

TOWN OF NARRAGANSETT, RHODE ISLAND
Annual Financial Statements
For the Fiscal Year Ended
June 30, 2021

Christine Spagnoli
Finance Director

Prepared by: Finance Department

INTRODUCTORY SECTION

**THIS SECTION CONTAINS
THE FOLLOWING:**

- **Table of Contents**
- **Letter of Transmittal**
- **Town of Narragansett Organizational Chart**
- **List of Elected and Appointed Town Officials**

TOWN OF NARRAGANSETT, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

LETTER OF TRANSMITTAL..... i

TOWN OF NARRAGANSETT ORGANIZATIONAL CHART..... vii

LIST OF TOWN OFFICIALS viii

II. FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT..... 1-3

REQUIRED SUPPLEMENTARY INFORMATION:

Management's Discussion and Analysis 4-13

BASIC FINANCIAL STATEMENTS

Government-Wide Financial Statements:

Statement of Net Position 14

Statement of Activities..... 15

Fund Financial Statements:

Balance Sheet – Governmental Funds 16

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide
Statement of Net Position 17

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 18

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities..... 19

Statement of Net Position – Proprietary Funds..... 20

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds..... 21

Statement of Cash Flows – Proprietary Funds..... 22-23

Statement of Fiduciary Net Position – Fiduciary Funds 24

Statement of Changes in Fiduciary Net Position – Fiduciary Funds 25

Notes to Basic Financial Statements..... 26-81

REQUIRED SUPPLEMENTARY INFORMATION:

Town Other Post-Employment Benefit (OPEB) Plan – Schedule of Changes in the Town's
Net OPEB Liability and Related Ratios..... 82

School Other Post-Employment Benefit (OPEB) Plan – Schedule of Changes in the Town's
Net OPEB Liability and Related Ratios..... 83

Other Post-Employment Benefit (OPEB) Plans – Schedule of Town Contributions 84

Other Post-Employment Benefit (OPEB) Plan – Schedule of Investment Returns 85

TOWN OF NARRAGANSETT, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS (Continued)

Employees' Retirement System Pension Plan – Schedule of the Town's Proportionate Share of the Net Pension Liability	86
Police Pension Plan – Schedule of Changes in the Town's Net Pension Liability and Related Ratios	87
Town Pension Plan – Schedule of Changes in the Town's Net Pension Liability and Related Ratios	88
Pension Plans – Schedule of Town Contributions.....	89
Pension Plans – Schedule of Investment Returns.....	90
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	91-94
Notes to Required Supplementary Information	95-100
OTHER SUPPLEMENTARY INFORMATION:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	101-104
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	105-108
Combining Balance Sheet – Special Revenue Funds – School Restricted Fund.....	109-113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds – School Restricted Fund	114-118
Combining Statement of Fiduciary Net Position – Pension Trust Funds.....	119
Combining Statement of Changes in Fiduciary Net Position – Pension Trust Funds	120
Combining Statement of Fiduciary Net Position – Other Post-Employment Benefit Trust Funds.....	121
Combining Statement of Changes in Fiduciary Net Position – Other Post-Employment Benefit Trust Funds.....	122
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	123
Combining Statement of Changes in Fiduciary Net Position – Private Purpose Trust Funds	124
Tax Collector's Annual Report	125-126
Combining Balance Sheet – General Fund.....	127-128
Combining Schedule of Revenue, Expenditures and Changes in Fund Balances – General Fund	129-130
Schedule of Assets, Liabilities and Fund Balance – School Unrestricted Fund	131
Schedule of Revenues, Expenditures and Changes in Fund Balance – School Unrestricted Fund	132

TOWN OF NARRAGANSETT, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2021

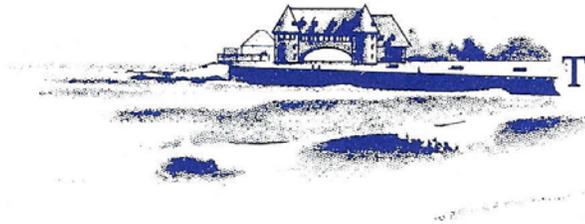
TABLE OF CONTENTS (Continued)

Schedule of Revenues and Expenditures – Budget and Actual	
– School Department Operating Budget	133
Schedule of Unrestricted Fund – Fund Balance – Restricted for Education Programs.....	134
Annual Supplemental Transparency Report (MTP2) - Revenue.....	135
Annual Supplemental Transparency Report (MTP2) - Expenditures.....	136-137
Combining Schedule of Reportable Governmental Services with Reconciliation to MTP2	
– Municipal	138
Combining Schedule of Reportable Governmental Services with Reconciliation to MTP2	
– Education Department	139
Notes to Supplemental Information – Annual Supplemental Transparency Report (MTP2)	140

III. STATISTICAL SECTION

Net Position by Component – Last Ten Fiscal Years	141
Changes in Net Position – Last Ten Fiscal Years.....	142-143
Fund Balances – Governmental Funds – Last Ten Fiscal Years	144
Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years	145
Assessed and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years	146
Principal Property Taxpayers – Current Year and Ten Years Ago	147
Property Tax Levies and Collections – Last Ten Fiscal Years.....	148
Property Tax Rates – Last Ten Fiscal Years	149
Ratio of General Bonded Debt to Assessed Value and Net Bonded Debt per	
Capita – Last Ten Fiscal Years	150
Computation of Legal Debt Margin – Last Ten Fiscal Years	151
Ratio of Annual Debt Service Expenditures for General Bond Debt to Total	
General Expenditures – Last Ten Fiscal Years	152
Principal Employers.....	153
Full-Time Equivalent Town Employees by Function – Last Ten Fiscal Years	154
Miscellaneous Statistics.....	155

Report on the 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.....	156-157
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TOWN OF NARRAGANSETT

Town Hall • 25 Fifth Avenue • Narragansett, RI 02882-3699
Tel. (401) 789-1044 TDD (401) 782-0610 Fax (401) 783-9637

FINANCE DEPARTMENT

To the Citizens of the Town of Narragansett:

The annual comprehensive financial report of the Town of Narragansett, Rhode Island, for the fiscal year ended June 30, 2021, is hereby submitted as mandated by both state statutes and the Town charter. State laws require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants licensed to practice in the State of Rhode Island.

This report consists of management's representations concerning the finances of the Town. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations management of the Town of Narragansett has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of Narragansett's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Town of Narragansett's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of Narragansett's financial statements have been audited by Bacon and Company CPAs, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Narragansett for the fiscal year ended June 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Narragansett's financial statements for the fiscal year ended June 30, 2021 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Narragansett was part of a

broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in a separate Single Audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of Narragansett's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The Town of Narragansett, incorporated as a town on March 28, 1901, is situated in Washington County, on the southeastern coast of the State of Rhode Island, approximately 30 miles south of Providence. It is bounded by Narragansett Bay and the Atlantic Ocean on the east; by the Atlantic Ocean on the south; by the Town of South Kingstown on the west; and the Town of North Kingstown on the north. The total area of the community is 18.3 square miles, which includes 4.4 square miles of inland water. The year-round population of the Town decreased from 15,686 persons counted in the 2010 census to 14,532 in the 2020 census. The actual population served is estimated to be approximately 10,000 persons higher with summer rentals and University of Rhode Island student and faculty rentals.

Government

The Town operates under a charter form of government, which provides for a five member elected Town Council which is responsible for enacting local legislation; and an appointed Town Manager who executes the laws and the administration of the town government. The Town has a home-rule charter and operates under the Council-Manager form of government. The Town Council is elected by popular vote every two years and is responsible for, among other things, passing ordinances, adopting a budget, appointing committees, and hiring both the Town Manager and Town Solicitor. The Town Manager is responsible for carrying out the policies of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing all other employees, except for School Department personnel.

The Town provides a full range of municipal services including public safety protection, the repair and maintenance of highways, streets, and other infrastructure, libraries, recreational activities, planning and zoning, education and administrative services. In addition, the Town operates water, wastewater, the Town Beach and the Middlebridge Recreation Area.

The annual budget serves as the foundation for the Town's financial planning and control. The Town Council is granted all powers to enact, amend or repeal ordinances relating to the Town's property, affairs and government as well as the authorization of the issuance of bonds or notes by ordinance, except that no bonded indebtedness may be incurred pledging the credit of the Town in excess of 1.5% of the budget in any one fiscal year unless submitted to a vote of the electors at either a general or special election and approved by a majority of the electors voting at said election.

Education

The general administration of the Narragansett School System is directed by a five-member School Committee that is elected at large at the regular biennial elections for staggered four-year terms. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenue to the Town Council and, once the school budget has been approved, determines the allocation of the amount appropriated. The cost of operating the Town's School System for the fiscal year ended June 30, 2021 was \$29,339,207. The School Department budget for fiscal year ended June 30, 2021 is \$32,281,439 and the budget for fiscal year ending June 30, 2022 is \$33,209,079. The budgeted cost per student in the fiscal year ending June 30, 2021 was \$25,479 shared by the Town and the State of Rhode Island in the form of School Operations Aid. The Town has one elementary school, one middle school and one high school. As of October at the beginning of each school year, the student enrollment in the Narragansett School System for the past five years has been and is projected to be as follows:

Fiscal Year	Actual	Fiscal Year	Projected
Ending	Enrollment	Ending	Enrollment
2017_____	1,337	2022_____	1,252
2018_____	1,324	2023_____	1,200
2019_____	1,302		
2020_____	1,332		
2021_____	1,267		

Municipal Services

The Town provides major public services which are detailed as follows:

Wastewater Facilities

The Town has 20 sewage pumping stations and approximately 90 miles of sanitary sewers. Service for the southern portion of Narragansett, including the commercial fishing port of Galilee, is provided at the Town-owned Scarborough Wastewater Treatment Plant, a 1.4 million gallon per day (MGD) extended aeration plant. The South Kingstown Regional Treatment Facility provides wastewater treatment for the Pier area and the northern portion of the Town. Approximately 6,749 accounts are serviced by the Town. The annual rate for residential users is currently \$400 per unit. The Wastewater Division operates as an enterprise fund, with all operations funded from user fees and assessments.

Water Facilities

The Town's Water Division is responsible for the treatment (i.e. chlorine injection) and conveyance of potable water for domestic, commercial, industrial and fire protection uses. All water used within the Town's system is purchased from SUEZ (formerly United Water of Rhode Island, a private company), or the Town of North Kingstown. In addition to its operational and maintenance activities related to the Town's water storage, transmission and conveyance systems and infrastructure, the Division provides technical assistance to the Town in reviewing water related plans or regulations. The Town owns, operates and maintains three water storage tanks, with a combined capacity of two million gallons, and approximately 85 miles of water mains. Approximately one-half of the Town's populated area (representing 5,395 accounts) is served by the Town water system, while service to the remaining citizens is provided directly by Suez

Water. The Water Division operates as an enterprise fund, with all operations funded from user fees and assessments.

Public Works

The Town's Public Works Department provides a full range of services including street constructions/maintenance, snow removal and maintenance of Town property and vehicles. The Public Works Department expended \$2,902,462 for fiscal year ended June 30, 2021 and budgeted \$3,360,925 and \$3,378,117 for the fiscal years ending June 30, 2021 and 2022, respectively.

Public Safety

Services include fire prevention, emergency medical rescue, police patrol, investigations, community education, dispatching, harbor patrol and animal control functions. The Narragansett Police Department has a force that consists of 54 full-time police officers and other support personnel. The Police Department expended \$7,546,890 for fiscal year ended June 30, 2021 and budgeted \$7,932,628 and \$8,259,652 for the fiscal years ending June 30, 2021 and 2022, respectively. The Town has three fire stations staffed by 34 full-time fire fighters. The Fire Department expended \$6,052,696 for fiscal year ended June 30, 2021 and budgeted \$6,205,221 and \$6,591,812 for the fiscal years ending June 30, 2021 and 2022, respectively.

Employee Relations

As of June 30, 2021, the Town employs 173 full-time employees exclusive of those employed by the School Department. The School Department employs 149 teachers, 34 aides and approximately 67 support and administrative staff.

The current status of union contracts for municipal and school employees is as follows:

Police Department - 3 year contract expires June 30, 2022

Public Works & Municipal Clerical - 3 year contract expires June 30, 2023

Fire Department - 3 year contract expires June 30, 2024

Municipal Middle Management – 3 year contract expires June 30, 2023

Teachers - 3 year contract expires August 31, 2021 with a one-year extension

School Dept. Non-Certified - 3 year contract expires June 30, 2021 with a one-year extension

Retirement Programs

The Town has a contributory pension plan covering substantially all of its employees. The retirement plans for policemen and municipal employees are administered by Town officials. The retirement plan for teachers is administered by the State of Rhode Island Retirement Board.

The Town Plan

The Town contributes to the Town Plan, a single employer public employee retirement plan established in accordance with the Town Charter. The Plan is considered part of the Town's financial reporting entity and is included in the Town's annual financial report. All permanent, regular and probationary status employees who work for at least five months of a year and for at least twenty hours per week are eligible to participate in the Town Plan, a single-employer defined benefit pension plan, except as follows: School System employees who have been, are, or will be eligible for membership in the Employees' Retirement System of Rhode Island and any police officer covered under the Police Plan who has refused to join the Town Plan. The Town Plan was established by the Town in accordance with Town Ordinance. The Town Plan is included in the Town's financial statements as a pension trust fund.

Police Plan

The Town contributes to the Police Plan, a single-employer public employee retirement plan. The Police Plan is considered part of the Town's financial reporting entity and is included in the Town's annual financial report as a pension trust fund. There are no active participants, and the Police Plan is closed to new entrants. All members of the permanent Police Force who were hired prior to July 1, 1978 and refused the September 1984 offer to join the Town Plan were eligible to participate in the Police Plan. All other policemen are covered by the Town Plan.

School Teachers' Retirement Plan

Town certified school personnel participate in the Rhode Island Retirement System, a statutory, mandatory, statewide, cost-sharing, multi-employer defined benefit plan, which first covered State teachers on July 1, 1949. This Teacher's Retirement System is administered as a unified statewide system by the State Retirement Board, the composition of which is set forth in the pertinent State statute. The assets are held in the custody of the State Treasurer as an undivided single fund.

Defined Contribution Plan for ERSRI Participants

The Rhode Island Retirement Act of 2011 changed the defined benefit plan to a hybrid plan which includes a defined contribution plan. The State selected TIAA-CREF to administer the plan. Certain employees in ERSRI are required to participate. ERSRI employees contribute 5% of their annual salary into the defined contribution plan, and the Town must contribute between 1% and 1.5% of salary. Participants have a selection of investments options chosen by the State and provided by TIAA-CREF.

Other Post-Employment Benefits

Town Plan

The Town administers a single-employer, defined benefit post-employment benefit plan. The plan provides medical, dental and life insurance for eligible retirees and their dependents through the Town's group insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the Town and the respective unions or as established by the Town Ordinance for non-union employees. On August 1, 2011 the Town Council authorized the creation of an OPEB Trust Fund. As such, the plan has been reported as a Trust Fund in the Town's financial statements in fiscal year 2013.

School Plan

The Narragansett School System administers a single-employer, defined benefit post-employment benefit plan. The plan provides medical, dental and life insurance for eligible retirees and their dependents through the School System's group insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union contracts through negotiations between the School System and the respective unions or as established by employee contract for non-union employees.

Long-term capital financial planning. As a part of the annual budget process, the Town Manager prepares and presents a capital improvement plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next six years. The plan provides for the needs of the general government and addresses such issues as infrastructure, major equipment replacement, school facilities where bonding is required, public safety, recreation and open space purchases. Other school capital planning is

completed for a five-year plan and is reviewed with the school annual operating budget process.

Cash management policies and practices. It is the policy of the Town to invest funds in a manner which will provide the highest investment return, with the maximum amount of security while meeting the daily cash flow needs of the Town and conforming to all state statutes governing the investment of municipal funds. Cash temporarily idle during the year was invested in insured cash sweep accounts, CDAR's, certificates of deposit, obligations of the U.S. Treasury and money market mutual funds. In addition, some trust funds held corporate stocks and bonds in their investment portfolios. Investment income includes appreciation in the fair value of investments. Increases or decreases in fair value during the current year, however do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

Risk management. The Town is a member of the Rhode Island Inter-Local Risk Management Pool. The cooperative pool was formed in 1986 to address the insurance needs of Rhode Island municipalities. Narragansett became a member on July 1, 1988. The pool provides all property, liability and worker's compensation insurance policies for the Town. Property and liability claims are subject to a \$2,500 deductible with the exception of public officials' liability claims, which are subject to a \$5,000 deductible. The pool's self-insured retention levels range from \$10,000 to \$1,000,000 depending on the type of coverage provided. In addition to the self-insurance provided by the pool, there is also reinsurance through third party sources for claims up to \$5,000,000. In addition to the insurance coverage provided, the pool also provides various educational and training seminars to promote safety training and loss control efforts.

ACKNOWLEDGEMENTS

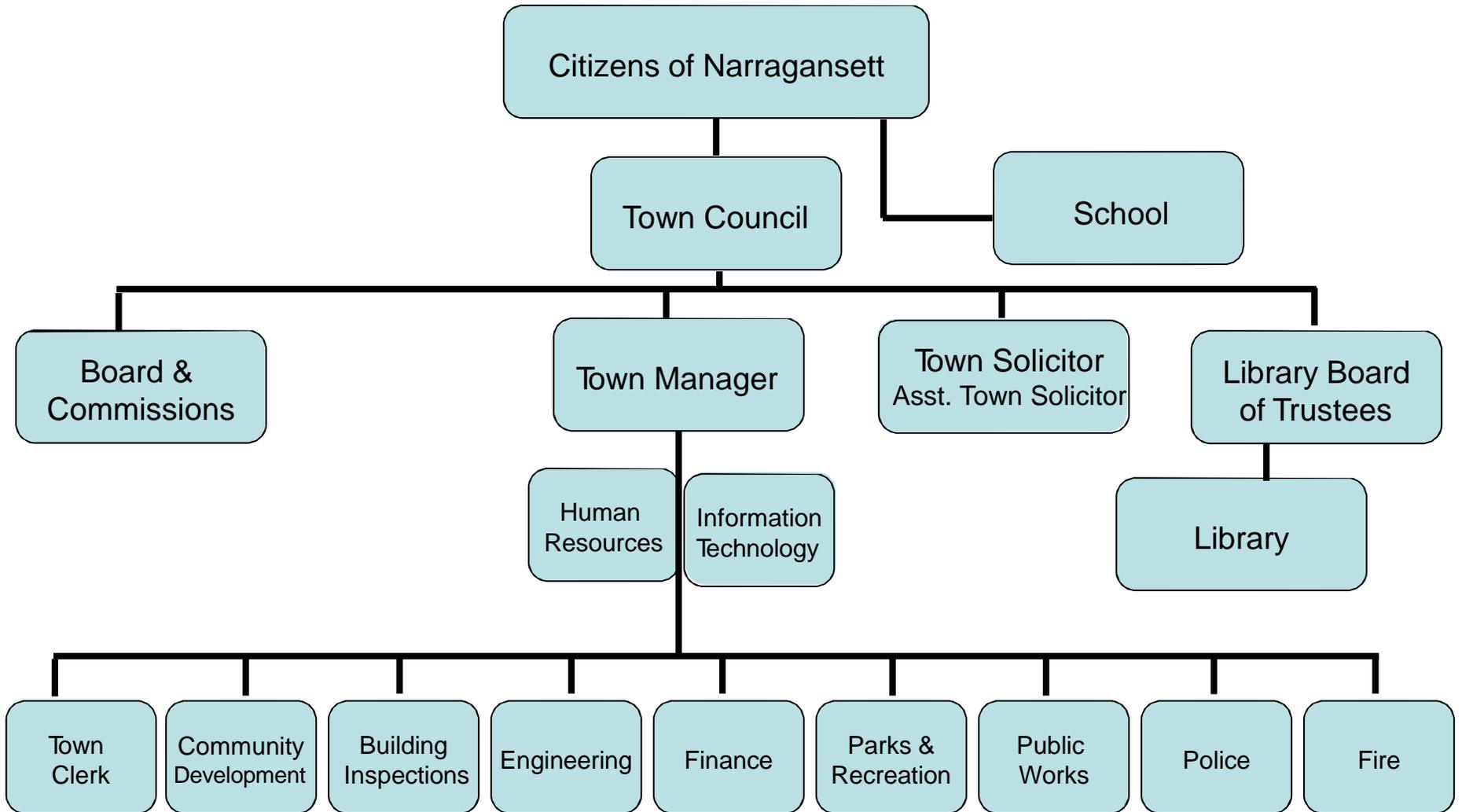
The preparation of this report was made possible by the efficient and dedicated services of the entire staff of the Finance Department. I sincerely appreciate their efforts in assisting me with preparing this comprehensive annual financial report.

