	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 812,253</u>	<u>\$ 43,575</u>	<u>\$ 154,514</u>	<u>\$ 126,911</u>	<u>\$ 1,137,253</u>
Liabilities					
Accounts payable and accrued expenses	\$ 29,384	\$ 8,184	\$ 528	\$ -	\$ 38,096
Due to other funds	2,047	-	50	-	2,097
Total liabilities:	<u>31,431</u>	<u>8,184</u>	<u>578</u>	<u>-</u>	<u>40,193</u>
Deferred inflows of resources					
Unearned revenues - other	-	-	-	50,000	50,000
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Fund balance					
Nonspendable	61,523	284	10,000	-	71,807
Restricted	609,875	137	143,936	24,662	778,610
Assigned	115,895	15,368	-	86,457	217,720
Unassigned	(6,471)	19,602	-	(34,208)	(21,077)
Total fund balances	<u>780,822</u>	<u>35,391</u>	<u>153,936</u>	<u>76,911</u>	<u>1,047,060</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 812,253</u>	<u>\$ 43,575</u>	<u>\$ 154,514</u>	<u>\$ 126,911</u>	<u>\$ 1,137,253</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2020

	Special Revenue Town	Special Revenue School	Permanent Trust Funds	Capital Projects	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	\$ 162,565	\$ 325,813	\$ -	\$ 27,917	\$ 516,295
Donation revenues	15,735	-	9,430	-	25,165
Departmental and other revenue	382,213	12,520	-	-	394,733
Investment income	48	-	46	-	94
Total revenues	<u>560,561</u>	<u>338,333</u>	<u>9,476</u>	<u>27,917</u>	<u>936,287</u>
Expenditures					
General government	77,466	-	-	63	77,529
Public safety	189,847	-	-	-	189,847
Education	-	345,823	501	-	346,324
Public works	-	-	-	42,129	42,129
Parks, recreation and other services	52,522	-	9,740	-	62,262
Total expenditures	<u>319,835</u>	<u>345,823</u>	<u>10,241</u>	<u>42,192</u>	<u>718,091</u>
Excess (deficiency) of revenues over expenditures	240,726	(7,490)	(765)	(14,275)	218,196
Other financing sources (uses)					
Transfers in	115,895	-	-	8,777	124,672
Transfers out	(115,895)	-	-	-	(115,895)
Total Other financing sources (uses):	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,777</u>	<u>8,777</u>
Excess of revenue and other sources over expenditures and other uses	240,726	(7,490)	(765)	(5,498)	226,973
Fund balance, July 1, 2020, restated	<u>540,096</u>	<u>42,881</u>	<u>154,701</u>	<u>82,409</u>	<u>820,087</u>
Fund balance, June 30, 2021	<u>\$ 780,822</u>	<u>\$ 35,391</u>	<u>\$ 153,936</u>	<u>\$ 76,911</u>	<u>\$ 1,047,060</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Special Revenue Town

June 30, 2021

	Brownfield Library Prof Dev	Library Resource Sharing	Substance Abuse Fund	Cell Tower	Reserve Fund	Recreation Conservation	Drug Forfeiture
Assets							
Cash and cash equivalents	\$ 4,724	\$ 3,918	\$ 21,062	\$ (14,011)	\$ 115,895	\$ 124,879	35,956
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Other receivables	-	-	-	14,573	-	-	6,310
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	8,580
Total assets	4,724	3,918	21,062	562	115,895	124,879	50,846
Deferred outflows of resources							
Unearned revenues	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	<u>\$ 4,724</u>	<u>\$ 3,918</u>	<u>\$ 21,062</u>	<u>\$ 562</u>	<u>\$ 115,895</u>	<u>\$ 124,879</u>	<u>\$ 50,846</u>
Liabilities							
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ 562	\$ -	\$ 1,250	\$ 4,138
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	562	-	1,250	4,138
Deferred inflows of resources							
Deferred inflows	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,724	3,918	21,062	-	-	123,629	46,708
Assigned	-	-	-	-	115,895	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	4,724	3,918	21,062	-	115,895	123,629	46,708
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 4,724</u>	<u>\$ 3,918</u>	<u>\$ 21,062</u>	<u>\$ 562</u>	<u>\$ 115,895</u>	<u>\$ 124,879</u>	<u>\$ 50,846</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Special Revenue Town

June 30, 2021

	CDBG	DEM Wastewater Grant	Stormwater Management	Law Enforcement Block Grant	EOP and Cert Grants	Clerk Restoration Grant
Assets						
Cash and cash equivalents	\$ 10,237	\$ 690	\$ 9,050	\$ 518	\$ 5,845	\$ 400
Investments	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	2,750	-
Other receivables	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	10,237	690	9,050	518	8,595	400
Deferred outflows of resources						
Unearned revenues	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total deferred outflows of resources and assets	\$ 10,237	\$ 690	\$ 9,050	\$ 518	\$ 8,595	\$ 400
Liabilities						
Accounts payable and accrued expenses	\$ 145	\$ -	\$ -	\$ -	\$ 524	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	145	-	-	-	524	-
Deferred inflows of resources						
Deferred inflows	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances						
Nonspendable	-	-	-	-	-	-
Restricted	10,092	690	9,050	518	8,071	400
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	10,092	690	9,050	518	8,071	400
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 10,237	\$ 690	\$ 9,050	\$ 518	\$ 8,595	\$ 400

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Special Revenue Town

June 30, 2021

	Historical Records Preservation	CEIR Grant	Spay / Neuter Fund	Homeland Security	FEMA Snow Removal	Legislative Grant	Road Detail	AFG Grant
Assets								
Cash and cash equivalents	\$ 27,765	\$ -	\$ 1,150	\$ 1,158	\$ 1,932	\$ 5,495	\$ 32,271	\$ (6,419)
Investments	-	-	-	-	-	-	4,319	-
Intergovernmental receivables	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	3,757	-	-	-
Total assets	27,765	-	1,150	1,158	5,689	5,495	36,590	(6,419)
Deferred outflows of resources								
Unearned revenues	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	\$ 27,765	\$ -	\$ 1,150	\$ 1,158	\$ 5,689	\$ 5,495	\$ 36,590	\$ (6,419)
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,273	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-	6,273	-
Deferred inflows of resources								
Deferred inflows	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	27,765	-	1,150	1,158	5,689	5,495	30,317	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(6,419)
Total fund balances (deficits)	27,765	-	1,150	1,158	5,689	5,495	30,317	(6,419)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 27,765	\$ -	\$ 1,150	\$ 1,158	\$ 5,689	\$ 5,495	\$ 36,590	\$ (6,419)

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - Special Revenue Town

June 30, 2021

	Ambulance Reimbursement	Fire Alarm Inspections	Rec Fees / Historical	Fourth of July	Police and Fire	Basketball Court	Harbor Management	Total Town Special Revenue
Assets								
Cash and cash equivalents	\$ 29,816	\$ 8,062	\$ 18,720	\$ 1,085	\$ 46,422	\$ (51)	\$ 74,017	\$ 560,586
Investments	-	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-	7,069
Other receivables	146,636	1,173	-	-	-	-	-	168,692
Prepaid	61,523	-	-	-	-	-	-	61,523
Due from other funds	-	2,046	-	-	-	-	-	14,383
Total assets	237,975	11,281	18,720	1,085	46,422	(51)	74,017	812,253
Deferred outflows of resources								
Unearned revenues	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	\$ 237,975	\$ 11,281	\$ 18,720	\$ 1,085	\$ 46,422	\$ (51)	\$ 74,017	\$ 812,253
Liabilities								
Accounts payable and accrued expenses	\$ 5,072	\$ 892	\$ -	\$ -	\$ 9,704	\$ -	\$ 824	\$ 29,384
Due to other funds	-	-	-	-	-	1	2,046	2,047
Total liabilities	5,072	892	-	-	9,704	1	2,870	31,431
Deferred inflows of resources								
Deferred inflows	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
Fund Balances								
Nonspendable	61,523	-	-	-	-	-	-	61,523
Restricted	171,380	10,389	18,720	1,085	36,718	-	71,147	609,875
Assigned	-	-	-	-	-	-	-	115,895
Unassigned	-	-	-	-	-	(52)	-	(6,471)
Total fund balances (deficits)	232,903	10,389	18,720	1,085	36,718	(52)	71,147	780,822
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 237,975	\$ 11,281	\$ 18,720	\$ 1,085	\$ 46,422	\$ (51)	\$ 74,017	\$ 812,253