In closing, I would like to express my appreciation to the Town Manager, James Tierney and the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

Christine A. Spagnoli
Finance Director

Governmental Organization



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

JUNE 30, 2021

Elected Officials

Council President	Jesse Pugh
President Pro Tempore	Susan Cicilline Buonanno
Council Member	Ewa Dzwierzynski
Council Member	Patrick W. Murray
Council Member	Deborah Kopech
School Committee, Chairperson	Tammy McNeiece
School Committee, Vice-Chairperson	Diane S. Nobles
School Committee, Member	Alexander Menzies
School Committee, Member	Joshua Laplante
School Committee, Member	Justin Skenyon

Appointed Officials

Town Manager	James Tierney
Town Solicitor	James Callaghan
Assistant Town Solicitor	Stephen Marsella
Finance Director	Christine A. Spagnoli
Town Clerk	Janet Tarro
Town Engineer	Jonathan S. Gerhard
Police Chief	Sean P. Corrigan
Fire Chief	Scott M. Partington
Public Works Director	Michael P. DiCicco
Parks & Recreation Director	Michelle Kershaw
Community Development Director	Michael J. DeLuca
Building Official	Wayne Pimental
Human Resources Manager	Susan E. Fairhurst
Town Controller	Matthew C. LeValley
Tax Assessor	Erin Jacobs
Tax Collector	Christine A. Beck
Purchasing Agent	Susan W. Gallagher
Library Director	Patti A. Arkwright
Superintendent of Schools	Peter J. Cummings, Ed.D
Director of Finance, School Department	Karen M. Hagan

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

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



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
(401) 586-6565 • Fax (401) 826-1710

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Narragansett, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 and Note 17 to the financial statements, the Town of Narragansett, Rhode Island implemented GASB Statement No. 84, *Fiduciary Activities*, during fiscal year 2021. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension and other postemployment benefit information on pages 4 through 13 and pages 82 through 100 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, Annual Supplemental Transparency Report (MTP2), and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such

information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, Annual Supplementary Transparency Report (MTP2), and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2022 on our consideration of the Town of Narragansett, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Narragansett, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Narragansett, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
February 3, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Finance Director for the Town of Narragansett (the Town), the following narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021 (FY 2021) has been prepared. The Town administration encourages all to consider the information presented herein in conjunction with the additional information furnished in the *Letter of Transmittal*, which can be found at the beginning of this report.

Financial Highlights

At the end of the current fiscal year, the total fund balance for the General Fund was \$24,342,743 or 39.5% of the total 2021 budgeted revenues. This is an increase of \$4,846,088 from the prior year fund balance.

The total unassigned fund balance of the General Fund is \$14,685,422 or 23.8% of the total 2021 budgeted revenues. This is an increase of \$5,897,046 from the prior year unassigned fund balance.

The total assigned, committed, restricted or nonspendable fund balance of the General Fund is \$9,657,321. This is a decrease of \$1,050,958 from the prior year total assigned, committed, restricted or nonspendable fund balance.

The Town General Fund ended the fiscal year 2021 with a budgetary operating surplus of \$3,162,763 with zero use of Unassigned Fund Balance.

As reported in the government wide financial statements, the assets and deferred outflows of resources of the Town of Narragansett exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$44,259,946. The Town's capital asset base has been developed from both the current operations and debt. The Town has recorded its property and equipment at original values in order to insure proper asset management.

The Town's total net position increased by \$9,315,892 for the fiscal year ended June 30, 2021.

Overview of the Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

- b. *Statement of Activities*: This statement presents information showing how the government's net position changed during the reporting period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (such as uncollected taxes and earned but unused personnel leaves).
- c. Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, education, public safety, public works and highway, community development and recreation. The business-type activities of the Town include Water, Sewer, Beach and the Middlebridge Recreation Fund operations.

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

2. Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town may be divided into three categories: governmental funds, proprietary funds and fiduciary funds.
 - a. *Governmental Funds*: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. This information may be helpful in evaluating the Town's near-term financing requirements.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

for each of these nonmajor governmental funds is provided in the form of *combining statements* and can be found on pages 101-108 of this report.

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

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

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

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

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

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

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

- c. *Fiduciary Funds*: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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

The notes to the financial statements can be found on pages 26-81 of this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information comparing budget to actual revenues and expenditures for the General Fund, and concerning the Town's progress in funding its obligations to provide pension and other postemployment benefits to its enrolled employees. Required supplementary information can be found on pages 82-100 of this report.

Government-wide Financial Analysis

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, the government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,259,946 at the close of this reporting period.

The Town's net position consists principally of its investment in capital assets (that is, land, buildings, machinery and equipment); less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Narragansett's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 39,512,312	\$ 29,943,860	\$ 12,541,867	\$ 12,857,900	\$ 52,054,179	\$ 42,801,760
Capital assets	\$ 100,643,897	\$ 101,064,721	\$ 33,526,474	\$ 33,893,159	\$ 134,170,371	\$ 134,957,880
Total assets	<u>\$ 140,156,209</u>	<u>\$ 131,008,581</u>	<u>\$ 46,068,341</u>	<u>\$ 46,751,059</u>	<u>\$ 186,224,550</u>	<u>\$ 177,759,640</u>
Deferred outflows of resources	\$ 16,421,172	\$ 18,216,574	\$ -	\$ -	\$ 16,421,172	\$ 18,216,574
Current liabilities	\$ 6,247,065	\$ 5,635,230	\$ 1,104,639	\$ 698,116	\$ 7,351,704	\$ 6,333,346
Noncurrent liabilities	\$ 127,958,780	\$ 144,067,987	\$ 859,346	\$ 982,053	\$ 128,818,126	\$ 145,050,040
Total liabilities	<u>\$ 134,205,845</u>	<u>\$ 149,703,217</u>	<u>\$ 1,963,985</u>	<u>\$ 1,680,169</u>	<u>\$ 136,169,830</u>	<u>\$ 151,383,386</u>
Deferred inflows of resources	\$ 21,393,587	\$ 8,619,156	\$ 822,359	\$ 1,029,618	\$ 22,215,946	\$ 9,648,774
Net position:						
Net investment in capital assets	\$ 74,886,690	\$ 76,687,158	\$ 32,841,167	\$ 33,044,852	\$ 107,727,857	\$ 109,732,010
Restricted	\$ 9,233,808	\$ 7,423,181	\$ -	\$ -	\$ 9,233,808	\$ 7,423,181
Unrestricted	\$ (83,142,549)	\$ (93,207,557)	\$ 10,440,830	\$ 10,996,420	\$ (72,701,719)	\$ (82,211,137)
Total net position	<u>\$ 977,949</u>	<u>\$ (9,097,218)</u>	<u>\$ 43,281,997</u>	<u>\$ 44,041,272</u>	<u>\$ 44,259,946</u>	<u>\$ 34,944,054</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

At June 30, 2021, the Town is able to report positive balances in both categories of net position for its business-type activities. For governmental activities, the deficit in the Town's unrestricted net position decreased, due principally to the impact of fiscal 2021 capital asset and long-term liability transactions and the resulting effect on unrestricted net position.

Governmental Activities: Governmental activities increased the Town's net position by \$10,075,167.

Town of Narragansett's Changes in Net Position.

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 7,258,733	\$ 6,098,437	\$ 8,920,021	\$ 9,077,272	\$ 16,178,754	\$ 15,175,709
Operating grants and contributions	7,984,286	5,620,873	-	-	7,984,286	5,620,873
Capital grants and contributions	1,000,322	714,903	-	-	1,000,322	714,903
General revenues:						
Property taxes	55,044,095	53,775,607	-	-	55,044,095	53,775,607
State aid and in lieu of taxes	2,106,004	2,145,219	-	-	2,106,004	2,145,219
Miscellaneous and interest	470,596	584,935	57,591	150,958	528,187	735,893
Total revenues	73,864,036	68,939,974	8,977,612	9,228,230	82,841,648	78,168,204
Expenses:						
General government	2,825,664	2,846,519	-	-	2,825,664	2,846,519
Financial administration	1,649,211	1,822,041	-	-	1,649,211	1,822,041
Public safety	16,021,638	17,814,969	-	-	16,021,638	17,814,969
Public works	4,916,300	5,294,571	-	-	4,916,300	5,294,571
Social Services	133,742	34,588	-	-	133,742	34,588
Parks and recreation	2,014,316	2,328,988	-	-	2,014,316	2,328,988
Plan, engineer & inspection	1,172,385	1,287,273	-	-	1,172,385	1,287,273
Library	922,812	995,575	-	-	922,812	995,575
Education	33,325,620	33,787,089	-	-	33,325,620	33,787,089
Interest on Long term debt	807,181	806,122	-	-	807,181	806,122
Water Fund	-	-	2,372,320	2,305,648	2,372,320	2,305,648
Sewer Fund	-	-	5,028,665	5,322,640	5,028,665	5,322,640
Beach Fund	-	-	2,310,494	2,064,437	2,310,494	2,064,437
Middlebridge Recreation	-	-	25,408	25,808	25,408	25,808
Total expenses	63,788,869	67,017,735	9,736,887	9,718,533	73,525,756	76,736,268
Transfers	-	(74,825)	-	74,825	-	-
Change in net position	10,075,167	1,847,414	(759,275)	(415,478)	9,315,892	1,431,936
Net position, beginning of year	(9,097,218)	(10,944,632)	44,041,272	44,456,750	34,944,054	33,512,118
Net position, end of year	\$ 977,949	\$ (9,097,218)	\$ 43,281,997	\$ 44,041,272	\$ 44,259,946	\$ 34,944,054

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

Property taxes levied for FY 2020-2021 based on the December 31, 2019 grand list increased by \$1,257,778 to \$54,889,286 from the amount levied for 2019-2020 of \$53,631,508. This was an increase of 2.35%, below the State mandated cap increase of 4%, which is the maximum allowable increase permitted under state law. Chapter 253 of the Public Laws of 2006 (known as Senate 3050) entitled “Relating to Taxation – Property Taxes” modified the calculation of the property tax cap beginning in fiscal year 2008, changed the criteria for exemptions from the property tax cap, limited the increase that School Committees could request from municipal funds in their annual budget proposal and amended the definition of “state mandates.” The statewide property tax cap became effective on July 1, 2007. This cap limited the property tax levy increase to 5.25% in fiscal year 2008 and set in place a .25% reduction for each successive fiscal year until fiscal year 2013, when the cap will be set at 4.0%. The amount of current year taxes to be collected for FY 2021 was \$54,174,603 which was based on a rate of collection of 98.7%. Current year collections were \$54,471,495 compared to the budgeted amount of \$54,174,603, an increase of \$296,892 or 0.5%.

Business-type activities: Business-type activities decreased the Town’s net position by \$759,275. Key elements of the increase are as follows:

- a. Water Fund: The net position of the Water enterprise is up \$113,367 or 1.9%.
- b. Sewer Fund: The net position for the Sewer enterprise is down \$1,122,630 or 4.2%.
- c. Beach Fund: The net position for the Beach enterprise is up \$182,603 or 1.8%.
- d. Middlebridge: The net position for the Middlebridge Fund is up \$67,385 or 4.9%.

Financial Analysis of the Town’s Funds

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

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

As of the end of the reporting period, the Town governmental funds reported combined ending fund balances of \$30,971,936. Approximately 47% of this total amount or \$14,536,208 constitutes *unassigned fund balance*, which is available for spending at the Town’s discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$14,685,422, while total fund balance was \$24,342,743. As a measure of the General Fund’s liquidity, it may be useful to compare both *unassigned* fund balance and total fund balance to total fund expenditures and transfers. Unassigned fund balance of \$14,685,422 represents 22.9% of total General Fund expenditures and transfers of \$64,258,659, while total fund balance represents 38% of the same amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Town's Funds (Continued)

The Town's General Fund – Fund Balance increased by \$4,846,088 due to several reasons; reimbursement for COVID-19 expenditures through FEMA, and to the net between the lower expenditures in the operating budget of \$2,037,991 and higher revenues than budgeted of \$1,124,772, with \$0 use of of fund balance in the Town general fund. There is a school operating surplus of \$1,687,759.

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

- a. Water Fund: The unrestricted net position of the Water Fund at June 30, 2021 was \$3,236,369.
- b. Sewer Fund: The unrestricted net position of the Sewer Fund at June 30, 2021 was \$3,052,888.
- c. Beach Fund: The unrestricted net position of the Beach Fund at June 30, 2021 was \$4,052,298.
- d. Middlebridge Fund: The unrestricted net position of the Middlebridge Recreation Fund at June 30, 2021 was \$99,275.

General Fund Budgetary Highlights

The general fund operating budget shows an operating surplus of \$3,162,763. This represents 5.1% of the \$61,617,415 budget as approved by the Town Council. The surplus is a result of many factors.

- a. Due to the strong follow-up effort on the late payment of current taxes, property tax collections were strong throughout the year. Collections were \$54,819,192 and exceeded the budget amount of \$54,424,603 by \$394,589.
- b. The Town received \$466,750 in COVID-19 CARES Act funding to assist in the expenditures related to the COVID-19 pandemic.
- c. The Town's other State-shared revenues for beach parking fees, hotel tax and the meal tax were budgeted at \$823,261 while \$1,071,044 was received or \$247,783 more than budgeted.
- d. COVID-19 pandemic reimbursements from FEMA were \$338,006.
- e. In spite of the continuing pandemic and the low interest rates, the home improvement and housing market heightened, total user charges, permit fees, and licenses was \$502,540 more than the budget estimates of \$688,753. As well as, building permits were \$124,337 more than budgeted.
- f. The salary and benefits for staff were budgeted at a higher amount than actual due to two unions (Local 1033 and Local 1179) and Senior Management foregoing any salary increase during the COVID-19 pandemic uncertainties, as well as staff reduction and a hiring freeze. This resulted in an approximate surplus of \$1,013,905.

The general fund operating budget was amended by \$441,103 in supplemental appropriations. The supplemental appropriation was to re-establish prior years funding amounts for the Maury Loontjens Memorial Library.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

1. Capital assets: The Town’s investment in capital assets for its governmental and business-type activities as of June 30, 2021 amounted to \$134,170,371 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and bridges. The total decrease in the Town’s investment in capital assets, net of accumulated depreciation, for FY2021 was \$787,509, or .58% (a .42% decrease for governmental activities and a 1.08% decrease for business-type activities).

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$44,866,624	\$44,751,624	\$3,186,280	\$3,186,280	\$48,052,904	\$47,937,904
Construction in progress	2,166,414	883,572	116,355	100,885	2,282,769	984,457
Buildings and improvements	25,870,268	26,235,700	11,698,107	11,411,294	37,568,375	37,646,994
Machinery and equipment	2,804,299	3,119,956	1,372,292	1,452,559	4,176,591	4,572,515
Vehicles	2,942,542	2,590,297	205,664	240,110	3,148,206	2,830,407
Infrastructure	21,993,750	23,483,572	16,947,776	17,502,031	38,941,526	40,985,603
Total	\$100,643,897	\$101,064,721	\$33,526,474	\$33,893,159	\$134,170,371	\$134,957,880

2. Debt administration: At the end of the fiscal year, the Town’s governmental activities had total bonds, notes and capital leases outstanding of \$25,734,973, all of which is backed by the full faith and credit of the Town. Total debt increased from a \$2,800,000 General Obligation Bond addition and decreased from retirements of \$2,053,363 during FY 2021.

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

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

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$25,050	\$24,040	\$ -	\$ -	\$25,050	\$24,040
Notes and loans	653	824	685	848	1,338	1,672
Capital leases	32	124	-	-	32	124
Total	\$25,735	\$24,988	\$685	\$848	\$26,420	\$25,836

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration (Continued)

Except as provided below, under Rhode Island general laws, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town is \$151,260,565 based on net assessed valuations of \$5,042,018,830 as of December 31, 2019. As of June 30, 2021, the Town had \$150,861,565 of debt that could be issued under the 3% debt limit provision.

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

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

Current general obligation debt for Governmental Activities of \$25,703,268 and debt service of \$2,879,590 for FY 2021 equates to the following (excludes capital leases, compensated absences, pollution remediation obligations and pension and OPEB obligations):

4.67% Debt service as a Percent of the Operating Budget (FY 2021 budget was \$61,617,415 while debt service was \$2,879,590).

.51% Outstanding general obligation debt as a percentage of Net Assessed valuation \$5,042,018,830

5.25% Debt service as a percent of net tax levy of \$54,889,286

\$1,769 Outstanding general obligation debt per capita of 14,532

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

MAXIMUM TO STAY WITHIN DEBT LIMITS

	LIMITS	CURRENT	
Debt service at 7% of operating budget	\$4,313,219	\$ 2,879,590	66.8%
Debt at 2.5% of assessed value	\$126,050,471	\$ 25,703,268	20.4%
Debt service at 8% of the tax levy	\$4,391,143	\$ 2,879,590	65.6%
Debt per capita at \$2,500	\$2,500	\$ 1,769	70.8%

The approval of a bond authorization for a new library in the amount of \$5.8 million for the purpose of a new library building is moving forward. The Pier Market building which had been purchased for a total of \$2,800,000 for a new library sight. A bond was issued February 2021 in the amount of \$2,800,000 to reimburse the Town’s General Fund advancement. This leaves a balance of \$3,000,000 to be issued for the construction of the new library.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Subsequent Fiscal Year 2021-2022 Budget and Tax Rates

The Town of Narragansett's total general fund budget for fiscal year 2021/2022 is \$63,378,162, which reflects a minimal increase of \$1,760,747 from the fiscal year 2020/2021 budget. The Town's tax rates for fiscal year 2021/2022 are residential real estate \$8.86 per thousand of valuation, commercial real estate and property \$11.96 per thousand of valuation, and motor vehicles \$16.46 per thousand of valuation over \$6,000 with the State 5 year phase out planned for the motor vehicle tax.

Economic Factors and Next Year's Budget and Rates

Other subsequent events. COVID-19 (Coronavirus Disease 2019) is a new respiratory disease caused by a novel coronavirus that has not previously been seen in humans. On March 9, 2020, the Governor of the State declared a state of emergency to support the State's response to the outbreak of the virus and on April 8, 2020, the Governor extended the state of emergency until May 8, 2020. On March 11, 2020 the World Health Organization declared COVID-19 a pandemic. On March 13, 2020, the President declared a national emergency due to the outbreak, which has enabled disaster funds to be made available to states to fight the pandemic. The Town, in consultation with the Rhode Island Department of Health, is actively monitoring the spread of the virus. The Town Manager/Commissioner of Public Safety, effective March 16, 2020, required all Town buildings to be closed to the public and offer options such as, appointments to conduct business, drop box and enhanced on-line access. The Town is adhered to these actions by strictly following the public health recommendations of social distancing guidelines and limiting public gatherings. As the State restrictions were lifted the Town slowly opened some recreational facilities, i.e. beaches and the Senior Center. In doing so, the Town made every effort to open in a safe manner by following the recommendations by the State on safely reopening. On July 27, 2020, the Town opened all public buildings with enhanced cleaning and safety protocols to protect the Town staff and residents. In addition, the Town hired a "Safety Greeter" to meet all visitors with a temperature check, contact information and health-screening checklist to monitor access to Town Hall. Currently, the Town is following the current CDC guidelines. The Town Manager/Commissioner of Public Safety has issued numerous communications to both Town staff and residents regarding protocols that should be used to try to keep everyone as safe as possible to stop the spread of the virus. The Town does not expect that Town services will be materially impacted. Through the challenges the Town has faced during this pandemic, FY2021 finished in a surplus condition of, \$3,162,763. This was accomplished mainly from reimbursement for COVID-19 expenditures through FEMA, to the net between the lower expenditures in the operating budget of \$2,037,991 and higher revenues than budgeted of \$1,124,772, the continued persistence in monitoring of the budget, and the Town's Tax Collection rate remained well above 98%.

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

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Net Position
June 30, 2021

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Assets:			
Current assets:			
Cash and cash equivalents	\$ 26,365,427	\$ 10,890,204	\$ 37,255,631
Investments	6,667,833	-	6,667,833
Accrued interest receivable	-	10,517	10,517
Real estate and personal property tax receivable, net	512,286	-	512,286
Water and sewer use and assessments receivable	-	711,157	711,157
Due from federal and state government	1,184,318	-	1,184,318
Other receivables	1,227,451	69,208	1,296,659
Inventories	18,778	-	18,778
Prepaid expenses	444,822	-	444,822
Total current assets	36,420,915	11,681,086	48,102,001
Noncurrent assets:			
Sewer assessments receivable	-	860,781	860,781
Capital assets: (Note 2)			
Land and land easements	44,866,624	3,186,280	48,052,904
Construction in progress	2,166,414	116,355	2,282,769
Depreciable buildings, property, equipment, infrastructure, net	53,610,859	30,223,839	83,834,698
Other assets	3,091,397	-	3,091,397
Total noncurrent assets	103,735,294	34,387,255	138,122,549
Total assets	140,156,209	46,068,341	186,224,550
Deferred outflows of resources:			
Deferred amounts on refunding	235,867	-	235,867
Deferred pension amounts	8,735,350	-	8,735,350
Deferred other post-employment benefit amounts	7,449,955	-	7,449,955
Total deferred outflows of resources	16,421,172	-	16,421,172
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	2,859,984	804,355	3,664,339
Accrued interest payable	161,827	4,697	166,524
Customer deposits payable	-	62,475	62,475
Capital lease payable	6,675	-	6,675
Compensated absences payable	927,658	67,112	994,770
Pollution remediation obligations	85,574	-	85,574
Long-term debt - due within one year (Note 7)	2,205,347	166,000	2,371,347
Total current liabilities	6,247,065	1,104,639	7,351,704
Noncurrent Liabilities:			
Long-term debt - due in more than one year (Note 7)	25,393,031	519,307	25,912,338
Capital lease payable	25,030	-	25,030
Compensated absences payable	3,451,666	340,039	3,791,705
Pollution remediation obligations	1,336,467	-	1,336,467
Net pension liabilities	63,038,550	-	63,038,550
Net other post-employment benefit liabilities	34,714,036	-	34,714,036
Total noncurrent liabilities	127,958,780	859,346	128,818,126
Total liabilities	134,205,845	1,963,985	136,169,830
Deferred Inflows of Resources:			
Deferred property taxes	2,175,764	-	2,175,764
Deferred pension amounts	15,380,551	-	15,380,551
Deferred other post-employment benefit amounts	3,812,993	-	3,812,993
Deferred sewer assessments	-	816,444	816,444
Other deferred inflows	24,279	5,915	30,194
Total deferred inflows of resources	21,393,587	822,359	22,215,946
Net Position:			
Net investment in capital assets	74,886,690	32,841,167	107,727,857
Restricted for:			
Capital	99,291	-	99,291
Education programs	8,195,168	-	8,195,168
Public safety programs	99,383	-	99,383
Historical records preservation	255,501	-	255,501
Community service programs	383,390	-	383,390
Parks and recreation programs	65,260	-	65,260
Other programs	135,815	-	135,815
Unrestricted	(83,142,549)	10,440,830	(72,701,719)
Total net position	\$ 977,949	\$ 43,281,997	\$ 44,259,946

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

TOWN OF NARRAGANSETT, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended June 30, 2021

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Position</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Governmental Activities:							
General government	\$ 2,825,664	\$ 2,227,593	\$ 349,997	\$ -	\$ (248,074)	\$ -	\$ (248,074)
Financial administration	1,649,211	970,773	-	-	(678,438)	-	(678,438)
Public safety	16,021,638	861,253	737,820	17,685	(14,404,880)	-	(14,404,880)
Public works	4,916,300	43,536	25,000	150,943	(4,696,821)	-	(4,696,821)
Social services	133,742	-	142,245	-	8,503	-	8,503
Parks and recreation	2,014,316	323,081	105,403	62,814	(1,523,018)	-	(1,523,018)
Planning, engineering and inspection	1,172,385	489,257	-	-	(683,128)	-	(683,128)
Library	922,812	55,615	178,731	-	(688,466)	-	(688,466)
Education	33,325,620	2,287,625	5,990,031	768,880	(24,279,084)	-	(24,279,084)
Interest on long-term debt	807,181	-	455,059	-	(352,122)	-	(352,122)
Total governmental activities	63,788,869	7,258,733	7,984,286	1,000,322	(47,545,528)	-	(47,545,528)
Business-Type Activities:							
Water	2,372,320	2,470,182	-	-	-	97,862	97,862
Sewer	5,028,665	3,890,306	-	-	-	(1,138,359)	(1,138,359)
Beach	2,310,494	2,467,408	-	-	-	156,914	156,914
Middlebridge Recreation	25,408	92,125	-	-	-	66,717	66,717
Total business-type activities	9,736,887	8,920,021	-	-	-	(816,866)	(816,866)
Total	\$ 73,525,756	\$ 16,178,754	\$ 7,984,286	\$ 1,000,322	(47,545,528)	(816,866)	(48,362,394)
General Revenues:							
Taxes:							
Property taxes					55,044,095	-	55,044,095
State aid and in lieu of taxes, not restricted for a specific purpose					2,106,004	-	2,106,004
Investment earnings					314,986	57,591	372,577
Miscellaneous					155,610	-	155,610
Total general revenues					57,620,695	57,591	57,678,286
Change in net position					10,075,167	(759,275)	9,315,892
Net position - beginning of year-restated					(9,097,218)	44,041,272	34,944,054
Net position - end of year					\$ 977,949	\$ 43,281,997	\$ 44,259,946

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash	\$ 21,718,502	\$ 4,693,477	\$ 26,411,979
Investments	6,667,833	-	6,667,833
Real estate and personal property tax receivable, net	512,286	-	512,286
Due from federal and state governments	228,733	955,585	1,184,318
Due from other funds	996,615	2,623,686	3,620,301
Other receivables	780,204	232,582	1,012,786
Inventory	18,778	-	18,778
Prepaid expenditures	444,822	-	444,822
Other assets	66,871	-	66,871
Total assets	<u>\$ 31,434,644</u>	<u>\$ 8,505,330</u>	<u>\$ 39,939,974</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)			
Liabilities:			
Cash overdraft	\$ -	\$ 46,552	\$ 46,552
Accounts payable and accrued expenditures	1,644,523	814,928	2,459,451
Due to other funds	2,765,402	781,950	3,547,352
Other liabilities	128,492	-	128,492
Total liabilities	<u>4,538,417</u>	<u>1,643,430</u>	<u>6,181,847</u>
Deferred Inflows of Resources:			
Unavailable-property taxes	2,473,480	-	2,473,480
Unavailable revenue-loans	-	215,714	215,714
Unavailable -other revenue	80,004	16,993	96,997
Total deferred inflows of resources	<u>2,553,484</u>	<u>232,707</u>	<u>2,786,191</u>
Fund Balances (Deficits):			
Nonspendable:			
Inventory	18,778	-	18,778
Prepaid expenditures	444,822	-	444,822
Restricted for:			
Education programs	7,717,207	477,961	8,195,168
Public safety programs	-	99,383	99,383
Historical records preservation	-	255,501	255,501
Community service programs	-	167,676	167,676
Parks and recreation programs	-	65,260	65,260
Library programs	64,469	-	64,469
Capital projects	98,962	1,283,070	1,382,032
Other programs	-	71,346	71,346
Committed for:			
Capital projects	50,000	1,960,169	2,010,169
Debt service	-	187,264	187,264
Assigned to:			
Parks and recreation programs	297,683	-	297,683
Towers	149,940	-	149,940
Kinney Bungalow	110,195	-	110,195
Sunset Farm	8,177	-	8,177
Capital projects	-	2,210,777	2,210,777
Other	1,529	-	1,529
2022 budget	695,559	-	695,559
Unassigned	14,685,422	(149,214)	14,536,208
Total fund balances (deficits)	<u>24,342,743</u>	<u>6,629,193</u>	<u>30,971,936</u>
Total liabilities, deferred inflows of resources, and fund balances(deficits)	<u>\$ 31,434,644</u>	<u>\$ 8,505,330</u>	<u>\$ 39,939,974</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	\$ 30,971,936
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 2 to the financial statements.	100,643,897
Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the Governmental Funds financial statements.	288,432
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred inflows of resources in the Governmental Funds financial statements.	297,716
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(161,827)
Deferred pension and other post-employment benefit amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:	
Deferred outflows of resources	16,185,305
Deferred inflows of resources	(19,193,544)
Long-term liabilities (including bonds, notes, loans, and capital leases payable, compensated absences, pollution remediation obligations, net pension liabilities and net other post employment benefit liabilities) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. See note 7 to the financial statements.	(131,184,034)
Deferred amounts on refunding are not reported in the Governmental Fund financial statements, but are reported net of accumulated amortization as deferred outflows of resources in the Government-Wide financial statements.	235,867
The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Government-Wide Statement of Net Position.	2,894,201
 Net Position of Governmental Activities	 \$ 977,949

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
General property taxes and payments in lieu of taxes	\$ 55,726,947	\$ -	\$ 55,726,947
State and federal aid	5,990,836	-	5,990,836
Charges for services	6,965,222	181,174	7,146,396
Operating grants and contributions	81,697	2,982,655	3,064,352
Capital grants and contributions	-	1,000,322	1,000,322
Investment and interest income	280,553	34,433	314,986
Other revenues	59,492	31,946	91,438
Total revenues	<u>69,104,747</u>	<u>4,230,530</u>	<u>73,335,277</u>
Expenditures:			
<i>Current:</i>			
General government	2,382,692	49,062	2,431,754
Financial administration	1,669,258	-	1,669,258
Public safety	14,586,695	711,866	15,298,561
Public works	2,902,462	28,303	2,930,765
Social services	-	133,742	133,742
Parks and recreation	1,478,384	121,272	1,599,656
Planning, engineering and inspection	1,131,161	-	1,131,161
Library	881,288	-	881,288
Food service	-	291,159	291,159
Education	29,395,153	1,714,128	31,109,281
Town-wide	596,397	-	596,397
Other	3,016,890	-	3,016,890
Debt Service	-	2,998,708	2,998,708
Capital outlay	100,980	5,001,838	5,102,818
Total expenditures	<u>58,141,360</u>	<u>11,050,078</u>	<u>69,191,438</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>10,963,387</u>	<u>(6,819,548)</u>	<u>4,143,839</u>
Other financing sources (uses):			
Debt issued	-	2,800,000	2,800,000
Transfers from other funds	-	6,117,299	6,117,299
Transfers to other funds	(6,117,299)	-	(6,117,299)
Total other financing sources (uses)	<u>(6,117,299)</u>	<u>8,917,299</u>	<u>2,800,000</u>
Net change in fund balances	4,846,088	2,097,751	6,943,839
Fund balances (deficits)- beginning of year-restated	<u>19,496,655</u>	<u>4,531,442</u>	<u>24,028,097</u>
Fund balances (deficits) - end of year	<u>\$ 24,342,743</u>	<u>\$ 6,629,193</u>	<u>\$ 30,971,936</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Changes in Fund Balances - Total Governmental Funds \$ 6,943,839

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

Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital asset additions recorded in the current period. 4,484,663

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements. (4,905,488)

Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period. (355,299)

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

This amount represents debt issued during the current period. (2,800,000)

This amount represents debt and capital lease principal payments during the current period. 2,053,363

Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year. (5,277)

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

This amount represents amortization of premium on debt during the current period. 182,709

This amount represents amortization of deferred amounts on refunding during the current period. (30,111)

Other long-term liabilities are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, other long-term liabilities are not reported as expenditures in Governmental Funds financial statements.

This amount represents the change in pollution remediation obligations during the current period. 85,573

This amount represents the change in the net pension liabilities and related deferred pension amounts during the current period. 2,470,432

This amount represents the change in the net OPEB liabilities and related deferred OPEB amounts during the current period. 1,540,511

The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide financial statements. 392,422

Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds. 17,830

Change in Net Position of Governmental Activities \$ 10,075,167

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2021

	<i>Business-Type Activities</i>					<i>Governmental</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,302,375	\$ 2,901,949	\$ 4,527,437	\$ 158,443	\$ 10,890,204	\$ -
Accounts receivable:						
Water and sewer use fees	321,158	347,535	-	-	668,693	-
Sewer assessment	-	42,464	-	-	42,464	-
Accrued interest	-	10,517	-	-	10,517	-
Other	5,350	7,411	55,647	800	69,208	-
Total current assets	<u>3,628,883</u>	<u>3,309,876</u>	<u>4,583,084</u>	<u>159,243</u>	<u>11,681,086</u>	<u>-</u>
Noncurrent assets:						
Sewer assessments receivable	-	860,781	-	-	860,781	-
Health insurance deposits	-	-	-	-	-	3,024,526
Capital assets:						
Non-depreciable assets	114,420	322,345	1,813,370	1,052,500	3,302,635	-
Depreciable assets - net	2,666,556	23,036,055	4,223,835	297,393	30,223,839	-
Total noncurrent assets	<u>2,780,976</u>	<u>24,219,181</u>	<u>6,037,205</u>	<u>1,349,893</u>	<u>34,387,255</u>	<u>3,024,526</u>
Total assets	<u>6,409,859</u>	<u>27,529,057</u>	<u>10,620,289</u>	<u>1,509,136</u>	<u>46,068,341</u>	<u>3,024,526</u>
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	176,149	108,250	461,263	58,693	804,355	-
Accrued interest payable	-	4,697	-	-	4,697	-
Claims payable	-	-	-	-	-	130,325
Accrued compensated absences	31,149	28,937	7,026	-	67,112	-
Customer and security deposits payable	-	-	61,200	1,275	62,475	-
Current portion of bonds, notes and loans payable	-	166,000	-	-	166,000	-
Total current liabilities	<u>207,298</u>	<u>307,884</u>	<u>529,489</u>	<u>59,968</u>	<u>1,104,639</u>	<u>130,325</u>
Noncurrent liabilities:						
Accrued compensated absences	185,216	153,526	1,297	-	340,039	-
Bonds, notes and loans payable	-	519,307	-	-	519,307	-
Total noncurrent liabilities	<u>185,216</u>	<u>672,833</u>	<u>1,297</u>	<u>-</u>	<u>859,346</u>	<u>-</u>
Total liabilities	<u>392,514</u>	<u>980,717</u>	<u>530,786</u>	<u>59,968</u>	<u>1,963,985</u>	<u>130,325</u>
Deferred Inflows of Resources						
Deferred sewer assessments	-	816,444	-	-	816,444	-
Other deferred inflows	-	5,915	-	-	5,915	-
Total deferred inflows of resources	<u>-</u>	<u>822,359</u>	<u>-</u>	<u>-</u>	<u>822,359</u>	<u>-</u>
Net Position						
Net investment in capital assets	2,780,976	22,673,093	6,037,205	1,349,893	32,841,167	-
Unrestricted	3,236,369	3,052,888	4,052,298	99,275	10,440,830	2,894,201
Total net position	<u>\$ 6,017,345</u>	<u>\$ 25,725,981</u>	<u>\$ 10,089,503</u>	<u>\$ 1,449,168</u>	<u>\$ 43,281,997</u>	<u>\$ 2,894,201</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<i>Business-Type Activities</i>				<i>Governmental Activities</i>	
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
Operating revenues						
Assessments and user fees	\$ 2,405,922	\$ 3,864,274	\$ -	\$ -	\$ 6,270,196	\$ -
Admittance and rental fees	-	-	2,451,151	91,525	2,542,676	-
Charges for insurance	-	-	-	-	-	3,263,633
Other revenues	64,260	26,032	16,257	600	107,149	232,365
Total operating revenues	<u>2,470,182</u>	<u>3,890,306</u>	<u>2,467,408</u>	<u>92,125</u>	<u>8,920,021</u>	<u>3,495,998</u>
Operating expenses						
Salaries and benefits	804,148	1,333,436	1,050,124	-	3,187,708	-
Materials, supplies and maintenance	755,419	1,397,025	176,903	2,150	2,331,497	-
Utilities	20,609	279,348	41,295	1,839	343,091	-
Health and dental claims	-	-	-	-	-	2,768,918
Administrative and miscellaneous	443,576	1,079,249	718,544	7,284	2,248,653	334,658
Depreciation expense	348,568	921,893	323,628	14,135	1,608,224	-
Total operating expenses	<u>2,372,320</u>	<u>5,010,951</u>	<u>2,310,494</u>	<u>25,408</u>	<u>9,719,173</u>	<u>3,103,576</u>
Operating income (loss)	<u>97,862</u>	<u>(1,120,645)</u>	<u>156,914</u>	<u>66,717</u>	<u>(799,152)</u>	<u>392,422</u>
Nonoperating revenues (expenses)						
Investment income	15,505	15,729	25,689	668	57,591	-
Interest expense	-	(17,714)	-	-	(17,714)	-
Total nonoperating revenues (expenses)	<u>15,505</u>	<u>(1,985)</u>	<u>25,689</u>	<u>668</u>	<u>39,877</u>	<u>-</u>
Change in net position	113,367	(1,122,630)	182,603	67,385	(759,275)	392,422
Total net position - beginning of year	<u>5,903,978</u>	<u>26,848,611</u>	<u>9,906,900</u>	<u>1,381,783</u>	<u>44,041,272</u>	<u>2,501,779</u>
Total net position - end of year	<u>\$ 6,017,345</u>	<u>\$ 25,725,981</u>	<u>\$ 10,089,503</u>	<u>\$ 1,449,168</u>	<u>\$ 43,281,997</u>	<u>\$ 2,894,201</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<i>Business-Type Activities</i>					<i>Governmental Activities</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
<i>Cash flows from operating activities</i>						
Receipts from customers	\$ 2,341,805	\$ 3,829,113	\$ 2,399,713	\$ 90,725	\$ 8,661,356	\$ -
Receipts from interfund charges for insurance	-	-	-	-	-	3,263,633
Other operating receipts	58,910	26,032	16,257	600	101,799	232,365
Receipts of customer deposits	-	-	69,100	-	69,100	-
Receipt of health insurance deposits	-	-	-	-	-	(228,448)
Payments to suppliers for goods and services	(1,007,819)	(1,937,084)	(172,340)	(10,122)	(3,127,365)	(334,658)
Payments to employees for services	(764,829)	(1,310,530)	(1,041,935)	-	(3,117,294)	-
Payments to other funds for services provided	(227,799)	(852,126)	(530,347)	-	(1,610,272)	-
Payments for health and dental claims	-	-	-	-	-	(2,932,892)
Return of customer deposits	-	-	(36,800)	-	(36,800)	-
<i>Net cash provided by (used for) operating activities</i>	<u>400,268</u>	<u>(244,595)</u>	<u>703,648</u>	<u>81,203</u>	<u>940,524</u>	<u>-</u>
<i>Cash flows from capital and related financing activities</i>						
Acquisition and construction of capital assets	(12,482)	(90,709)	(997,417)	-	(1,100,608)	-
Payment of interest on bonds and loans	-	(15,931)	-	-	(15,931)	-
Payment of principal on bonds and loans	-	(163,000)	-	-	(163,000)	-
<i>Net cash used for capital and related financing activities</i>	<u>(12,482)</u>	<u>(269,640)</u>	<u>(997,417)</u>	<u>-</u>	<u>(1,279,539)</u>	<u>-</u>
<i>Cash flows from investing activities</i>						
Interest on investments	15,505	15,729	25,689	668	57,591	-
<i>Net cash provided by investing activities</i>	<u>15,505</u>	<u>15,729</u>	<u>25,689</u>	<u>668</u>	<u>57,591</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	403,291	(498,506)	(268,080)	81,871	(281,424)	-
<i>Cash and cash equivalents - beginning of year</i>	<u>2,899,084</u>	<u>3,400,455</u>	<u>4,795,517</u>	<u>76,572</u>	<u>11,171,628</u>	<u>-</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 3,302,375</u>	<u>\$ 2,901,949</u>	<u>\$ 4,527,437</u>	<u>\$ 158,443</u>	<u>\$ 10,890,204</u>	<u>\$ -</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<u>Business-Type Activities</u>					<u>Governmental Activities</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Beach Fund</u>	<u>Middlebridge Recreation Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund Healthcare Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 97,862	\$ (1,120,645)	\$ 156,914	\$ 66,717	\$ (799,152)	\$ 392,422
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	348,568	921,893	323,628	14,135	1,608,224	-
Changes in assets, liabilities and deferred inflows of resources:						
(Increase) decrease in accounts receivable	(85,376)	172,098	(51,314)	(800)	34,608	-
(Increase) decrease in health insurance deposits	-	-	-	-	-	(228,448)
Increase (decrease) in accounts payable and accrued expenses	5,677	(30,953)	242,238	1,151	218,113	-
Increase (decrease) in accrued compensated absences	33,537	20,271	(118)	-	53,690	-
Increase (decrease) in claims payable	-	-	-	-	-	(163,974)
Increase (decrease) in deposits payable	-	-	32,300	-	32,300	-
Increase (decrease) in deferred revenue	-	(207,259)	-	-	(207,259)	-
Net cash provided by (used for) operating activities	<u>\$ 400,268</u>	<u>\$ (244,595)</u>	<u>\$ 703,648</u>	<u>\$ 81,203</u>	<u>\$ 940,524</u>	<u>\$ -</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	<u>Pension Trust Funds</u>	<u>Other Post- Employment Benefit Trust Funds</u>	<u>Private- Purpose Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 3,715,112	\$ 3,005,780	\$ 72,821
Investments at fair value:			
U.S. government obligations	6,142,436	-	-
Corporate bonds	4,887,652	-	-
Mortgage backed securities	648,477	-	-
Common stock	27,908,150	5,476,994	-
Mutual and exchange traded funds - equities	58,356,675	1,536,214	12,011
Mutual and exchange traded funds - fixed income	25,287,233	3,663,385	-
Pooled investments	-	2,174,083	-
Total investments	<u>123,230,623</u>	<u>12,850,676</u>	<u>12,011</u>
Contribution receivable	173,886	-	-
Due from other funds	-	141,716	-
Accrued interest receivable	44,221	-	-
Total assets	<u>127,163,842</u>	<u>15,998,172</u>	<u>84,832</u>
Liabilities			
Accounts payable and accrued expenses	5,566	162,367	-
Due to other funds	214,665	-	-
Total liabilities	<u>220,231</u>	<u>162,367</u>	<u>-</u>
Net Position			
Restricted for pension benefits, post- employment benefits and other purposes	<u>\$ 126,943,611</u>	<u>\$ 15,835,805</u>	<u>\$ 84,832</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2021