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Brownfield Library Prof Dev	Library Resource Sharing	Substance Abuse Fund	Cell Tower	Reserve Fund	Recreation Conservation	Drug Forfeiture
Revenues							
Intergovernmental revenues	\$ -	\$ 36,164	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	48
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	-	-	-	42,322	-	62,725	-
Total revenues	-	36,164	-	42,322	-	62,725	48
Expenditures							
General government	-	-	-	6,418	-	-	-
Public safety	-	-	-	-	-	-	21,569
Parks, recreation, and other services	-	32,386	-	-	-	495	-
Total expenditures	-	32,386	-	6,418	-	495	21,569
Excess (deficiency) of revenue over expenditures	-	3,778	-	35,904	-	62,230	(21,521)
Other financing sources (uses)							
Transfers in	-	-	-	-	115,895	-	-
Transfers out	-	-	-	(115,895)	-	-	-
Total other financing sources (uses)	-	-	-	(115,895)	115,895	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	3,778	-	(79,991)	115,895	62,230	(21,521)
Fund balance, July 1, 2020	4,724	140	21,062	79,991	-	61,399	68,229
Fund balance, June 30, 2021	\$ 4,724	\$ 3,918	\$ 21,062	\$ -	\$ 115,895	\$ 123,629	\$ 46,708

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	CDBG	DEM Wastewater Grant	Stormwater Management	Law Enforcement Block Grant	EOP and Cert Grants	Clerk Restoration Grant
Revenues						
Intergovernmental revenues	\$ 4,000	\$ -	\$ -	\$ -	\$ 500	\$ -
Investment income	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-
Departmental and other revenue	-	-	-	-	-	-
Total revenues	<u>4,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>
Expenditures						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Parks, recreation, and other services	4,606	-	-	-	-	-
Total expenditures	<u>4,606</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	(606)	-	-	-	500	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(606)	-	-	-	500	-
Fund balance, July 1, 2020	10,698	690	9,050	518	7,571	400
Fund balance, June 30, 2021	<u>\$ 10,092</u>	<u>\$ 690</u>	<u>\$ 9,050</u>	<u>\$ 518</u>	<u>\$ 8,071</u>	<u>\$ 400</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Historical Records Preservation	CEIR Grant	Spay / Neuter Fund	Homeland Security	FEMA Snow Removal	Legislative Grant	Road Detail	AFG Grant
Revenues								
Intergovernmental revenues	\$ -	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 9,047	\$ -
Investment income	-	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-	-
Departmental and other revenue	1,443	-	109	-	-	1,000	75,752	-
Total revenues	1,443	2,000	109	-	-	1,000	84,799	-
Expenditures								
General government	-	-	-	-	-	-	68,904	-
Public safety	-	-	-	-	-	-	-	-
Parks, recreation, and other services	-	2,000	-	-	-	-	-	-
Total expenditures	-	2,000	-	-	-	-	68,904	-
Excess (deficiency) of revenue over expenditures	1,443	-	109	-	-	1,000	15,895	-
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,443	-	109	-	-	1,000	15,895	-
Fund balance, July 1, 2020	26,322	-	1,041	1,158	5,689	4,495	14,422	(6,419)
Fund balance, June 30, 2021	\$ 27,765	\$ -	\$ 1,150	\$ 1,158	\$ 5,689	\$ 5,495	\$ 30,317	\$ (6,419)

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Ambulance Reimbursement	Fire Alarm Inspections	Rec Fees / Historical	Fourth of July	Police and Fire	Basketball Court	Harbor Management	Total Town Special Revenue
Revenues								
Intergovernmental revenues	\$ 110,854	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 162,565
Investment income	-	-	-	-	-	-	-	48
Donation revenues	-	-	-	100	15,635	-	-	15,735
Departmental and other revenue	150,880	15,229	7,231	-	-	-	25,522	382,213
Total revenues	261,734	15,229	7,231	100	15,635	-	25,522	560,561
Expenditures								
General government	-	-	1,223	-	-	-	921	77,466
Public safety	165,161	3,117	-	-	-	-	-	189,847
Parks, recreation, and other services	-	-	-	-	-	-	13,035	52,522
Total expenditures	165,161	3,117	1,223	-	-	-	13,956	319,835
Excess (deficiency) of revenue over expenditures	96,573	12,112	6,008	100	15,635	-	11,566	240,726
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	115,895
Transfers out	-	-	-	-	-	-	-	(115,895)
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	96,573	12,112	6,008	100	15,635	-	11,566	240,726
Fund balance, July 1, 2020	136,330	(1,723)	12,712	985	21,083	(52)	59,581	540,096
Fund balance, June 30, 2021	\$ 232,903	\$ 10,389	\$ 18,720	\$ 1,085	\$ 36,718	\$ (52)	\$ 71,147	\$ 780,822