	<i>Pension Trust Funds</i>	<i>Other Post- Employment Benefit Trust Funds</i>	<i>Private- Purpose Trust Funds</i>
Additions			
Contributions:			
Employer	\$ 6,535,731	\$ 4,171,241	\$ -
Plan member	1,660,956	-	-
Total contributions	8,196,687	4,171,241	-
Investment income:			
Net increase (decrease) in fair value of investments	22,649,904	2,038,268	3,542
Interest and dividends	2,015,996	174,000	491
Less: investment expense	(428,679)	(36,583)	-
Net investment income	24,237,221	2,175,685	4,033
Total additions	32,433,908	6,346,926	4,033
Deductions			
Benefits	7,121,525	2,899,140	-
Refunds of contributions	128,971	-	-
Administrative expenses	76,845	6,600	-
Total deductions	7,327,341	2,905,740	-
Change in net position	25,106,567	3,441,186	4,033
Net position - beginning of year	101,837,044	12,394,619	80,799
Net position - end of year	\$ 126,943,611	\$ 15,835,805	\$ 84,832

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

The Town Pension Trust, the Police Pension Trust, the Town Other Post-Employment Benefits Trust, and the School Other Post-Employment Benefits Trust are pension and other post-employment benefit plans established by trust agreements as discussed in Note 12 A and B and Note 15 B and C to the financial statements. The fiscal year of the Town Pension Trust, the Police Pension Trust, the Town Other Post-Employment Benefits Trust, and the School Other Post-Employment Benefits Trust ends on June 30. The Town Pension Trust, the Police Pension Trust, the Town Other Post-Employment Benefits Trust, and the School Other Post-Employment Benefits Trust do not issue separate financial statements.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

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

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

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

Fund Financial Statements

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

Governmental Fund Financial Statements

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

Major Governmental Funds:

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

Proprietary Fund Financial Statements

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

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

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

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

The Town has one Internal Service Fund as follows:

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

Fiduciary Fund Financial Statements

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

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

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

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

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Town’s fiscal year ending June 30, 2021.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for the Town’s fiscal year ending June 30, 2021.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, effective for the Town’s fiscal year ending June 30, 2021, except for paragraphs 11b, 13 and 14 which are effective for the Town’s fiscal year ending June 30, 2022.

As discussed in Note 17, the adoption of GASB Statement Number 84 resulted in restatements to the financial statements to reclassify funds recorded as agency funds in prior years that no longer meet the definition of a custodial fund. The adoption of GASB Statement Number 90 and the portion of GASB Statement Number 93 applicable in fiscal year 2021 did not have an impact on the Town’s financial position or results of operations.

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

- GASB Statement No. 87 – *Leases*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Town’s fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which are effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, paragraphs 11b, 13 and 14 which are effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Town’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which are effective upon issuance.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for the Town’s fiscal year ending June 30, 2022.

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

D. CASH EQUIVALENTS

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

E. INVESTMENTS

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

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

G. UNBILLED SERVICES RECEIVABLE

Water and sewer revenue is recorded when earned. Customers are billed quarterly. The estimated value of services provided but unbilled at year-end has been included in the accompanying financial statements.

H. PREPAID ITEMS

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

I. INVENTORY

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

J. CAPITAL ASSETS AND DEPRECIATION

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

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

K. DEBT PREMIUMS

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

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

M. PROPERTY TAXES

The Town is permitted by Rhode Island General Law to levy property taxes. Current tax collections for the Town were approximately 99.20% of the total 2020 levy. The tax rate of the Town is established in accordance with Town Ordinance.

The Town's fiscal 2020-2021 property taxes were levied on June 15, 2020, on assessed valuation as of December 31, 2019. Upon levy, taxes are due and payable between July 1 and July 31 or may be paid quarterly on July 31, October 31, January 31 and April 30. Failure to mail payments by due dates will result in a lien on the taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at 100% of the full and fair value for real estate and tangible personal property and 80% of the value, as determined by the RI Vehicle Valuation Commission, for motor vehicles. A full revaluation of all property was completed as of December 31, 2020.

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

N. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2021.

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

O. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

P. PENSIONS

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

Q. POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

R. ESTIMATES

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 2 - CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land and land easements	\$ 44,751,624	\$ 115,000	\$ -	\$ 44,866,624
Construction in progress	883,572	1,676,896	394,054	2,166,414
	<u>45,635,196</u>	<u>1,791,896</u>	<u>394,054</u>	<u>47,033,038</u>
Depreciable assets:				
Land improvements and infrastructure	57,128,973	26,720	-	57,155,693
Buildings and improvements	58,647,429	1,810,241	-	60,457,670
Machinery and equipment	8,646,416	162,453	-	8,808,869
Vehicles	8,892,599	1,087,408	408,960	9,571,047
	<u>133,315,417</u>	<u>3,086,822</u>	<u>408,960</u>	<u>135,993,279</u>
Total capital assets	<u>178,950,613</u>	<u>4,878,718</u>	<u>803,014</u>	<u>183,026,317</u>
Less accumulated depreciation for:				
Land improvements and infrastructure	33,645,401	1,516,542	-	35,161,943
Buildings and improvements	32,411,729	2,175,673	-	34,587,402
Machinery and equipment	5,526,460	478,110	-	6,004,570
Vehicles	6,302,302	735,163	408,960	6,628,505
Total accumulated depreciation	<u>77,885,892</u>	<u>4,905,488</u>	<u>408,960</u>	<u>82,382,420</u>
Governmental activities capital assets, net	<u>\$ 101,064,721</u>	<u>\$ (26,770)</u>	<u>\$ 394,054</u>	<u>\$ 100,643,897</u>
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 3,186,280	\$ -	\$ -	\$ 3,186,280
Construction in progress	100,885	1,081,872	1,066,402	116,355
	<u>3,287,165</u>	<u>1,081,872</u>	<u>1,066,402</u>	<u>3,302,635</u>
Depreciable assets:				
System improvements and infrastructure	38,331,321	56,740	-	38,388,061
Buildings and improvements	23,224,822	1,129,149	-	24,353,971
Machinery and equipment	3,766,242	12,439	-	3,778,681
Vehicles	728,192	27,741	-	755,933
	<u>66,050,577</u>	<u>1,226,069</u>	<u>-</u>	<u>67,276,646</u>
Total capital assets	<u>69,337,742</u>	<u>2,307,941</u>	<u>1,066,402</u>	<u>70,579,281</u>
Less accumulated depreciation for:				
System improvements and infrastructure	20,829,290	610,995	-	21,440,285
Buildings and improvements	11,813,528	842,336	-	12,655,864
Machinery and equipment	2,313,683	92,706	-	2,406,389
Vehicles	488,082	62,187	-	550,269
Total accumulated depreciation	<u>35,444,583</u>	<u>1,608,224</u>	<u>-</u>	<u>37,052,807</u>
Business-type activities capital assets, net	<u>\$ 33,893,159</u>	<u>\$ 699,717</u>	<u>\$ 1,066,402</u>	<u>\$ 33,526,474</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Depreciation expense was charged to governmental functions as follows:

General government	\$ 236,135
Public safety	507,159
Public works	1,680,141
Parks and recreation	372,169
Public libraries	11,776
Education	2,098,108
Total Depreciation Expense	<u>\$ 4,905,488</u>

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

Water	\$ 348,568
Sewer	921,893
Beach	323,628
Middlebridge Recreation	14,135
Total Depreciation Expense	<u>\$ 1,608,224</u>

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value which approximates \$151,260,565. As of June 30, 2021, the Town's debt subject to the legal debt margin is \$399,000 and the Town is under the debt limit by \$150,861,565. The debt subject to the debt limitation is based on the type of debt that is issued.

B. DEFICIT FUND BALANCES/NET POSITION

The following governmental funds had a deficit in unassigned fund balance as of June 30, 2021:

- Library Building Fund - \$(149,214)

NOTE 4 – CASH DEPOSITS

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

	<i>Carrying Amount</i>
Total Deposits	<u>\$42,956,315</u>
Add: Petty Cash and Cash on Hand	13,358
Add: Investments classified as cash equivalents	2,211,146
Less: Cash and cash equivalents classified as investments	<u>(1,131,475)</u>
Total Cash and Cash Equivalents Reported in the Financial Statements	<u>\$44,049,344</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

CUSTODIAL CREDIT RISK – custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State Laws as described below. As of June 30, 2021 \$23,441,400 of the Town’s bank balance of \$41,500,273 was exposed to custodial credit risk as follows:

	<u>Bank Balance</u>
Insured (federal depository insurance funds)	\$18,058,873
Collateralized with securities held by pledging financial institution or its agent, in the Town’s name	20,316,027
Collateralized with securities held by pledging financial institution or its agent, but not in the Town’s name	2,571,114
Uninsured and uncollateralized	554,259
Total	<u>\$41,500,273</u>

Under Rhode Island General Laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2021, the Town's uncollateralized deposits with institutions were \$554,259. These deposits are held by institutions that meet the minimum capital standards prescribed by the federal regulators.

NOTE 5 – INVESTMENTS

The Town has investment policies for the Pension Trust Funds:

- Equities (including convertible securities) may represent up to 70% of the account’s market value with a minimum requirement of 25%.
- International Securities should not exceed 20% of the total plan assets.
- Fixed income (including preferred stocks) is not to exceed 75% of the account’s market value with a minimum requirement of 30%.
- Cash equivalents (including all senior debt securities with under 1 year to maturity) may be held to a maximum of 30% of the account’s market value.
- No manager shall hold greater than 15% of the total pension plan assets, calculated on an annual basis.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

As of June 30, 2021 the Town had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Rating (Moody's/S&P)</u>
Corporate Bonds	\$ 154,088	Aaa
Corporate Bonds	77,805	Aa1
Corporate Bonds	86,752	Aa2
Corporate Bonds	50,037	Aa3
Corporate Bonds	713,075	A1
Corporate Bonds	1,249,156	A2
Corporate Bonds	607,854	A3
Corporate Bonds	828,266	Baa1
Corporate Bonds	1,294,679	Baa2
Corporate Bonds	93,120	Baa3
Corporate Bonds	108,787	Not rated
US Government Obligations	6,142,436	Aaa
Mortgage-Backed Securities	1,032,173	Aaa
Mortgage-Backed Securities	12,137	Not rated
Mutual Funds & ETFs - Fixed Income	1,696,030	AAA
Mutual Funds & ETFs - Fixed Income	7,271,881	A
Mutual Funds & ETFs - Fixed Income	12,586,642	BBB
Mutual Funds & ETFs - Fixed Income	6,430,924	BB
Mutual Funds & ETFs - Fixed Income	935,475	B
Mutual Funds & ETFs - Fixed Income	4,794,224	Not rated
Mutual Funds & ETFs - Equities	59,904,900	Not applicable
Common Stock	33,385,144	Not applicable
Money Market Funds	2,211,146	Aaa-mf
Trust OPEB Funding Program	2,174,083	Not rated
	<hr/>	
	143,840,814	
Add: Cash classified as investments	1,131,475	
Less: Investment classified as cash and cash equivalents	<hr/> (2,211,146) <hr/>	
<i>Total investments reported in the financial statements</i>	<u><u>\$ 142,761,143</u></u>	

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Interest Rate Risk – Except as discussed above for the Pension Trust Funds, the Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Information about the exposure of the Town’s securities to this risk is presented below:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>				
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-15 Years</u>	<u>16-20 Years</u>
Corporate Bonds	\$ 5,263,619	\$ 254,119	\$ 2,675,690	\$ 2,333,810	\$ -	\$ -
US Government Obligations	6,142,436	1,515,605	3,528,882	1,097,949	-	-
Mortgage-Backed Securities	1,044,310	91,107	448,474	107,933	388,663	8,133
Mutual Funds & ETFs -						
Fixed Income	33,413,592	-	8,818,920	23,894,791	699,881	-
Money Market Funds	2,211,146	2,211,146	-	-	-	-
Total	\$ 48,075,103	\$ 4,071,977	\$ 15,471,966	\$ 27,434,483	\$ 1,088,544	\$ 8,133

Mutual fund and exchange traded fund maturity is based on average maturity of the fund. \$301,584 of the Town’s mutual funds and exchange traded funds do not have an average maturity.

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

<u>Currency</u>	<u>Fair Value</u>	
	<u>Equities</u>	<u>Fixed Income Securities</u>
Australian dollar	\$ -	\$ 50,037
Bermudian dollar	29,427	-
Canadian dollar	-	293,236
Cayman Islands dollar	56,695	-
Euro	830,518	108,823
Mexican peso	-	48,895
Pound sterling	130,235	108,920
Swiss franc	162,162	-
	\$ 1,209,037	\$ 609,911

The Town's investment in mutual funds and ETFs includes \$5,152,069 in international fixed income funds and \$19,822,866 in international equity funds.

NOTE 6 – FAIR VALUE MEASUREMENTS

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

The Town has the following recurring fair value measurements as of June 30, 2021:

<u>Investments by fair value level:</u>	<u>June 30, 2021</u>	<u>Fair Value Measurements Using:</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Common Stock	\$ 33,385,144	\$ 33,385,144	\$ -	\$ -
Mutual Funds & ETFs - Equities	59,904,900	59,904,900	-	-
Mutual Funds & ETFs - Fixed Income	33,715,176	33,715,176	-	-
Corporate Bonds - Domestic Investment Grade	4,653,708	-	4,653,708	-
Fixed Income - Global/Foreign	609,911	-	609,911	-
Fixed Income - US Government	6,142,436	-	6,142,436	-
Mortgage-Backed Securities	1,044,310	-	1,044,310	-
Total investments measured by fair value level	139,455,585	\$ 127,005,220	\$ 12,450,365	\$ -
Investments measured at net asset value (NAV):				
Money Market Funds	2,211,146			
Trust OPEB Funding Program	2,174,083			
Total investments measured at fair value	\$ 143,840,814			

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

Long-term liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes, and loans payable:					
General obligation bonds	\$ 24,040,000	\$ -	\$ 1,790,000	\$ 22,250,000	\$ 1,830,000
General obligation bonds and notes from direct placements	-	2,800,000	-	2,800,000	200,000
Notes and loans from direct borrowings	824,139	-	170,871	653,268	175,347
	<u>24,864,139</u>	<u>2,800,000</u>	<u>1,960,871</u>	<u>25,703,268</u>	<u>2,205,347</u>
Plus amortized premium on bonds	2,077,819	-	182,709	1,895,110	-
Total bonds, notes and loans payable	<u>26,941,958</u>	<u>2,800,000</u>	<u>2,143,580</u>	<u>27,598,378</u>	<u>2,205,347</u>
Other liabilities:					
Capital leases payable	124,197	-	92,492	31,705	6,675
Compensated absences	4,024,025	377,569	22,270	4,379,324	927,658
Pollution remediation obligations	1,507,614	-	85,573	1,422,041	85,574
Net pension liabilities	84,175,272	-	21,136,722	63,038,550	-
Net other post-employment benefit liabilities	30,306,991	4,407,045	-	34,714,036	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 147,080,057</u>	<u>\$ 7,584,614</u>	<u>\$ 23,480,637</u>	<u>\$ 131,184,034</u>	<u>\$ 3,225,254</u>
Business Type Activities:					
Bonds, notes and loans payable:					
Notes and loans from direct borrowings	\$ 848,307	\$ -	\$ 163,000	\$ 685,307	\$ 166,000
Total bonds, notes and loans payable	<u>848,307</u>	<u>-</u>	<u>163,000</u>	<u>685,307</u>	<u>166,000</u>
Other liabilities:					
Compensated absences	353,463	53,807	119	407,151	67,112
Business-Type Activities Long-Term Liabilities	<u>\$ 1,201,770</u>	<u>\$ 53,807</u>	<u>\$ 163,119</u>	<u>\$ 1,092,458</u>	<u>\$ 233,112</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

B. GENERAL OBLIGATION BONDS AND NOTES PAYABLE DEBT SERVICE REQUIREMENTS

The debt service requirements at June 30, 2021, were as follows:

<u>Fiscal Year Ended June 30,</u>	<i>Governmental Activities General Obligation Bonds</i>		<i>Governmental Activities General Obligation Bonds and Notes from Direct Placements</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2022	\$ 1,830,000	\$ 839,255	\$ 200,000
2023	1,870,000	772,577	200,000	40,792
2024	1,920,000	702,568	200,000	37,664
2025	1,970,000	619,274	200,000	34,536
2026	2,030,000	536,149	200,000	31,408
2027-2031	7,980,000	1,390,027	1,000,000	110,120
2032-2036	3,595,000	410,239	800,000	37,920
2037-2039	1,055,000	48,660	-	-
	<u>\$ 22,250,000</u>	<u>\$ 5,318,749</u>	<u>\$ 2,800,000</u>	<u>\$ 335,994</u>

C. NOTES AND LOANS PAYABLE FROM DIRECT BORROWINGS DEBT SERVICE REQUIREMENTS

The debt service requirements at June 30, 2021, were as follows:

<u>Fiscal Year Ended June 30,</u>	<i>Governmental Activities Notes and Loans from Direct Borrowings</i>		<i>Business-Type Activities Notes and Loans from Direct Borrowings</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
	2022	\$ 175,347	\$ 8,562	\$ 166,000
2023	179,922	5,471	169,000	9,137
2024	52,000	3,346	173,000	5,571
2025	52,000	2,342	177,307	1,879
2026	54,000	1,249	-	-
2027-2030	139,999	552	-	-
	<u>\$ 653,268</u>	<u>\$ 21,522</u>	<u>\$ 685,307</u>	<u>\$ 29,175</u>

D. CAPITAL LEASE COMMITMENTS

The Town acquired equipment valued at \$85,268 and vehicles valued at \$410,450 that were financed with lease purchase agreements. Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2021.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Obligations of governmental activities under capital leases at June 30, 2021 were as follows:

<u><i>Fiscal Year Ended June 30,</i></u>	<u><i>Lease Payment Requirements</i></u>
2022	\$ 6,675
2023	6,675
2024	6,675
2025	6,674
2026	5,006
Total minimum lease payments	<u>31,705</u>
Less: Amount representing interest cost	-
Present value of minimum lease payments	<u><u>\$ 31,705</u></u>

TOWN OF NARRAGANSETT, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

E. BONDS, NOTES AND LOANS PAYABLE								
<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2020</u>	<u>New Issues</u>	<u>Refundings/ Maturities During Year</u>	<u>Outstanding June 30, 2021</u>
<i>Governmental Activities:</i>								
<i>General Obligation Bonds:</i>								
Road Bond	07/02/2014	2.00-4.00%	07/15/2034	\$ 4,100,000	\$ 3,075,000	\$ -	\$ 205,000	\$ 2,870,000
General Obligation Bond	11/08/2016	2.00-3.00%	11/01/2036	6,100,000	5,185,000	-	305,000	4,880,000
School Refunding	04/11/2017	3.00-5.00%	05/15/2029	12,029,000	11,030,000	-	1,030,000	10,000,000
Road Bond	05/08/2019	3.00-5.00%	05/15/2039	5,000,000	4,750,000	-	250,000	4,500,000
Total General Obligation Bonds					<u>24,040,000</u>	<u>-</u>	<u>1,790,000</u>	<u>22,250,000</u>
<i>General Obligation Bonds and Notes from Direct Placements:</i>								
Library Bond	02/04/2021	1.58%	06/30/36	2,400,000	-	2,400,000	-	2,400,000
Library Note	02/04/2021	1.50%	06/31/2031	400,000	-	400,000	-	400,000
Total General Obligation Bonds and Notes from Direct Placements					<u>-</u>	<u>2,800,000</u>	<u>-</u>	<u>2,800,000</u>
<i>Notes and Loans from Direct Borrowings:</i>								
Rose Hill Closing and Capping	09/03/2002	1.68%	09/01/2022	2,000,000	376,139	-	121,871	254,268
Narrow River	12/12/2007	1.64-2.04%	09/01/2029	600,000	329,000	-	30,000	299,000
Landfill Closure	12/15/2005	1.59-2.00%	09/01/2025	350,000	119,000	-	19,000	100,000
Total Notes and Loans from Direct Borrowings					<u>824,139</u>	<u>-</u>	<u>170,871</u>	<u>653,268</u>
Total Governmental Activities					<u>24,864,139</u>	<u>2,800,000</u>	<u>1,960,871</u>	<u>25,703,268</u>
<i>Notes and Loans from Direct Borrowings:</i>								
Briggs Farm Sewer Project	11/13/2003	0.97-2.12%	09/01/2024	4,200,000	848,307	-	163,000	685,307
Total Notes and Loans from Direct Borrowings					<u>848,307</u>	<u>-</u>	<u>163,000</u>	<u>685,307</u>
Total Business-Type Activities					<u>848,307</u>	<u>-</u>	<u>163,000</u>	<u>685,307</u>
Total Bonds, Notes and Loans Payable					<u>\$ 25,712,446</u>	<u>\$ 2,800,000</u>	<u>\$ 2,123,871</u>	<u>\$ 26,388,575</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

F. POLLUTION REMEDIATION OBLIGATIONS

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

Rose Hill Regional Landfill – Rose Hill was previously operated by the Towns of South Kingstown and Narragansett. In September 2002, the US EPA, the Rhode Island Department of Environmental Management (RIDEM) and the Towns of Narragansett and South Kingstown entered into a Final Consent Decree for remediation of Rose Hill. Since then, the site has been capped and long-term groundwater and air monitoring has commenced to determine the effectiveness of the cap and what, if any, additional remediation actions may be necessary in the future. The current estimated total cost of completing the clean-up of Rose Hill is \$21,549,014. The Town's share of this obligation is estimated to be \$4,514,645. In prior years, the Town paid \$2,000,000 to the Federal Government to settle all past liabilities associated with Rose Hill and \$504,931 for its share of natural resource damages. The Final Consent Decree also requires reimbursement to the State of 30% of the costs associated with remediation of this landfill and ongoing operation and maintenance costs. These costs will be shared equally by the two towns. The Town has paid \$767,673 to date for its share of remediation of the landfill and operation and maintenance costs. The Town's remaining share of the estimated cost, totaling \$1,242,041 at June 30, 2021, will be paid to the State over a 16-year period. Accordingly, \$1,242,041 has been reported as a pollution remediation obligation in the government-wide financial statements.

West Kingston/URI Disposal Area Landfills – The West Kingston/URI Disposal Area Landfills, also known as the Plains Road Landfill (Plains Road), was added to the Superfund list in 1992. The Towns of Narragansett and South Kingstown and the University of Rhode Island (URI) were named as potentially responsible parties. The Towns of Narragansett and South Kingstown and URI have agreed to participate in the remediation of the site under State landfill closure regulations. A consent decree was entered for the site as well. The current estimated cost of completing the clean-up of Plains Road is \$7,488,020. The Town's share of this obligation is estimated to be \$1,683,788. The Town has paid \$1,503,788 to date related to its obligation with an estimated \$180,000 remaining for ongoing operation and maintenance costs at June 30, 2021. Accordingly, \$180,000 has been reported as a pollution remediation obligation in the government-wide financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 8 – INTERFUND BALANCES

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

	<i>Due From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Pension Trust Funds</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 781,950	\$ 214,665	\$ 996,615
Nonmajor Governmental Funds	2,623,686	-	-	2,623,686
Other Post-Employment Benefit Trust Funds	141,716	-	-	141,716
<i>Total</i>	\$ 2,765,402	\$ 781,950	\$ 214,665	\$ 3,762,017

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

NOTE 9 – INTERFUND TRANSFERS

	<i>Transfer From:</i>	
	<i>General Fund</i>	<i>Total</i>
<i>Transfer To:</i>		
Nonmajor Governmental Funds	\$ 6,117,299	\$ 6,117,299
<i>Total</i>	\$ 6,117,299	\$ 6,117,299

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

NOTE 10 – NET POSITION/FUND BALANCES

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

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

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

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

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

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

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

NOTE 11 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for sewer assessments, sewer lot development fees and community development loans receivable. The real estate and personal property tax receivable includes an allowance for doubtful accounts of \$222,244.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2021, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 518,762	\$ 1,165,427	\$ 360,867	\$ 2,045,056
Other Governmental Funds	804,595	10,333	-	814,928
Total	<u>\$ 1,323,357</u>	<u>\$ 1,175,760</u>	<u>\$ 360,867</u>	<u>\$ 2,859,984</u>
Business-Type activities:				
Water Fund	\$ 122,545	\$ 28,564	\$ 25,040	\$ 176,149
Sewer Fund	69,264	38,294	692	108,250
Beach Fund	371,764	89,499	-	461,263
Middlebridge Recreation Fund	58,693	-	-	58,693
Total	<u>\$ 622,266</u>	<u>\$ 156,357</u>	<u>\$ 25,732</u>	<u>\$ 804,355</u>

NOTE 12 – POST-EMPLOYMENT BENEFITS

A. TOWN PLAN

Plan Description

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

Plan Membership - As of June 30, 2021, the plan membership data is as follows:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Active employees (with and without coverage)	173
Retirees and beneficiaries	162
	335
	335

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

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

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

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

Firefighters – Employees who have 20 years of service are eligible for lifetime medical, dental and life insurance benefits if hired prior to July 1, 2013. Firefighters hired on/after July 1, 2013 must have 25 years of service to be eligible for benefits. Employees retiring prior to January 1, 2011 have no employee contribution. Employees retiring on/after January 1, 2011 but prior to January 1, 2017 must

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

contribute 20% of their health premium (for retirees and spouses). These retirees will no longer be eligible for subsidized Medicare Supplement coverage. Employees retiring on/after January 1, 2017 will receive health coverage through a Blue Solutions HDHP plan with no contribution requirement.

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

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

Contributions - Contribution requirements are negotiated between the Town and the respective unions or are established by Town Ordinance for non-union employees. The Town is required to contribute the cost of medical, dental and life benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2021, the Town's contribution was based on the adopted budget which was more than the actuarially determined contribution. For the fiscal year ended June 30, 2021, the Town contributed \$3,650,696 to the plan. Administrative costs are paid from plan assets.

Summary of Significant Accounting Policies

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

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

Investments

Investment Policy – The Finance Director may invest funds held in the OPEB Trust Fund in

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

accordance with the Trust Agreement and State Law in the following types of investments: common or preferred stocks, bonds, notes, debentures, mortgages, equipment or investment trust certificates, mutual funds or other pooled investment vehicles, and other evidences of indebtedness.

Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 24.79%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Town Plan

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

Total OPEB Liability	\$45,547,640
OPEB Plan Fiduciary Net Position	<u>(13,520,006)</u>
Net OPEB Liability	<u>\$32,027,634</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	29.7%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	Age 20 - 10%; Age 30 - 6%; Age 40 – 4.5%; Age 50 – 4.25%; Age 55+ - 4%
Inflation	2%
Investment Rate of Return	7.15%
Mortality	Police and Fire - SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020; Surviving Spouses – SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020; All Other – SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Health Care Trend Rates	<u>FYE</u>	<u>Medical</u>	<u>Dental</u>	<u>Part B</u>
	2022	8.00%	4.00%	3.25%
	2023	7.50%	3.50%	3.50%
	2024	7.00%	3.00%	3.75%
	2025	6.50%	3.00%	4.00%
	2026	6.00%	3.00%	4.25%
	2027	5.50%	3.00%	4.25%
	2028	5.00%	3.00%	4.25%
	2029+	4.50%	3.00%	4.25%

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	26.4%	1.5%
Domestic Equity	55.2%	6.0%
International Equity	7.4%	5.0%
Cash & Cash Equivalents	11.0%	0.8%
	<u>100.0%</u>	

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

- Payroll growth rates were changed from 6% to 4% based on age to 10% to 4% based on age.
- Investment rate of return was changed from 7.2% to 7.15%.
- Police and Fire mortality table was changed from the SOA RPH-2019 Blue Collar Total Dataset Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Surviving Spouses mortality table was changed from the SOA RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- All Other mortality table was changed from the SOA RPH-2019 Total Dataset Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Health care trend rates were changed from 7.5% decreasing to 4.5% for health, 3.5% decreasing to 3% for dental, and 3.5% increasing to 4.25% for Part B to 8% decreasing to 4.5% for health, 4% decreasing to 3% for dental, and 3.25% increasing to 4.25% for Part B.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total OPEB liability as of June 30, 2021 were consistent with an actuarial experience study performed in 2021.

Discount Rate – The discount rate used to measure the OPEB liability was 7.15% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the greater of \$3,000,000 or the expected benefit payments. Based on those assumptions, the Town Plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The prior measurement date used a discount rate of 7.2%.

Town Plan - Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2020	\$38,421,444	\$10,567,317	\$27,854,127
Changes for the Year:			
Service cost	542,253	-	542,253
Interest on the total OPEB liability	2,718,747	-	2,718,747
Changes in benefits	-	-	-
Difference between expected and actual experience	1,285,730	-	1,285,730
Changes in assumptions	5,032,190	-	5,032,190
Employer contributions	-	3,650,696	(3,650,696)
Plan member contributions	-	-	-
Net investment income	-	1,761,317	(1,761,317)
Benefit payments, including employee refunds	(2,452,724)	(2,452,724)	-
Administrative expense	-	(6,600)	6,600
Other changes	-	-	-
Net changes	7,126,196	2,952,689	4,173,507
Balances as of June 30, 2021	\$45,547,640	\$13,520,006	\$32,027,634

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

	1% Decrease	Current Discount Rate	1% Increase
	(6.15%)	(7.15%)	(8.15%)
Net OPEB Liability	\$37,441,069	\$32,027,634	\$27,523,056

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (7.0% decreasing to 3.5%) and 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u> <u>(7% decreasing to 3.5%)</u>	<u>Current Healthcare</u> <u>Cost Trend Rates</u> <u>(8% decreasing to 4.5%)</u>	<u>1% Increase</u> <u>(9% decreasing to 5.5%)</u>
Net OPEB Liability	\$27,697,261	\$32,027,634	\$37,217,070

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

For the year ended June 30, 2021, the Town recognized OPEB expense of \$2,174,541. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$1,181,254	\$1,957,159
Changes in assumptions	4,409,158	883,899
Net difference between projected and actual earnings on OPEB plan investments	-	366,687
Total	\$5,590,412	\$3,207,745

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

Year ended June 30:	
2022	\$(288,711)
2023	291,757
2024	709,601
2025	617,030
2026	1,052,990

B. SCHOOL PLAN

Plan Description

Plan Administration - The Narragansett School System administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 15.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

On May 17, 2017 the School Committee authorized the creation of an OPEB Trust Fund. The Director of Finance and Administration is responsible for administration of the plan in accordance with the Trust Agreement effective May 17, 2017 with School Committee oversight. The plan is reported as a Trust Fund in the Town’s financial statements. The plan does not issue a publicly available financial report.

Plan Membership - As of June 30, 2021 the plan membership data is as follows:

Active employees (with and without coverage)	222
Retirees and beneficiaries	199
	421
	421

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

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

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

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

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

Contributions - Contribution requirements are negotiated between the School System and the respective unions or are established by employee contract for non-union employees. The School System is required to contribute the cost of medical, dental and life insurance benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2021, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2021, the School System contributed \$520,545 to the plan.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Summary of Significant Accounting Policies

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

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

Investments

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

Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 23.55%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the School Plan

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

Total OPEB Liability	\$5,002,201
OPEB Plan Fiduciary Net Position	<u>(2,315,799)</u>
Net OPEB Liability	<u>\$2,686,402</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	46.3%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	General wage inflation of 3.0% plus merit increases
Inflation	1.9%
Investment Rate of Return	5.6%

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Mortality Teachers and Administrators - SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2020; Support Employees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020; Surviving Spouses – SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020

Health Care Trend Rates	<u>FYE</u>	<u>Medical</u>	<u>Dental</u>
	2022	8.00%	4.00%
	2023	7.50%	3.50%
	2024	7.00%	3.00%
	2025	6.50%	3.00%
	2026	6.00%	3.00%
	2027	5.50%	3.00%
	2028	5.00%	3.00%
	2029+	4.50%	3.00%

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	33.0%	5.3%
Non-US Equity	21.0%	8.0%
U.S. Aggregate Bonds	15.0%	3.1%
Intermediate-Term Credit	10.0%	3.6%
Short-Term Credit	5.0%	3.5%
Non-US Bonds	10.0%	2.8%
REITs	6.0%	4.8%
	<hr style="width: 50%; margin: 0 auto;"/> 100.0% <hr style="width: 50%; margin: 0 auto;"/>	

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

- Inflation rate was changed from 1.6% to 1.9%.
- Investment rate of return was changed from 5.9% to 5.6%.

TOWN OF NARRAGANSETT, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

- Teachers and Administrators mortality table was changed from the SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Support Employees mortality table was changed from the SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Surviving Spouses mortality table was changed from the SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020.
- Health care trend rates were changed from 7.5% decreasing to 4.5% for health and 3.5% decreasing to 3% for dental to 8% decreasing to 4.5% for health and 4% decreasing to 3% for dental.

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total OPEB liability as of June 30, 2021 were consistent with an actuarial experience study performed in 2021.

Discount Rate – The discount rate used to measure the OPEB liability was 5.6% for the School Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the School Plan's net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The prior measurement date used a discount rate of 5% and a municipal bond rate of 2.66% (S&P Municipal Bond 20-Year High Grade Rate Index).

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

School Plan - Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2020	\$4,280,166	\$1,827,302	\$2,452,864
Changes for the Year:			
Service cost	196,705	-	196,705
Interest on the total OPEB liability	212,819	-	212,819
Changes in benefits	-	-	-
Difference between expected and actual experience	449,355	-	449,355
Changes in assumptions	309,572	-	309,572
Employer contributions	-	520,545	(520,545)
Plan member contributions	-	-	-
Net investment income	-	414,368	(414,368)
Benefit payments, including employee refunds	(446,416)	(446,416)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	722,035	488,497	233,538
Balances as of June 30, 2021	\$5,002,201	\$2,315,799	\$2,686,402

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

	1% Decrease (4.6%)	Current Discount Rate (5.6%)	1% Increase (6.6%)
Net OPEB Liability	\$3,003,133	\$2,686,402	\$2,396,978

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the School Plan, as well as what the School Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (7% decreasing to 3.5%) and 1-percentage-point higher (9% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (8% decreasing to 4.5%)	1% Increase (9% decreasing to 5.5%)
Net OPEB Liability	\$2,413,970	\$2,686,402	\$3,001,604

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

For the year ended June 30, 2021, the School System recognized OPEB expense of \$456,189. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$1,335,897	\$321,052
Changes in assumptions	523,646	49,726
Net difference between projected and actual earnings on OPEB plan investments	-	234,470
Total	<u>\$1,859,543</u>	<u>\$605,248</u>

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

Year ended June 30:

2022	\$147,026
2023	146,905
2024	147,225
2025	143,458
2026	204,767
Thereafter	464,914

C. AGGREGATE OPEB AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	<u>Deferred Outflows of Resources – OPEB Amounts</u>	<u>Deferred Inflows of Resources – OPEB Amounts</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Town Plan	\$5,590,412	\$3,207,745	\$32,027,634	\$2,174,541
School Plan	<u>1,859,543</u>	<u>605,248</u>	<u>2,686,402</u>	<u>456,189</u>
Total	<u>\$7,449,955</u>	<u>\$3,812,993</u>	<u>\$34,714,036</u>	<u>\$2,630,730</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 13 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

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

NOTE 14 – RISK MANAGEMENT

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

for insurance in the Internal Service Fund and the claims paid by WBCH on the School System’s behalf and the administrative costs paid to WBCH are recorded as expenses in the Internal Service Fund and a reduction of deposits in the Internal Service Fund. The premiums are based on “working rates” determined by WBCH based on available funds on deposit and claims experience.