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Special Revenue School

June 30, 2021

	SPED Part B	SPED Preschool	Title I Part A	Title IIA Teacher Quality	REAP Small Rural Sch Program	Education Foundation
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
Inventories	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	-	-	-	-	-	34
Deferred Outflows of Resources						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resour	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34
Liabilities						
Accounts payable and accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Deferred Inflows of Resources						
Unearned revenues	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-
Fund balances						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	34
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	-	-	-	-	-	34
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Special Revenue School

June 30, 2021

	Title IV	Private Donation	School Lunch	Supplemental Impact Aid	ESSER	SBA COVID	Student Activities	Total School Special Revenue
Assets								
Cash and cash equivalents	\$ -	\$ 1,000	\$ 2,523	\$ -	\$ -	\$ -	\$ 15,368	\$ 18,925
Inventories	-	-	284	-	-	-	-	284
Due from other funds	-	-	24,366	-	-	-	-	24,366
Total assets	-	1,000	27,173	-	-	-	15,368	43,575
Deferred Outflows of Resources								
Deferred outflows	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ -	\$ 1,000	\$ 27,173	\$ -	\$ -	\$ -	\$ 15,368	\$ 43,575
Liabilities								
Accounts payable and accrued expenses	\$ -	\$ 897	\$ 7,287	\$ -	\$ -	\$ -	\$ -	\$ 8,184
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	-	897	7,287	-	-	-	-	8,184
Deferred Inflows of Resources								
Unearned revenues	-	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-	-
Fund balances								
Nonspendable	-	-	284	-	-	-	-	284
Restricted	-	103	-	-	-	-	-	137
Assigned	-	-	-	-	-	-	15,368	15,368
Unassigned	-	-	19,602	-	-	-	-	19,602
	-	103	19,886	-	-	-	15,368	35,391
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 1,000	\$ 27,173	\$ -	\$ -	\$ -	\$ 15,368	\$ 43,575

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	SPED Part B	SPED Preschool	Title I Part A	Title IIA Teacher Quality	REAP Small Rural Sch Program	Education Foundation
Revenues						
Intergovernmental revenues	\$ 109,110	\$ 2,159	\$ 19,135	\$ 6,600	\$ 26,249	\$ -
Departmental and other revenues	-	-	-	-	-	-
Total revenues	<u>109,110</u>	<u>2,159</u>	<u>19,135</u>	<u>6,600</u>	<u>26,249</u>	<u>-</u>
Expenditures						
Education	<u>109,110</u>	<u>2,159</u>	<u>19,135</u>	<u>6,600</u>	<u>26,249</u>	<u>-</u>
Total expenditures	<u>109,110</u>	<u>2,159</u>	<u>19,135</u>	<u>6,600</u>	<u>26,249</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-
Fund balance, July 1, 2020, restated	-	-	-	-	-	34
Fund balance, June 30, 2021	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Title IV	Private Donation	School Lunch	Supplemental Impact Aid	ESSER	SBA COVID	Student Activities	Total School Special Revenue
Revenues								
Intergovernmental revenues	\$ 10,000	\$ -	\$ 74,295	\$ 39,887	\$33,278	5,100	\$ -	\$ 325,813
Departmental and other revenues	-	-	4,865	-	-	-	7,655	12,520
Total revenues	10,000	-	79,160	39,887	33,278	5,100	7,655	338,333
Expenditures								
Education	10,000	897	75,488	39,887	33,278	5,100	17,920	345,823
Total expenditures	10,000	897	75,488	39,887	33,278	5,100	17,920	345,823
Excess (deficiency) of revenue over expenditures	-	(897)	3,672	-	-	-	(10,265)	(7,490)
Other financing sources (uses)								
Transfers in	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(897)	3,672	-	-	-	(10,265)	(7,490)
Fund balance, July 1, 2020, restated	-	1,000	16,214	-	-	-	25,633	42,881
Fund balance, June 30, 2021	\$ -	\$ 103	\$ 19,886	\$ -	\$ -	\$ -	\$ 15,368	\$ 35,391

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Capital Project Funds

June 30, 2021

	Beach Emergency	Capital Expenditures	School Renovation - Town	Revaluation	School Renovation - School	Pike's Peak	Capital Projects Total
Assets							
Cash and cash equivalents	\$ 43,008	\$ 69,374	\$ (33,856)	\$ 43,449	\$ -	\$ (352)	\$ 121,623
Due from State	-	-	-	-	-	-	-
Due from other funds	-	5,288	-	-	-	-	5,288
Total assets	43,008	74,662	(33,856)	43,449	-	(352)	126,911
Deferred Outflows of Resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total outflows of resources and assets	\$ 43,008	\$ 74,662	\$ (33,856)	\$ 43,449	\$ -	\$ (352)	\$ 126,911
Liabilities							
Accounts payable and accrued expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
Deferred Inflows of Resources:							
Unearned revenues - other	-	50,000	-	-	-	-	50,000
Total deferred inflows of resources	-	50,000	-	-	-	-	50,000
Fund Balances							
Restricted	-	24,662	-	-	-	-	24,662
Assigned	43,008	-	-	43,449	-	-	86,457
Unassigned	-	-	(33,856)	-	-	(352)	(34,208)
Total fund balances (deficits)	43,008	24,662	(33,856)	43,449	-	(352)	76,911
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 43,008	\$ 74,662	\$ (33,856)	\$ 43,449	\$ -	\$ (352)	\$ 126,911

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Beach Emergency	Capital Expenditures	School Renovation - Town	Revaluation	School Renovation - School	Pike's Peak	Capital Projects Total
Revenues							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ 27,917	\$ -	\$ 27,917
Other	-	-	-	-	-	-	-
Total revenues	-	-	-	-	27,917	-	27,917
Expenditures							
General government	-	-	-	63	-	-	63
Public works	-	42,129	-	-	-	-	42,129
Education	-	-	-	-	-	-	-
Total expenditures	-	42,129	-	63	-	-	42,192
Excess (deficiency) of revenue over expenditures	-	(42,129)	-	(63)	27,917	-	(14,275)
Other financing sources (uses)							
Transfers in	-	-	-	-	8,777	-	8,777
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	8,777	-	8,777
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(42,129)	-	(63)	36,694	-	(5,498)
Fund balance, July 1, 2020	43,008	66,791	(33,856)	43,512	(36,694)	(352)	82,409
Fund balance, June 30, 2021	\$ 43,008	\$ 24,662	\$ (33,856)	\$ 43,449	\$ -	\$ (352)	\$ 76,911

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - Permanent Trust Funds

June 30, 2021

	Cemetery	Historical Cemetery	Raposa Education Trust	Doris Simmons Mem
Assets				
Cash	\$ 54,547	\$ 31,953	\$ 12,096	\$ 2,418
Short-Term investments	36,662	-	-	-
Total assets	<u>91,209</u>	<u>31,953</u>	<u>12,096</u>	<u>2,418</u>
Deferred Outflows of Resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources and assets	<u>\$ 91,209</u>	<u>\$ 31,953</u>	<u>\$ 12,096</u>	<u>\$ 2,418</u>
Liabilities				
Accounts payable and accrued expenses	\$ 368	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	10,000	-	-
Restricted	90,841	21,953	12,096	2,418
Total fund balances (deficits)	<u>90,841</u>	<u>31,953</u>	<u>12,096</u>	<u>2,418</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 91,209</u>	<u>\$ 31,953</u>	<u>\$ 12,096</u>	<u>\$ 2,418</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Permanent Trust Funds