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

The claims liability of \$130,325 reported in the Internal Service Fund at June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

	<i>Beginning Fiscal Year Liability</i>	<i>Current Year Claims and Changes In Estimate</i>	<i>Claims Payments</i>	<i>Balance Fiscal Year End</i>
2019-2020	\$77,546	\$2,829,032	\$2,612,279	\$294,299
2020-2021	\$294,299	\$2,768,918	\$2,932,892	\$130,325

NOTE 15 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plan

General Information about the Pension Plan

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2021, Narragansett School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Narragansett School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Narragansett School Department; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the State and Narragansett School Department, respectively. The Narragansett School Department contributed \$1,875,045, \$1,845,961, and \$1,679,749 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 contributions totaling \$1,313,249 for fiscal year 2021 are reflected as on-behalf payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

At June 30, 2021, the Narragansett School Department reported a liability of \$21,792,591 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Narragansett School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

associated with the Narragansett School Department were as follows:

Narragansett School Department's proportionate share of the net pension liability	\$21,792,591
State's proportionate share of the net pension liability associated with the Narragansett School Department	<u>16,192,429</u>
Total net pension liability	<u><u>\$37,985,020</u></u>

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The Narragansett School Department's proportion of the net pension liability was based on a projection of the Narragansett School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2020 the Narragansett School Department's proportion was 0.68208298%.

For the year ended June 30, 2021, the Narragansett School Department recognized in the Government-Wide financial statements gross pension expense of \$3,621,876 and revenue of \$1,638,693 for support provided by the State. At June 30, 2021, the Narragansett School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$1,875,045
Change of assumptions	972,856
Differences between expected and actual experience	213,073
Changes in proportion and differences between employer contributions and proportionate share of contributions	728,902
Net difference between projected and actual earnings on pension plan investments	<u>442,433</u>
Total	<u><u>\$4,232,309</u></u>

Deferred inflows of resources:

Differences between expected and actual experience	\$424,705
Change of assumptions	507,840
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>1,309,647</u>
Total	<u><u>\$2,242,192</u></u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

\$1,875,045 reported as deferred outflows of resources related to pensions resulting from the Narragansett School Department 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	\$(121,428)
2023	88,820
2024	160,821
2025	94,070
2026	(99,385)
Thereafter	(7,826)

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

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

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

The following actuarial assumptions have been changed since the prior measurement date:

- The mortality tables were changed from variants of the RP-2014 Tables, updated to the ultimate rates of the MP-2016 projection scale to variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-total	15.00%	
Total	100.00%	

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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 to Changes in the Discount Rate - The following presents the proportionate share of the net pension liability calculated using the discount rate of 7.0 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

<i>1.00% Decrease</i>	<i>Current Discount Rate</i>	<i>1.00 Increase</i>
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$26,147,662	\$21,792,591	\$16,536,735

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

Defined Contribution Plan

Plan Description

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

The Narragansett School Department recognized pension expense of \$118,202 for the fiscal year ended June 30, 2021. For financial reporting purposes, the State's share of contributions totaling \$49,224 for fiscal year 2021 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

B. POLICE PLAN

General Information about the Pension Plan

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

Plan Membership – As of July 1, 2020, membership data related to the pension plan was as follows:

Active members	-
Retired and beneficiaries	12
Terminated vested	-
	<hr/>
	12
	<hr/> <hr/>

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

final earnings in the year of disability.

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

Contributions – Contribution requirements for the plan are established and may be amended by Town ordinance or union contract. Employees are not required to contribute to the Police Plan since there are no active members. The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The Town contribution for the year ended June 30, 2021 was \$267,000.

Summary of Significant Accounting Policies

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

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

Investments

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

Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 27.41%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

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

Total Pension Liability	\$2,082,537
Plan Fiduciary Net Position	<u>(1,711,429)</u>
Town’s Net Pension Liability	<u>\$371,108</u>
Plan fiduciary net position as a percentage of the total pension liability	82.18%

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Actuarial Assumptions – The total pension liability was determined as of June 30, 2021, based on an actuarial valuation performed as of July 1, 2020 rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Method
Amortization Method	Closed amortization over average remaining expected lifetime of current retirees
Actuarial Assumptions:	
Inflation	2%
Salary Increases	Not applicable
Investment Rate of Return	7.15%
Mortality	<ul style="list-style-type: none"> • Healthy – PubS-2010 Public Safety mortality table with generational improvements from 2010 based on the SOA Scale MP-2020 • Healthy Survivors - Pub-2010 Continuing Survivor mortality table with generational improvements from 2010 based on the SOA Scale MP-2020 • Disabled - PubS-2010 Disabled Public Safety mortality table with generational improvements from 2010 based on the SOA Scale MP-2020
Cost of Living Adjustment	3% for eligible retirees; 0% otherwise

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

- Investment rate of return was changed from 7% to 7.15%.
- The projection scale used with the mortality tables were changed from SOA Scale MP-2019 to SOA Scale MP-2020.

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

target asset allocation as of June 30, 2021 (See the discussion of the pension plan’s investment policy in Note 5 – Investments) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35%	1.00%
Domestic Equity	50%	5.50%
International Equity	15%	5.00%
Alternatives	0%	2.00%
Cash	0%	0.00%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7%.

Police Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$2,227,265	\$1,274,929	\$952,336
Changes for the Year:			
Service cost	-	-	-
Interest on the total pension liability	148,483	-	148,483
Changes in benefits	-	-	-
Difference between expected and actual experience	(43,244)	-	(43,244)
Changes in assumptions	(37,813)	-	(37,813)
Employer contributions	-	267,000	(267,000)
Employee contributions	-	-	-
Net investment income	-	389,414	(389,414)
Benefit payments, including employee refunds	(212,154)	(212,154)	-
Administrative expense	-	(7,760)	7,760
Other changes	-	-	-
Net changes	(144,728)	436,500	(581,228)
Balances as of June 30, 2021	\$2,082,537	\$1,711,429	\$371,108

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7.15%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	<u>(6.15%)</u>	<u>Rate (7.15%)</u>	<u>(8.15%)</u>
Net Pension Liability	\$519,510	\$371,108	\$240,012

Pension Expense and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2021, the Town recognized pension expense of \$(96,485). The Town reported deferred inflows of resources related to pensions from the following sources:

Deferred Inflows of Resources:	
Net difference between projected and actual investment earnings	<u>\$265,366</u>
Total	<u><u>\$265,366</u></u>

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

Year Ending June 30,	
2022	\$(72,099)
2023	(67,757)
2024	(65,805)
2025	(59,705)

C. TOWN PENSION PLAN

General Information about the Pension Plan

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Plan Membership – As of July 1, 2020, membership data related to the pension plan was as follows:

Active members	249
Retired and beneficiaries	230
Terminated vested	26
	505

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

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

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

Beneficiaries of municipal employees receiving death benefits for nonoccupational causes shall be

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

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

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

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

simple COLAs at retirement and when eligible. The COLA has been suspended for 8 years for active members as of July 1, 2013.

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

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

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

The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The Town contribution for the year ended June 30, 2021 was \$6,268,731.

Summary of Significant Accounting Policies

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

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

Investments

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

Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 24.15%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Total Pension Liability	\$166,107,033
Plan Fiduciary Net Position	(125,232,182)
Town’s Net Pension Liability	\$40,874,851
Plan fiduciary net position as a percentage of the total pension liability	75.39%

Actuarial Assumptions – The total pension liability was determined as of June 30, 2021, based on an actuarial valuation performed as of July 1, 2020 rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Method
Amortization Method	Closed 20-year level percent of pay amortization
Actuarial Assumptions:	
Inflation	2%
Salary Increases	Age 20-24 - 10%; Age 25-29 – 8%; Age 30-34 - 6%; Age 35-39 - 5%; Age 40-44 – 4.5%; Age 45-54 – 4.25%; Age 55+ - 4%
Investment Rate of Return	7.15%
Mortality	<ul style="list-style-type: none"> • Healthy Public Safety – PubS-2010 Public Safety mortality table • Healthy School - PubT-2010 Teachers mortality table • Healthy All Other Non-Public Safety – PubG-2010 General mortality table • Healthy Survivors - Pub-2010 Continuing Survivor mortality table • Disabled Public Safety - PubS-2010 Disabled Public Safety mortality table • Disabled Non-Public Safety - PubNS-2010 Disabled Non-Public Safety mortality table • All tables with generational improvements from 2010 based on the SOA Scale MP-2020
Cost of Living Adjustment	<ul style="list-style-type: none"> • School Employees hired on or after July 1, 2015 - 2% once eligible • Other Employees - 3% compounded or simple based on group and date of hire or retirement for eligible retirees

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

- Investment rate of return was changed from 7% to 7.15%.
- Salary increases were changed from 4% to 6% based on age to 4% to 10% based on age.
- The projection scale used with the mortality tables were changed from SOA Scale MP-2019 to SOA Scale MP-2020.

An experience study was performed for the experience over the July 1, 2010 to July 1, 2020 period. Assumptions with credible data to support updates have been implemented. The liabilities and data are analyzed each year in order to identify any trends of experience deviating from the actuarial assumptions.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate of ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2021 (See the discussion of the pension plan's investment policy in Note 5 – Investments) are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	35%	1.00%
Domestic Equity	50%	5.50%
International Equity	15%	5.00%
Alternatives	0%	2.00%
Cash	0%	0.00%
Total	100%	

Discount Rate – The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7%.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Town Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2020	\$162,656,202	\$100,562,115	\$62,094,087
Changes for the Year:			
Service cost	3,227,486	-	3,227,486
Interest on the total pension liability	11,365,516	-	11,365,516
Changes in benefits	-	-	-
Difference between expected and actual experience	(137,231)	-	(137,231)
Changes in assumptions	(3,966,598)	-	(3,966,598)
Employer contributions	-	6,268,731	(6,268,731)
Employee contributions	-	1,660,956	(1,660,956)
Net investment income	-	23,847,807	(23,847,807)
Benefit payments, including employee refunds	(7,038,342)	(7,038,342)	-
Administrative expense	-	(69,085)	69,085
Other changes	-	-	-
Net changes	3,450,831	24,670,067	(21,219,236)
Balances as of June 30, 2021	\$166,107,033	\$125,232,182	\$40,874,851

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7.15%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.15%) or 1-percentage point higher (8.15%) than the current rate:

	1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
Net Pension Liability	\$63,248,460	\$40,874,851	\$22,659,219

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

For the year ended June 30, 2021, the Town recognized pension expense of \$4,053,646. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Deferred Outflows of Resources:

Differences between expected and actual experience	\$255,150
Changes of assumptions	<u>4,247,891</u>
Total	<u>\$4,503,041</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$240,336
Changes of assumptions	3,022,611
Net difference between projected and actual investment earnings	<u>9,610,046</u>
Total	<u>\$12,872,993</u>

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

Year Ending June 30,	
2022	\$(636,793)
2023	(1,053,338)
2024	(3,323,884)
2025	(3,355,937)

D. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Liability	Pension Expense
Employees’ Retirement System of RI	\$4,232,309	\$2,242,192	\$21,792,591	\$3,621,876
Police Plan	-	265,366	371,108	(96,485)
Town Plan	<u>4,503,041</u>	<u>12,872,993</u>	<u>40,874,851</u>	<u>4,053,646</u>
Total	<u>\$8,735,350</u>	<u>\$15,380,551</u>	<u>\$63,038,550</u>	<u>\$7,579,037</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 16 – UNCERTAINTIES

The United States and State of Rhode Island declared a State of Emergency in March 2020 due to the global Coronavirus Disease (COVID-19) pandemic. In the weeks and months following the declaration, precautionary measures to slow the spread of the virus were ordered that have affected the Town’s operations in fiscal year 2021. The length of time these measures will be in place and the extent of any future financial impact to the Town are unknown at this time.

NOTE 17 – RESTATEMENTS

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

	<i>Governmental Activities</i>	<i>Governmental Funds Other Nonmajor Governmental Funds</i>
Net position/fund balance, June 30, 2020, as previously reported	\$ (9,335,678)	\$ 4,292,982
Adoption of GASB Statement No. 84: Agency funds reclassified to governmental funds based on implementation of GASB Statement No. 84	238,460	238,460
<i>Net position/fund balance, June 30, 2020, as restated</i>	<i>\$ (9,097,218)</i>	<i>\$ 4,531,442</i>

NOTE 18- OPERATING LEASES

The Town leases certain equipment under a non-cancellable operating lease expiring in June 2024. At June 30, 2021, future minimum lease payments were as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Payment Requirements</u>
2022	\$ 26,128
2023	26,128
2024	26,128
	\$ 78,384

Rental expenditures for the operating lease for the year ended June 30, 2021 totaled \$26,128.

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 542,253	\$ 537,366	\$ 629,930	\$ 679,914	\$ 1,189,644
Interest	2,718,747	2,761,917	2,783,426	2,852,809	3,005,083
Changes of benefit terms	-	-	-	-	(6,256,712)
Differences between expected and actual experience	1,285,730	(1,463,284)	(1,110,915)	(2,686,363)	658,887
Changes of assumptions	5,032,190	-	(1,238,106)	(1,943,284)	1,293,986
Benefits payments	(2,452,724)	(2,432,039)	(2,321,036)	(2,309,807)	(2,090,025)
Net change in total OPEB liability	<u>7,126,196</u>	<u>(596,040)</u>	<u>(1,256,701)</u>	<u>(3,406,731)</u>	<u>(2,199,137)</u>
Total OPEB liability - beginning	<u>38,421,444</u>	<u>39,017,484</u>	<u>40,274,185</u>	<u>43,680,916</u>	<u>45,880,053</u>
Total OPEB liability - ending (a)	<u>\$ 45,547,640</u>	<u>\$ 38,421,444</u>	<u>\$ 39,017,484</u>	<u>\$ 40,274,185</u>	<u>\$ 43,680,916</u>
Plan fiduciary net position:					
Contributions - employer	\$ 3,650,696	\$ 3,801,999	\$ 4,115,135	\$ 3,547,796	\$ 3,176,785
Contributions - employee	-	-	-	-	-
Net investment income	1,761,317	231,747	299,866	327,071	338,238
Benefits payments	(2,452,724)	(2,432,039)	(2,321,036)	(2,309,807)	(2,090,025)
Administrative expense	(6,600)	(17,033)	(6,200)	(8,250)	(26,250)
Other	-	-	-	-	-
Net change in plan fiduciary net position	<u>2,952,689</u>	<u>1,584,674</u>	<u>2,087,765</u>	<u>1,556,810</u>	<u>1,398,748</u>
Plan fiduciary net position - beginning	<u>10,567,317</u>	<u>8,982,643</u>	<u>6,894,878</u>	<u>5,338,068</u>	<u>3,939,320</u>
Plan fiduciary net position - ending (b)	<u>\$ 13,520,006</u>	<u>\$ 10,567,317</u>	<u>\$ 8,982,643</u>	<u>\$ 6,894,878</u>	<u>\$ 5,338,068</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 32,027,634</u>	<u>\$ 27,854,127</u>	<u>\$ 30,034,841</u>	<u>\$ 33,379,307</u>	<u>\$ 38,342,848</u>
Plan fiduciary net position as a percentage of the total OPEB liability	29.68%	27.50%	23.02%	17.12%	12.22%
Covered employee payroll	\$ 11,247,367	\$ 11,941,182	\$ 12,599,633	\$ 10,637,623	\$ 10,228,484
Town's net OPEB liability as a percentage of covered employee payroll	284.76%	233.26%	238.38%	313.79%	374.86%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 196,705	\$ 171,929	\$ 161,093	\$ 177,566	\$ 199,504
Interest	212,819	231,679	170,567	178,180	167,455
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	449,355	(46,469)	1,307,262	(262,942)	(241,063)
Changes of assumptions	309,572	119,117	227,291	(78,142)	15,824
Benefits payments	(446,416)	(466,760)	(454,529)	(315,478)	(399,334)
Net change in total OPEB liability	<u>722,035</u>	<u>9,496</u>	<u>1,411,684</u>	<u>(300,816)</u>	<u>(257,614)</u>
Total OPEB liability - beginning	<u>4,280,166</u>	<u>4,270,670</u>	<u>2,858,986</u>	<u>3,159,802</u>	<u>3,417,416</u>
Total OPEB liability - ending (a)	<u>\$ 5,002,201</u>	<u>\$ 4,280,166</u>	<u>\$ 4,270,670</u>	<u>\$ 2,858,986</u>	<u>\$ 3,159,802</u>
Plan fiduciary net position:					
Contributions - employer	\$ 520,545	\$ 934,346	\$ 454,529	\$ 315,478	\$ 1,522,122
Contributions - employee	-	-	-	-	-
Net investment income	414,368	79,363	82,452	75,090	23
Benefits payments	(446,416)	(466,760)	(454,529)	(315,478)	(399,334)
Administrative expense	-	-	-	-	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	<u>488,497</u>	<u>546,949</u>	<u>82,452</u>	<u>75,090</u>	<u>1,122,811</u>
Plan fiduciary net position - beginning	<u>1,827,302</u>	<u>1,280,353</u>	<u>1,197,901</u>	<u>1,122,811</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,315,799</u>	<u>\$ 1,827,302</u>	<u>\$ 1,280,353</u>	<u>\$ 1,197,901</u>	<u>\$ 1,122,811</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 2,686,402</u>	<u>\$ 2,452,864</u>	<u>\$ 2,990,317</u>	<u>\$ 1,661,085</u>	<u>\$ 2,036,991</u>
Plan fiduciary net position as a percentage of the total OPEB liability	46.30%	42.69%	29.98%	41.90%	35.53%
Covered employee payroll	\$ 15,706,067	\$ 16,487,925	\$ 15,425,573	N/A	N/A
Town's net OPEB liability as a percentage of covered employee payroll	17.10%	14.88%	19.39%	N/A	N/A

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

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

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

	<u>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>
<u>Town Plan</u>										
Actuarially determined contribution	\$ 2,980,314	\$ 3,129,247	\$ 3,372,903	\$ 3,567,929	\$ 3,517,887	\$ 4,620,054	\$ 5,047,958	\$ 5,030,992	\$ 5,117,673	\$ 5,960,237
Contributions in relation to the actuarially determined contribution	3,650,696	3,801,999	4,115,135	3,547,796	3,176,785	2,911,234	2,346,138	2,510,011	2,516,858	3,069,142
Contribution deficiency (excess)	<u>\$ (670,382)</u>	<u>\$ (672,752)</u>	<u>\$ (742,232)</u>	<u>\$ 20,133</u>	<u>\$ 341,102</u>	<u>\$ 1,708,820</u>	<u>\$ 2,701,820</u>	<u>\$ 2,520,981</u>	<u>\$ 2,600,815</u>	<u>\$ 2,891,095</u>
Covered employee payroll	\$ 11,247,367	\$ 11,941,182	\$ 12,599,633	\$ 10,637,623	\$ 10,228,484	\$ 9,808,380	\$ 9,522,699	\$ 9,377,308	\$ 9,104,183	\$ 8,839,013
Contributions as a percentage of covered employee payroll	32.46%	31.84%	32.66%	33.35%	31.06%	29.68%	24.64%	26.77%	27.65%	34.72%
<u>School Plan</u>										
Actuarially determined contribution	\$ 471,452	\$ 551,291	\$ 319,008	\$ 306,721	\$ 379,021	\$ 419,272	\$ 392,924	\$ 379,211	\$ 488,877	\$ 445,449
Contributions in relation to the actuarially determined contribution	520,545	934,346	454,529	315,478	1,522,122	335,099	307,430	275,520	301,939	274,490
Contribution deficiency (excess)	<u>\$ (49,093)</u>	<u>\$ (383,055)</u>	<u>\$ (135,521)</u>	<u>\$ (8,757)</u>	<u>\$ (1,143,101)</u>	<u>\$ 84,173</u>	<u>\$ 85,494</u>	<u>\$ 103,691</u>	<u>\$ 186,938</u>	<u>\$ 170,959</u>
Covered employee payroll	\$ 15,706,067	\$ 16,487,925	\$ 15,425,573	Not available	Not available	Not available	Not available	\$ 16,032,959	\$ 15,565,980	\$ 15,293,489
Contributions as a percentage of covered employee payroll	3.31%	5.67%	2.95%	Not available	Not available	Not available	Not available	1.72%	1.94%	1.79%

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

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

	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
<i>Town Plan</i>					
Annual money-weighted rate of return, net of investment expense	<u>24.79%</u>	<u>2.36%</u>	<u>7.13%</u>	<u>9.56%</u>	<u>12.52%</u>
<i>School Plan</i>					
Annual money-weighted rate of return, net of investment expense	<u>23.55%</u>	<u>4.82%</u>	<u>6.88%</u>	<u>6.69%</u>	<u>0.00%</u>

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.68208298%	0.66218679%	0.68353827%	0.69095908%	0.74560016%	0.75381396%	0.71867874%
Town's proportionate share of the net pension liability	\$ 21,792,591	\$ 21,128,849	\$ 21,717,707	\$ 21,793,447	\$ 22,245,559	\$ 20,752,519	\$ 17,492,643
State's proportionate share of the net pension liability associated with the Town	<u>16,192,429</u>	<u>15,827,696</u>	<u>16,199,850</u>	<u>16,470,610</u>	<u>15,234,941</u>	<u>14,177,469</u>	<u>11,995,511</u>
Total	<u>\$ 37,985,020</u>	<u>\$ 36,956,545</u>	<u>\$ 37,917,557</u>	<u>\$ 38,264,057</u>	<u>\$ 37,480,500</u>	<u>\$ 34,929,988</u>	<u>\$ 29,488,154</u>
Town's covered payroll	\$ 12,851,123	\$ 12,290,329	\$ 12,337,484	\$ 12,258,431	\$ 12,249,451	\$ 12,250,219	\$ 12,180,991
Town's proportionate share of the net pension liability as a percentage of its covered payroll	169.58%	171.91%	176.03%	177.78%	181.60%	169.41%	143.61%
Plan fiduciary net position as a percentage of the total pension liability	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	148,483	146,935	155,676	160,506	163,991	174,613	177,837	182,866
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(43,244)	16,675	(29,857)	22,730	50,752	(37,247)	(20,730)	-
Changes of assumptions	(37,813)	142,644	(5,710)	(5,407)	(14,486)	33,213	85,996	-
Benefits payments, including refunds of member contributions	(212,154)	(239,517)	(243,498)	(246,322)	(251,011)	(254,103)	(255,145)	(244,698)
Net change in total pension liability	<u>(144,728)</u>	<u>66,737</u>	<u>(123,389)</u>	<u>(68,493)</u>	<u>(50,754)</u>	<u>(83,524)</u>	<u>(12,042)</u>	<u>(61,832)</u>
Total pension liability - beginning	<u>2,227,265</u>	<u>2,160,528</u>	<u>2,283,917</u>	<u>2,352,410</u>	<u>2,403,164</u>	<u>2,486,688</u>	<u>2,498,730</u>	<u>2,560,562</u>
Total pension liability - ending (a)	<u>\$ 2,082,537</u>	<u>\$ 2,227,265</u>	<u>\$ 2,160,528</u>	<u>\$ 2,283,917</u>	<u>\$ 2,352,410</u>	<u>\$ 2,403,164</u>	<u>\$ 2,486,688</u>	<u>\$ 2,498,730</u>
Plan fiduciary net position:								
Contributions - employer	\$ 267,000	\$ 267,000	\$ 267,000	\$ 267,000	\$ 267,000	\$ 355,000	\$ 126,770	\$ 124,954
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	389,414	113,403	85,158	89,525	102,865	930	2,633	-
Benefits payments, including refunds of member contributions	(212,154)	(239,517)	(243,498)	(246,322)	(251,011)	(254,103)	(255,145)	(244,698)
Administrative expense	(7,760)	(7,030)	(6,310)	(5,795)	(5,180)	(4,540)	-	-
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>436,500</u>	<u>133,856</u>	<u>102,350</u>	<u>104,408</u>	<u>113,674</u>	<u>97,287</u>	<u>(125,742)</u>	<u>(119,744)</u>
Plan fiduciary net position - beginning	<u>1,274,929</u>	<u>1,141,073</u>	<u>1,038,723</u>	<u>934,315</u>	<u>820,641</u>	<u>723,354</u>	<u>849,096</u>	<u>968,840</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,711,429</u>	<u>\$ 1,274,929</u>	<u>\$ 1,141,073</u>	<u>\$ 1,038,723</u>	<u>\$ 934,315</u>	<u>\$ 820,641</u>	<u>\$ 723,354</u>	<u>\$ 849,096</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 371,108</u>	<u>\$ 952,336</u>	<u>\$ 1,019,455</u>	<u>\$ 1,245,194</u>	<u>\$ 1,418,095</u>	<u>\$ 1,582,523</u>	<u>\$ 1,763,334</u>	<u>\$ 1,649,634</u>
Plan fiduciary net position as a percentage of the total pension liability	82.18%	57.24%	52.81%	45.48%	39.72%	34.15%	29.09%	33.98%
Covered payroll	Not applicable							
Town's net pension liability as a percentage of covered payroll	Not applicable							

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:								
Service cost	\$ 3,227,486	\$ 3,007,323	\$ 2,959,880	\$ 2,955,588	\$ 2,930,982	\$ 2,810,067	\$ 2,550,557	\$ 2,777,999
Interest	11,365,516	10,600,034	10,065,392	9,790,545	9,285,637	8,763,993	8,179,918	7,743,047
Changes of benefit terms	-	-	-	-	-	(420,257)	-	-
Differences between expected and actual experience	(137,231)	(274,825)	1,020,603	(1,087,571)	540,391	715,831	415,238	(138,666)
Changes of assumptions	(3,966,598)	8,495,783	(190,658)	(1,934,928)	(474,603)	3,440,952	2,569,581	(69,684)
Benefits payments, including refunds of member contributions	(7,038,342)	(6,774,989)	(6,179,160)	(5,642,039)	(4,946,770)	(4,846,536)	(4,369,538)	(4,151,080)
Net change in total pension liability	<u>3,450,831</u>	<u>15,053,326</u>	<u>7,676,057</u>	<u>4,081,595</u>	<u>7,335,637</u>	<u>10,464,050</u>	<u>9,345,756</u>	<u>6,161,616</u>
Total pension liability - beginning	<u>162,656,202</u>	<u>147,602,876</u>	<u>139,926,819</u>	<u>135,845,224</u>	<u>128,509,587</u>	<u>118,045,537</u>	<u>108,699,781</u>	<u>102,538,165</u>
Total pension liability - ending (a)	<u>\$ 166,107,033</u>	<u>\$ 162,656,202</u>	<u>\$ 147,602,876</u>	<u>\$ 139,926,819</u>	<u>\$ 135,845,224</u>	<u>\$ 128,509,587</u>	<u>\$ 118,045,537</u>	<u>\$ 108,699,781</u>
Plan fiduciary net position:								
Contributions - employer	\$ 6,268,731	\$ 6,176,556	\$ 6,133,571	\$ 5,957,877	\$ 5,399,268	\$ 5,190,005	\$ 4,999,356	\$ 3,237,890
Contributions - employee	1,660,956	1,588,541	1,558,428	1,583,751	1,474,196	1,427,810	1,465,617	1,272,360
Net investment income	23,847,807	1,787,246	5,516,278	5,063,944	7,844,533	(1,643,823)	472,799	10,071,983
Benefits payments, including refunds of member contributions	(7,038,342)	(6,774,989)	(6,179,160)	(5,642,039)	(4,946,770)	(4,846,536)	(4,369,538)	(4,151,082)
Administrative expense	(69,085)	(31,281)	(47,630)	(59,100)	(28,905)	(28,067)	(38,693)	(36,250)
Other	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>24,670,067</u>	<u>2,746,073</u>	<u>6,981,487</u>	<u>6,904,433</u>	<u>9,742,322</u>	<u>99,389</u>	<u>2,529,541</u>	<u>10,394,901</u>
Plan fiduciary net position - beginning	<u>100,562,115</u>	<u>97,816,042</u>	<u>90,834,555</u>	<u>83,930,122</u>	<u>74,187,800</u>	<u>74,088,411</u>	<u>71,558,870</u>	<u>61,163,969</u>
Plan fiduciary net position - ending (b)	<u>\$ 125,232,182</u>	<u>\$ 100,562,115</u>	<u>\$ 97,816,042</u>	<u>\$ 90,834,555</u>	<u>\$ 83,930,122</u>	<u>\$ 74,187,800</u>	<u>\$ 74,088,411</u>	<u>\$ 71,558,870</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 40,874,851</u>	<u>\$ 62,094,087</u>	<u>\$ 49,786,834</u>	<u>\$ 49,092,264</u>	<u>\$ 51,915,102</u>	<u>\$ 54,321,787</u>	<u>\$ 43,957,126</u>	<u>\$ 37,140,911</u>
Plan fiduciary net position as a percentage of the total pension liability								
	75.39%	61.82%	66.27%	64.92%	61.78%	57.73%	62.76%	65.83%
Covered payroll	\$ 14,916,381	\$ 14,152,836	\$ 13,952,640	\$ 13,835,881	\$ 13,626,448	\$ 12,984,298	\$ 12,188,272	\$ 12,466,246
Town's net pension liability as a percentage of covered payroll	274.03%	438.74%	356.83%	354.82%	380.99%	418.37%	360.65%	297.93%

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

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

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

	<u>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>
<u>Employees' Retirement System of RI (1)</u>										
Actuarially determined contribution	\$ 1,875,045	\$ 1,845,961	\$ 1,679,749	\$ 1,660,661	\$ 1,642,280	\$ 1,706,931	\$ 1,666,194			
Contributions in relation to the actuarially determined contribution	1,875,045	1,845,961	1,679,749	1,660,661	1,642,280	1,706,931	1,666,194			
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>								
Covered payroll	\$ 12,626,904	\$ 12,851,123	\$ 12,290,329	\$ 12,337,484	\$ 12,258,431	\$ 12,249,451	\$ 12,250,219			
Contributions as a percentage of covered payroll	14.85%	14.36%	13.67%	13.46%	13.40%	13.93%	13.60%			
<u>Police Plan</u>										
Actuarially determined contribution	\$ 187,298	\$ 198,887	\$ 215,294	\$ 226,427	\$ 230,391	\$ 216,196	\$ 208,518	\$ 129,257	\$ 124,954	\$ 131,117
Contributions in relation to the actuarially determined contribution	267,000	267,000	267,000	267,000	267,000	355,000	126,770	124,954	102,200	102,200
Contribution deficiency (excess)	<u>\$ (79,702)</u>	<u>\$ (68,113)</u>	<u>\$ (51,706)</u>	<u>\$ (40,573)</u>	<u>\$ (36,609)</u>	<u>\$ (138,804)</u>	<u>\$ 81,748</u>	<u>\$ 4,303</u>	<u>\$ 22,754</u>	<u>\$ 28,917</u>
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable					
Contributions as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable					
<u>Town Plan</u>										
Actuarially determined contribution	\$ 6,343,867	\$ 6,080,003	\$ 6,057,902	\$ 5,858,887	\$ 5,428,475	\$ 5,082,997	\$ 4,881,459	\$ 5,619,927	\$ 5,432,159	\$ 4,359,974
Contributions in relation to the actuarially determined contribution	6,268,731	6,176,556	6,133,571	5,957,877	5,399,268	5,190,005	4,999,356	3,237,890	2,627,014	2,177,565
Contribution deficiency (excess)	<u>\$ 75,136</u>	<u>\$ (96,553)</u>	<u>\$ (75,669)</u>	<u>\$ (98,990)</u>	<u>\$ 29,207</u>	<u>\$ (107,008)</u>	<u>\$ (117,897)</u>	<u>\$ 2,382,037</u>	<u>\$ 2,805,145</u>	<u>\$ 2,182,409</u>
Covered payroll	\$ 14,916,381	\$ 14,152,836	\$ 13,952,640	\$ 13,835,881	\$ 13,626,448	\$ 12,984,298	\$ 12,188,272	\$ 12,466,246	\$ 12,482,365	\$ 11,393,405
Contributions as a percentage of covered payroll	42.03%	43.64%	43.96%	43.06%	39.62%	39.97%	41.02%	25.97%	21.05%	19.11%

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
<i>Police Plan</i>								
Annual money-weighted rate of return, net of investment expense	<u>27.41%</u>	<u>8.62%</u>	<u>6.95%</u>	<u>7.91%</u>	<u>10.00%</u>	<u>0.09%</u>	<u>0.78%</u>	<u>0.00%</u>
<i>Town Plan</i>								
Annual money-weighted rate of return, net of investment expense	<u>24.15%</u>	<u>1.83%</u>	<u>6.18%</u>	<u>6.11%</u>	<u>10.69%</u>	<u>-2.29%</u>	<u>0.71%</u>	<u>15.81%</u>

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

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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Revenues:				
<i>Property taxes:</i>				
Current year taxes	\$ 54,174,603	\$ 54,174,603	\$ 54,471,495	\$ 296,892
Prior year taxes	250,000	250,000	347,697	97,697
	<u>54,424,603</u>	<u>54,424,603</u>	<u>54,819,192</u>	<u>394,589</u>
<i>Investment and interest revenues:</i>				
Interest on delinquent taxes	153,000	153,000	198,097	45,097
Interest from investments	187,500	187,500	257,396	69,896
	<u>340,500</u>	<u>340,500</u>	<u>455,493</u>	<u>114,993</u>
<i>Intergovernmental revenues:</i>				
Motor vehicle phase-out	337,688	337,688	140,703	(196,985)
Federal PILOT	71,000	71,000	60,435	(10,565)
State beach parking	190,000	190,000	215,745	25,745
State telephone tax	196,636	196,636	184,599	(12,037)
State hotel tax	155,491	155,491	261,761	106,270
State meal and beverage tax	477,770	477,770	593,538	115,768
School housing aid	455,059	455,059	455,059	-
Disaster Grants	-	-	338,006	338,006
	<u>1,883,644</u>	<u>1,883,644</u>	<u>2,249,846</u>	<u>366,202</u>
<i>Licenses and permits:</i>				
Town clerk alcoholic beverages	38,000	38,000	27,835	(10,165)
Building permits	350,000	350,000	474,337	124,337
Road open permits	2,000	2,000	1,250	(750)
	<u>390,000</u>	<u>390,000</u>	<u>503,422</u>	<u>113,422</u>
<i>Fines and forfeitures:</i>				
Police fees and fines	15,000	15,000	19,810	4,810
Municipal court	400,000	400,000	413,166	13,166
	<u>415,000</u>	<u>415,000</u>	<u>432,976</u>	<u>17,976</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
<i>PILOT & interfund revenues:</i>				
Beach in lieu of taxes	233,424	233,424	233,424	-
Housing authority in lieu of taxes	1,590	1,590	1,590	-
Water in lieu of taxes	26,593	26,593	26,593	-
Wastewater in lieu of taxes	379,479	379,479	379,479	-
Charter school	8,000	8,000	8,137	137
Water administrative fees	201,206	201,206	201,206	-
Wastewater administrative fees	472,647	472,647	472,647	-
Beach administrative fees	296,923	296,923	296,923	-
Rental registration transfer	148,300	148,300	148,300	-
Vehicle maintenance	155,000	155,000	46,880	(108,120)
	<u>1,923,162</u>	<u>1,923,162</u>	<u>1,815,179</u>	<u>(107,983)</u>
<i>Miscellaneous revenues:</i>				
Police finger print receipts	4,000	4,000	1,770	(2,230)
Town clerk general receipts	688,753	688,753	1,191,293	502,540
Mooring fees	59,000	59,000	64,734	5,734
Variance and exception fees	10,000	10,000	14,920	4,920
Fire alarm inspection fees	10,000	10,000	14,540	4,540
VIN inspection fees	5,000	5,000	10	(4,990)
Police detail revenue	125,000	125,000	190,784	65,784
Cellular tower rentals	160,000	160,000	217,042	57,042
Miscellaneous receipts	40,000	40,000	73,143	33,143
Emergency medical services	450,000	450,000	487,420	37,420
Miscellaneous police receipts	20,000	20,000	3,204	(16,796)
Concessions	2,650	2,650	1,950	(700)
Fire marshal plan review	15,000	15,000	57,709	42,709
Recycling revenue & tipping fees	52,000	52,000	42,268	(9,732)
Miscellaneous fire department receipts	-	-	21,272	21,272
	<u>1,641,403</u>	<u>1,641,403</u>	<u>2,382,059</u>	<u>740,656</u>
<i>Recreation revenues:</i>				
Community center rental	8,000	8,000	3,655	(4,345)
Miscellaneous receipts	10,000	10,000	10,267	267
Basketball	40,000	40,000	1,200	(38,800)
Workshops	25,000	25,000	15,575	(9,425)
The Camp	70,000	70,000	42,698	(27,302)
Park rental	5,000	5,000	3,925	(1,075)
Concert revenue	-	-	6,700	6,700
	<u>158,000</u>	<u>158,000</u>	<u>84,020</u>	<u>(73,980)</u>
<i>Other financing sources:</i>				
Fund balance appropriation	-	441,103	-	(441,103)
<i>Total revenues and other financing sources</i>	<u>61,176,312</u>	<u>61,617,415</u>	<u>62,742,187</u>	<u>1,124,772</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
General government:				
Town council	60,416	60,416	56,810	3,606
Town solicitor	175,000	175,000	188,855	(13,855)
Municipal court	228,469	228,469	226,281	2,188
Board of canvassers	127,810	127,810	119,664	8,146
Town manager	297,192	297,192	283,040	14,152
Human resources	153,422	153,422	170,793	(17,371)
Town clerk	470,027	470,027	494,100	(24,073)
Information technology	543,407	543,407	518,497	24,910
History commission	1,500	1,500	965	535
Conservation commission	6,250	6,250	164	6,086
Planning board	6,450	6,450	1,408	5,042
Zoning board of appeals	5,450	5,450	4,578	872
Special appropriations	167,462	167,462	138,938	28,524
	<u>2,242,855</u>	<u>2,242,855</u>	<u>2,204,093</u>	<u>38,762</u>
Financial administration:				
Financial and purchasing	415,501	415,501	404,321	11,180
Accounting	487,164	487,164	453,376	33,788
Tax assessor	362,979	362,979	559,971	(196,992)
Tax collector	335,286	335,286	251,590	83,696
	<u>1,600,930</u>	<u>1,600,930</u>	<u>1,669,258</u>	<u>(68,328)</u>
Public safety:				
Police non-officer	423,352	423,352	381,489	41,863
Police administration	1,160,930	1,160,930	1,033,026	127,904
Police patrol	5,178,243	5,178,243	5,045,686	132,557
Police investigations	904,616	904,616	856,267	48,349
Animal control	215,860	215,860	184,100	31,760
Harbor master	49,627	49,627	46,322	3,305
Dispatch	1,082,666	1,082,666	987,109	95,557
Fire non-firefighter	100,549	100,549	59,146	41,403
Fire firefighters	6,080,512	6,080,512	5,955,565	124,947
Emergency management	24,160	24,160	37,985	(13,825)
	<u>15,220,515</u>	<u>15,220,515</u>	<u>14,586,695</u>	<u>633,820</u>
Public works:				
Public works administration	434,653	434,653	422,578	12,075
Recycling	48,669	48,669	42,081	6,588
Highway	1,930,577	1,930,577	1,555,773	374,804
Facilities maintenance	216,989	216,989	216,701	288
Vehicle maintenance	730,037	730,037	665,329	64,708
	<u>3,360,925</u>	<u>3,360,925</u>	<u>2,902,462</u>	<u>458,463</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<i>Parks and recreation:</i>				
Parks and recreation administration	237,427	237,427	207,381	30,046
Parks maintenance	861,955	861,955	671,701	190,254
Recreation programs	330,911	330,911	139,280	191,631
Parks and recreation senior/community center	193,502	193,502	137,843	55,659
	<u>1,623,795</u>	<u>1,623,795</u>	<u>1,156,205</u>	<u>467,590</u>
<i>Planning, engineering and inspection:</i>				
Community development	468,650	468,650	426,716	41,934
Inspection services	338,521	338,521	354,332	(15,811)
Engineering	334,585	334,585	350,113	(15,528)
	<u>1,141,756</u>	<u>1,141,756</u>	<u>1,131,161</u>	<u>10,595</u>
<i>Town-wide expenditures</i>	<u>660,339</u>	<u>660,339</u>	<u>596,397</u>	<u>63,942</u>
<i>Education appropriation</i>	<u>26,669,361</u>	<u>26,669,361</u>	<u>26,669,361</u>	<u>-</u>
<i>Library appropriation</i>	<u>400,000</u>	<u>841,103</u>	<u>841,103</u>	<u>-</u>
<i>Other:</i>				
Contingency	283,147	283,147	-	283,147
OPEB contribution	2,749,890	2,749,890	2,749,890	-
Police Chapter 1666 pension contribution	267,000	267,000	267,000	-
Retirement and termination benefits	150,000	150,000	-	150,000
	<u>3,450,037</u>	<u>3,450,037</u>	<u>3,016,890</u>	<u>433,147</u>
<i>Other financing uses:</i>				
<i>Transfers to other funds:</i>				
Special Revenue Funds	9,000	9,000	9,000	-
Town Capital Projects Fund	1,916,047	1,916,047	1,916,047	-
Debt Service Fund	2,880,752	2,880,752	2,880,752	-
	<u>4,805,799</u>	<u>4,805,799</u>	<u>4,805,799</u>	<u>-</u>
<i>Total expenditures and other financing uses</i>	<u>61,176,312</u>	<u>61,617,415</u>	<u>59,579,424</u>	<u>2,037,991</u>
<i>Net change in fund balance - budgetary basis</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,162,763</u>	<u>\$ 3,162,763</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
For the Year Ended June 30, 2021
"Unaudited"