June 30, 2021

	R. Peckham	Tree Fund	Philip Wilbur Mem	Adamsville Historical Assoc	Total
Assets					
Cash	\$ 1,369	\$ 10,247	\$ 3,040	\$ 2,182	\$ 117,852
Short-Term investments	-	-	-	-	36,662
Total assets	<u>1,369</u>	<u>10,247</u>	<u>3,040</u>	<u>2,182</u>	<u>154,514</u>
Deferred Outflows of Resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources and assets	<u>\$ 1,369</u>	<u>\$ 10,247</u>	<u>\$ 3,040</u>	<u>\$ 2,182</u>	<u>\$ 154,514</u>
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 160	\$ -	\$ -	\$ 528
Due to other funds	50	-	-	-	50
Total liabilities	<u>50</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>578</u>
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	-	-	10,000
Restricted	1,319	10,087	3,040	2,182	143,936
Total fund balances (deficits)	<u>1,319</u>	<u>10,087</u>	<u>3,040</u>	<u>2,182</u>	<u>153,936</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,369</u>	<u>\$ 10,247</u>	<u>\$ 3,040</u>	<u>\$ 2,182</u>	<u>\$ 154,514</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	Cemetery	Historical Cemetery	Raposa Education Trust	Doris Simmons Mem
Revenues				
Investment income	\$ 6	\$ 4	\$ 13	\$ 3
Unrealized gain/(loss)	-	-	-	-
Donation revenues	-	-	-	-
Total revenues	6	4	13	3
Expenditures				
Education	-	-	350	151
Parks, recreation, and other	690	-	-	-
Total expenditures	690	-	350	151
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Excess of revenues and other sources over expenditures and other uses	(684)	4	(337)	(148)
Fund balance, July 1, 2020	91,525	31,949	12,433	2,566
Fund balance, June 30, 2021	\$ 90,841	\$ 31,953	\$ 12,096	\$ 2,418

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2021

	R. Peckham	Tree Fund	Philip Wilbur Mem	Adamsville Historical Assoc	Total
Revenues					
Investment income	\$ 1	\$ 13	\$ 3	\$ 3	\$ 46
Unrealized gain/(loss)	-	-	-	-	-
Donation revenues	-	9,430	-	-	9,430
Total revenues	1	9,443	3	3	9,476
Expenditures					
Education	-	-	-	-	501
Parks, recreation, and other	-	9,050	-	-	9,740
Total expenditures	-	9,050	-	-	10,241
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess of revenues and other sources over expenditures and other uses	1	393	3	3	(765)
Fund balance, July 1, 2020	1,318	9,694	3,037	2,179	154,701
Fund balance, June 30, 2021	<u>\$ 1,319</u>	<u>\$ 10,087</u>	<u>\$ 3,040</u>	<u>\$ 2,182</u>	<u>\$ 153,936</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 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)

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 12,919,697	\$ -
Last Year's Levy Tax Collection	135,934	-
Prior Years Property Tax Collection	20,076	-
Interest & Penalty	114,914	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	568,939	-
Fines and Forfeitures	18,529	-
Investment Income	3,369	-
Departmental	142,413	-
Rescue Run Revenue	261,734	-
Police & Fire Detail	15,683	-
Other Local Non-Property Tax Revenues	45,981	-
Tuition	-	40,266
Impact Aid	-	-
Medicaid	-	17,955
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	74,295
CDBG	4,000	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	173,253
COVID - ESSER	-	33,278
COVID - CRF	91,323	39,887
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	5,100
COVID - ARPA	-	-
MV Excise Tax Reimbursement	13,465	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	36,164	-
Library Construction Aid	-	-
Public Service Corporation Tax	43,654	-
Meals & Beverage Tax / Hotel Tax	63,215	-
LEA Aid	-	397,611
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	330,495	-
State Food Service Revenue	-	2,016
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	-
Motor Vehicle Phase Out	17,510	-
Other Revenue	-	38,421
Local Appropriation for Education	-	7,196,329
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 14,847,093	\$ 8,018,411
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 255,798	\$ 213,138	\$ 5,583	\$ -	\$ -	\$ 132,310	\$ 160,642	\$ 177,521	\$ 753,218
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation - Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	613	-	-	-	-	-	3,848	-	56,407
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	251,760
Active Medical Insurance - Group A	113,546	71,780	-	-	-	9,663	55,127	-	127,151
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	12,616	5,905	-	-	-	1,074	4,295	-	14,128
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	60,026	23,463	731	-	-	25,700	31,962	35,367	199,070
Life Insurance	430	191	-	-	-	96	191	-	525
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	75,975	-	-	-	-	-	19,490	-	142,576
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	115,098	13,372	-	75,811	1,447	-	-	1,320	12,764
Materials/Supplies	118,505	10,343	-	33,856	3,108	24,500	43,407	37,065	21,779
Software Licenses	-	-	-	-	-	-	-	-	17,195
Capital Outlays	18,349	-	-	-	-	-	-	-	-
Insurance	137,104	-	-	-	-	-	-	-	-
Maintenance	7,585	3,349	-	-	-	-	16,764	44,662	-
Vehicle Operations	-	-	-	-	10,281	-	31,269	227	39,262
Utilities	16,986	3,117	-	1,277	1,166	1,957	5,235	932	2,676
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	2,595	-	-
Revaluation	-	63	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	83,462	-	-
Trash Removal & Recycling	-	-	-	-	-	-	133,483	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	53,150	-	-	-	-	6,689	-	-	-
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	\$ 985,782	\$ 344,722	\$ 6,315	\$ 110,945	\$ 16,002	\$ 201,988	\$ 591,770	\$ 297,095	\$ 1,638,513

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (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	\$ 636,350	\$ 200,128	\$ -	\$ -	\$ -	\$ -	\$ 2,534,689	\$ 2,908,882
Compensation - Group B	-	-	-	-	-	-	-	390,696
Compensation - Group C	-	-	-	-	-	-	-	499,241
Compensation - Volunteer	26,130	-	-	-	-	-	26,130	-
Overtime- Group A	235,330	24,111	-	-	-	-	320,309	-
Overtime - Group B	-	-	-	-	-	-	-	5,511
Overtime - Group C	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	251,760	-
Active Medical Insurance - Group A	187,439	95,002	-	-	-	-	659,709	517,954
Active Medical Insurance- Group B	-	-	-	-	-	-	-	30,243
Active Medical Insurance- Group C	-	-	-	-	-	-	-	116,893
Active Dental insurance- Group A	20,827	10,556	-	-	-	-	69,401	31,931
Active Dental Insurance- Group B	-	-	-	-	-	-	-	3,055
Active Dental Insurance- Group C	-	-	-	-	-	-	-	4,061
Payroll Taxes	179,801	45,623	-	-	-	-	601,744	113,273
Life Insurance	1,576	191	-	-	-	-	3,200	12,477
State Defined Contribution- Group A	-	-	-	-	-	-	-	65,371
State Defined Contribution - Group B	-	-	-	-	-	-	-	4,673
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	27,775
Other Benefits- Group B	-	-	-	-	-	-	-	1,617
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	114,025	18,994	-	-	-	-	371,060	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group A	-	-	-	-	-	-	-	386,974
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	25,363
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	17,957	1,381	17,631	-	-	-	256,782	2,030,742
Materials/Supplies	16,485	-	702	-	-	-	309,752	149,894
Software Licenses	-	-	-	-	-	-	17,195	2,945
Capital Outlays	-	-	-	-	-	-	18,349	174,401
Insurance	-	-	-	-	-	-	137,104	32,982
Maintenance	-	-	17,168	-	-	-	89,528	51,205
Vehicle Operations	-	-	-	-	-	-	81,039	-
Utilities	4,435	-	15,246	-	-	-	53,027	128,780
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	2,595	-
Revaluation	-	-	-	-	-	-	63	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	83,462	-
Trash Removal & Recycling	-	-	-	-	-	-	133,483	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	-	-	-	-	59,839	56,549
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	7,196,329	-	-	7,196,329	-
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	-	-	-	-	480,000	-	480,000	-
School Debt- Interest	-	-	-	-	370,897	-	370,897	-
Retiree Medical Insurance- Total	-	-	-	-	-	153,934	153,934	3,066
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,440,356	\$ 395,986	\$ 50,747	\$ 7,196,329	\$ 850,897	\$ 153,934	\$ 14,281,380	\$ 7,776,554

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ -	\$ -
Net Change in Fund Balance¹	565,713	241,857
Fund Balance1- beginning of year	\$2,782,589	\$37,841
Funds removed from Reportable Government Services (RGS)	1,723	-
Funds added to Reportable Government Services (RGS)	21,083	-
Prior period adjustments	-	25,633
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	2,805,395	63,474
Rounding	-	-
Fund Balance¹ - end of year	\$ 3,371,108	\$ 305,331

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

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 2,782,589	-	\$ 2,782,589	
<i>Fire alarm inspection fund removed from RGS due to improper inclusion in FY20</i>						1,723	-	1,723	
<i>Police and fire detail added to RGS due to improper exclusion in FY20</i>						21,083	-	21,083	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 2,805,395</u>	-	<u>\$ 2,805,395</u>	
General Fund	\$ 14,565,676	\$ -	\$ 6,893,652	\$ 7,196,329	\$ 475,695	\$ 2,525,543	\$ -	\$ 2,525,543	\$ 3,001,238
CDBG-360	4,000	-	4,606	-	(606)	10,698	-	10,698	10,092
Special Revenue-Ambulance Reimbursement-405	261,734	-	165,161	-	96,573	136,330	-	136,330	232,903
Special Revenue-Drug Forfeiture-340	48	-	21,569	-	(21,521)	68,229	-	68,229	46,708
Capital Project Funds-Revaluation-430	-	-	63	-	(63)	43,512	-	43,512	43,449
Special Revenue-Police & Fire Detail-395	15,635	-	-	-	15,635	21,083	-	21,083	36,718
Totals per audited financial statements	<u>\$ 14,847,093</u>	<u>\$ -</u>	<u>\$ 7,085,051</u>	<u>\$ 7,196,329</u>	<u>\$ 565,713</u>	<u>\$ 2,805,395</u>	<u>\$ -</u>	<u>\$ 2,805,395</u>	<u>\$ 3,371,108</u>
Reconciliation from financial statements to MTP2									
School Appropriation from Town to School	\$ -	\$ -	\$ 7,196,329	\$ (7,196,329)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	(1,723)	-	-	-
Totals Per MTP2	<u>\$ 14,847,093</u>	<u>\$ -</u>	<u>\$ 14,281,380</u>	<u>\$ -</u>	<u>\$ 565,713</u>	<u>\$ 2,803,672</u>	<u>\$ -</u>	<u>\$ 2,805,395</u>	<u>\$ 3,371,108</u>

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

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 37,841	25,633	\$ 63,474	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 37,841</u>	<u>25,633</u>	<u>\$ 63,474</u>	
School Unrestricted Fund	\$ 756,262	\$ 7,196,329	\$ 7,731,161	\$ 8,777	\$ 212,653	\$ 57,287	\$ -	\$ 57,287	\$ 269,940
SBA School Capital Project Fund	27,917	8,777	-	-	36,694	(36,694)	-	(36,694)	-
School Special Revenue Funds	338,333	-	345,823	-	(7,490)	17,248	25,633	42,881	35,391
Totals per audited financial statements	<u>\$ 1,122,512</u>	<u>\$ 7,205,106</u>	<u>\$ 8,076,984</u>	<u>\$ 8,777</u>	<u>\$ 241,857</u>	<u>\$ 37,841</u>	<u>\$ 25,633</u>	<u>\$ 63,474</u>	<u>\$ 305,331</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 7,196,329	\$ (7,196,329)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(300,430)	-	(300,430)	-	-	-	-	-	-
Transfer (of 500k from School Unrestricted to the School SBA Capital Projects Fund) is reported as on Other Financing Sources and Use for GAAP while it not reported in UCOA or the MTP2 because the transfers net out to zero	-	(8,777)	-	(8,777)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 8,018,411</u>	<u>\$ -</u>	<u>\$ 7,776,554</u>	<u>\$ -</u>	<u>\$ 241,857</u>	<u>\$ 37,841</u>	<u>\$ 25,633</u>	<u>\$ 63,474</u>	<u>\$ 305,331</u>
Reconciliation from MTP2 to UCOA									
Miscellaneous variance between MTP2 & UCOA	(3)	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report - Dated 2/3/22	<u>\$ 8,018,408</u>	<u>\$ 7,776,554</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 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 auditor's report

CERTIFIED PUBLIC ACCOUNTANTS
126 President Avenue
Fall River, MA 02720
TEL. (508) 675-7889
FAX (508) 675-7859
www.hague-sahady.com

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Little Compton, Rhode Island (the Town), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated January 10, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Hague, Sahady & Co. PC

Fall River, Massachusetts
January 10, 2022