NOTE 1 - SCHEDULE OF TOWN CONTRIBUTIONS - OPEB PLANS

	<i>Town Other Post-Employment Benefit Plan</i>	<i>School Other Post-Employment Benefit Plan</i>
Valuation date:	6/30/2021	6/30/2021
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar - closed	Level dollar - closed
Remaining amortization period	26 years	26 years
Asset valuation method	Fair market value	Fair market value
Investment rate of return/ Discount rate	7.2% discount rate	5.9% discount rate (6.5% prior year)
Inflation rate	2%	1.9% (1.6% prior year)
Payroll growth rate	N/A	N/A
Medical trend cost rate	Medical - 8% (7.5% prior year) per year graded off to an ultimate rate of 4.5% per year Part B - 3.25% (3.5% prior year) per year increasing to an ultimate rate of 4.25% per year	Medical - 8% (7.5% prior year) per year graded off to an ultimate rate of 4.5% per year
Dental trend cost rate	4% (3.5% prior year) per year graded off to an ultimate rate of 3% per year	4% (3.5% prior year) per year graded off to an ultimate rate of 3% per year
Mortality	Police and Fire - SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 (1) Surviving Spouses - SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 (1) All Other - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 (1)	Teachers and Administrators - SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2020 (2) Support Employees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 (2) Surviving Spouses - SOA Pub-2010 Contingent Survivc Headcount Weighted Mortality Table fully generational using Scale MP-2020 (2)

(1) - Prior year used various SOA RPH-2019 mortality tables fully generational using Scale MP-2019.

(2) - Prior year used SOA RPH-2014 Adjusted to 2006 Total Dataset Headcount Weighted Mortality Table fully generational using Scale MP-2019.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

NOTE 2 – PENSION PLANS

Employees' Retirement System Plan

The net pension liability amount presented as of the June 30, 2021 was determined as part of an actuarial valuation performed as of June 30, 2019 and rolled forward to June 30, 2020, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 15 A to the financial statements.

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

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

June 30, 2020 measurement date –

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

June 30, 2017 measurement date –

- 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.
- Updated the post-retirement mortality tables to variants of the RP-2014 table. For the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

June 30, 2015 measurement date –

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

- 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.
- 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 receive a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a maximum of 4%) and 50% calculated using previous year's CPI-U (maximum of 3%) for a total maximum COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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

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

Police Plan and Town Pension Plan

The net pension liability amounts presented as of the June 30, 2021 were determined as part of actuarial valuations performed as of July 1, 2020 and rolled forward to June 30, 2021, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 15 B and C to the financial statements.

The net pension liability amounts presented for each fiscal year were determined as of the fiscal year-end.

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

June 30, 2021 measurement date –

- Investment rate of return assumption was changed from 7% to 7.15%.
- Salary increases assumption for the Town Pension Plan was changed from 4% to 6% based on age to 4% to 10% based on age.
- The projection scale used with the mortality tables were changed from SOA Scale MP-2019 to SOA Scale MP-2020.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

June 30, 2020 measurement date –

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

June 30, 2019 measurement date –

- COLA assumption for the Town Pension Plan was changed from 3% for eligible employees and 0% otherwise to 2% for School Employees hired on or after July 1, 2015 once eligible and 3% compounded or simple based on group and date of hire or retirement for eligible Other Employees.

June 30, 2016 measurement date –

- School System Employees in the Town Pension Plan hired on or after July 1, 2015 shall receive a normal retirement benefit equal to 2% of final average compensation multiplied by years of credited service (subject to a maximum benefit of 75% of final average compensation) upon the later of age 65 or the completion of 10 years of credited service or at any age after the completion of 25 years of credited service.
- School System Employees in the Town Pension Plan hired on or after July 1, 2015 shall receive a compounded COLA on each July 1 based on the COLA given to Social Security recipients, if any.
- Firefighters in the Town Pension Plan who retire on or after July 1, 2015 shall receive annually a 3% simple COLA beginning on the July 1 of the year that the firefighter turns 52 years old, subject to the 8 year COLA suspension as of July 1, 2013.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

NOTE 3 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

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

The table below shows the amounts by which certain municipal department expenditures exceeded fiscal year 2021 appropriations:

<u>Department</u>	<u>Expenditures In Excess of Budget</u>
Town solicitor	\$ 13,855
Human resources	17,371
Town clerk	24,073
Tax assessor	196,992
Emergency management	13,825
Inspection services	15,811
Engineering	15,528

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

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

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$62,742,187
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Narragansett is not reported as budgetary revenue, but is a revenue for financial reporting purposes.	1,362,473
Unbudgeted revenues not included for budgetary purposes, but included for financial reporting purposes.	5,148,387
Transfer from other funds included as revenues for budgetary purposes, but not included for financial reporting purposes.	<u>(148,300)</u>
<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$69,104,747</u>
<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$59,579,424
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Narragansett is not reported as a budgetary expenditure, but is an expenditure for financial reporting purposes.	1,362,473
Unbudgeted expenditures and transfers to other funds not included for budgetary purposes, but included for financial reporting purposes.	<u>3,316,762</u>
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$64,258,659</u>

OTHER SUPPLEMENTARY INFORMATION

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

THIS SECTION CONTAINS THE FOLLOWING:

- **Combining Fund Financial Statements for Nonmajor Governmental Funds**
- **Combining Fund Financial Statements for Pension Trust Funds**
- **Combining Fund Financial Statements for Other Post-Employment Benefit Trust Funds**
- **Combining Fund Financial Statements for Private Purpose Trust Funds**
- **Other Supplementary Information**

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	<u>Special Revenue Funds</u>					
	<i>School Restricted Grants</i>	<i>Food Service Fund</i>	<i>Historic Preservation Grants</i>	<i>Community Development Fund</i>	<i>Forfeited Funds</i>	<i>State Recycling Fund</i>
ASSETS						
Cash	\$ -	\$ 12,357	\$ 52,672	\$ 155,968	\$ 36,281	\$ 17,848
Due from federal and state governments	699,994	49,538	-	-	-	-
Due from other funds	319,909	93,000	-	-	-	-
Other receivables	392	7,775	-	215,714	-	-
Total assets	<u>\$ 1,020,295</u>	<u>\$ 162,670</u>	<u>\$ 52,672</u>	<u>\$ 371,682</u>	<u>\$ 36,281</u>	<u>\$ 17,848</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	24,091	32,266	-	-	-	-
Due to other funds	631,654	-	-	-	-	-
Total liabilities	<u>655,745</u>	<u>32,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue-loans	-	-	-	215,714	-	-
Unavailable-other revenues	-	16,993	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>16,993</u>	<u>-</u>	<u>215,714</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits)						
Restricted for:						
Education programs	364,550	113,411	-	-	-	-
Public safety programs	-	-	-	-	36,281	-
Historical records preservation	-	-	-	-	-	-
Community service programs	-	-	-	155,968	-	-
Parks and recreation programs	-	-	52,119	-	-	-
Capital projects	-	-	-	-	-	-
Other programs	-	-	553	-	-	17,848
Committed for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>364,550</u>	<u>113,411</u>	<u>52,672</u>	<u>155,968</u>	<u>36,281</u>	<u>17,848</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,020,295</u>	<u>\$ 162,670</u>	<u>\$ 52,672</u>	<u>\$ 371,682</u>	<u>\$ 36,281</u>	<u>\$ 17,848</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds					
	<i>Galilee Landing Fees Fund</i>	<i>Byrne Grants</i>	<i>RI EMA Grant</i>	<i>RI EMA MEDS Grant</i>	<i>Historical Records Preservation Fund</i>	<i>Earthday Mini grant</i>
ASSETS						
Cash	\$ 14,699	\$ -	\$ 19,768	\$ 19,136	\$ 255,034	\$ 200
Due from federal and state governments	-	14,290	7,990	14,000	-	-
Due from other funds	-	-	-	-	-	-
Other receivables	-	-	-	-	467	-
Total assets	\$ 14,699	\$ 14,290	\$ 27,758	\$ 33,136	\$ 255,501	\$ 200
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
Liabilities						
Cash overdraft	\$ -	\$ 14,071	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	9,957	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Total liabilities	9,957	14,071	-	-	-	-
Deferred Inflows of Resources						
Unavailable revenue-loans	-	-	-	-	-	-
Unavailable-other revenues	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund Balances (Deficits)						
Restricted for:						
Education programs	-	-	-	-	-	-
Public safety programs	-	219	27,758	33,136	-	-
Historical records preservation	-	-	-	255,501	-	-
Community service programs	-	-	-	-	-	-
Parks and recreation programs	4,742	-	-	-	-	200
Capital projects	-	-	-	-	-	-
Other programs	-	-	-	-	-	-
Committed for:						
Capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned to:						
Capital projects	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	4,742	219	27,758	33,136	255,501	200
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 14,699	\$ 14,290	\$ 27,758	\$ 33,136	\$ 255,501	\$ 200

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	Special Revenue Funds						Total Special Revenue Funds
	<i>RI Interlocal Trust Safety Grant</i>	<i>DEM Tree Grant</i>	<i>Assistance to Firefighters</i>	<i>CDBG Grant</i>	<i>RI Covid Relief Fund</i>	<i>Grant Miscellaneous</i>	
ASSETS							
Cash	\$ 1,989	\$ 8,199	\$ 162	\$ -	\$ -	\$ 15,124	\$ 609,437
Due from federal and state governments	-	-	-	50,728	-	119,045	955,585
Due from other funds	-	-	-	-	-	-	412,909
Other receivables	-	-	-	-	-	-	224,348
Total assets	\$ 1,989	\$ 8,199	\$ 162	\$ 50,728	\$ -	\$ 134,169	\$ 2,202,279
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ 32,481	\$ -	\$ -	\$ 46,552
Accounts payable and accrued expenditures	-	-	162	6,539	-	81,224	154,239
Due to other funds	-	-	-	-	-	-	631,654
Total liabilities	-	-	162	39,020	-	81,224	832,445
Deferred Inflows of Resources							
Unavailable revenue-loans	-	-	-	-	-	-	215,714
Unavailable-other revenues	-	-	-	-	-	-	16,993
Total deferred inflows of resources	-	-	-	-	-	-	232,707
Fund Balances (Deficits)							
Restricted for:							
Education programs	-	-	-	-	-	-	477,961
Public safety programs	1,989	-	-	-	-	-	99,383
Historical records preservation	-	-	-	-	-	-	255,501
Community service programs	-	-	-	11,708	-	-	167,676
Parks and recreation programs	-	8,199	-	-	-	-	65,260
Capital projects	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	52,945	71,346
Committed for:							
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	1,989	8,199	-	11,708	-	52,945	1,137,127
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,989	\$ 8,199	\$ 162	\$ 50,728	\$ -	\$ 134,169	\$ 2,202,279

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2021

	<u>Capital Project Funds</u>							<i>Total Capital Project Funds</i>	<i>Total Nonmajor Governmental Funds</i>
	<i>Debt Service Fund</i>	<i>School Athletic Complex Fund</i>	<i>School Capital Projects Fund</i>	<i>Street Improvement Fund</i>	<i>Town Capital Projects Fund</i>	<i>Library Building Fund</i>	<i>Land Trust Fund</i>		
ASSETS									
Cash	\$ 187,264	\$ 636	\$ -	\$ 1,893,348	\$ 1,740,573	\$ -	\$ 262,219	\$ 3,896,776	\$ 4,693,477
Due from federal and state governments	-	-	-	-	-	-	-	-	955,585
Due from other funds	-	-	2,210,777	-	-	-	-	2,210,777	2,623,686
Other receivables	-	-	-	-	5,000	3,234	-	8,234	232,582
Total assets	\$ 187,264	\$ 636	\$ 2,210,777	\$ 1,893,348	\$ 1,745,573	\$ 3,234	\$ 262,219	\$ 6,115,787	\$ 8,505,330
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)									
Liabilities									
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,552
Accounts payable and accrued expenditures	-	-	-	610,607	47,623	2,459	-	660,689	814,928
Due to other funds	-	307	-	-	-	149,989	-	150,296	781,950
Total liabilities	-	307	-	610,607	47,623	152,448	-	810,985	1,643,430
Deferred Inflows of Resources									
Unavailable revenue-loans	-	-	-	-	-	-	-	-	215,714
Unavailable-other revenues	-	-	-	-	-	-	-	-	16,993
Total deferred inflows of resources	-	-	-	-	-	-	-	-	232,707
Fund Balances (Deficits)									
Restricted for:									
Education programs	-	-	-	-	-	-	-	-	477,961
Public safety programs	-	-	-	-	-	-	-	-	99,383
Historical records preservation	-	-	-	-	-	-	-	-	255,501
Community service programs	-	-	-	-	-	-	-	-	167,676
Parks and recreation programs	-	-	-	-	-	-	-	-	65,260
Capital projects	-	329	-	1,282,741	-	-	-	1,283,070	1,283,070
Other programs	-	-	-	-	-	-	-	-	71,346
Committed for:									
Capital projects	-	-	-	-	1,697,950	-	262,219	1,960,169	1,960,169
Debt service	187,264	-	-	-	-	-	-	-	187,264
Assigned to:									
Capital projects	-	-	2,210,777	-	-	-	-	2,210,777	2,210,777
Unassigned	-	-	-	-	-	(149,214)	-	(149,214)	(149,214)
Total fund balances (deficits)	187,264	329	2,210,777	1,282,741	1,697,950	(149,214)	262,219	5,304,802	6,629,193
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 187,264	\$ 636	\$ 2,210,777	\$ 1,893,348	\$ 1,745,573	\$ 3,234	\$ 262,219	\$ 6,115,787	\$ 8,505,330

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<i>Special Revenue Funds</i>					
	<i>School Restricted Grants</i>	<i>Food Service Fund</i>	<i>Historic Preservation Grants</i>	<i>Community Development Fund</i>	<i>Forfeited Funds</i>	<i>State Recycling Fund</i>
Revenues						
Charges for services	\$ -	\$ 425	\$ -	\$ -	\$ -	\$ 19
Operating grants and contributions	1,718,185	323,002	-	-	-	25,000
Capital grants and contributions	-	-	-	-	-	-
Investment and interest income	-	-	-	6,759	230	-
Other revenue	-	-	-	30,721	-	-
Total revenues	<u>1,718,185</u>	<u>323,427</u>	<u>-</u>	<u>37,480</u>	<u>230</u>	<u>25,019</u>
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	7,287	-
Public works	-	-	-	-	-	28,303
Social services	-	-	-	1,608	-	-
Parks and recreation	-	-	-	-	-	-
Food service	-	291,159	-	-	-	-
Education	1,714,128	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>1,714,128</u>	<u>291,159</u>	<u>-</u>	<u>1,608</u>	<u>7,287</u>	<u>28,303</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>4,057</u>	<u>32,268</u>	<u>-</u>	<u>35,872</u>	<u>(7,057)</u>	<u>(3,284)</u>
Other financing sources						
Debt issued	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>4,057</u>	<u>32,268</u>	<u>-</u>	<u>35,872</u>	<u>(7,057)</u>	<u>(3,284)</u>
Fund balances (deficits) - beginning of year, restated	<u>360,493</u>	<u>81,143</u>	<u>52,672</u>	<u>120,096</u>	<u>43,338</u>	<u>21,132</u>
Fund balances (deficits) - end of year	<u>\$ 364,550</u>	<u>\$ 113,411</u>	<u>\$ 52,672</u>	<u>\$ 155,968</u>	<u>\$ 36,281</u>	<u>\$ 17,848</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<i>Special Revenue Funds</i>					
	<i>Galilee Landing Fees Fund</i>	<i>Byrne Grants</i>	<i>RI EMA Grant</i>	<i>RI EMA MEDS Grant</i>	<i>Historical Records Preservation Fund</i>	<i>Earthday Mini grant</i>
Revenues						
Charges for services	\$ 81,651	\$ -	\$ -	\$ -	\$ 47,817	\$ -
Operating grants and contributions	-	14,290	10,109	33,180	-	-
Capital grants and contributions	-	-	-	-	-	-
Investment and interest income	-	-	-	-	1,276	-
Other revenue	-	-	-	-	-	-
Total revenues	<u>81,651</u>	<u>14,290</u>	<u>10,109</u>	<u>33,180</u>	<u>49,093</u>	<u>-</u>
Expenditures						
Current:						
General government	-	-	-	-	7,166	-
Public safety	-	14,226	10,109	-	-	-
Public works	-	-	-	-	-	-
Social services	-	-	-	-	-	-
Parks and recreation	100,856	-	-	-	-	-
Food service	-	-	-	-	-	-
Education	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>100,856</u>	<u>14,226</u>	<u>10,109</u>	<u>-</u>	<u>7,166</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(19,205)</u>	<u>64</u>	<u>-</u>	<u>33,180</u>	<u>41,927</u>	<u>-</u>
Other financing sources						
Debt issued	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(19,205)</u>	<u>64</u>	<u>-</u>	<u>33,180</u>	<u>41,927</u>	<u>-</u>
Fund balances (deficits) - beginning of year, restated	<u>23,947</u>	<u>155</u>	<u>27,758</u>	<u>(44)</u>	<u>213,574</u>	<u>200</u>
Fund balances (deficits) - end of year	<u>\$ 4,742</u>	<u>\$ 219</u>	<u>\$ 27,758</u>	<u>\$ 33,136</u>	<u>\$ 255,501</u>	<u>\$ 200</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>Special Revenue Funds</u>						<i>Total Special Revenue Funds</i>
	<i>RI Interlocal Trust Safety Grant</i>	<i>DEM Tree Grant</i>	<i>Assistance to Firefighters</i>	<i>CDBG Grant</i>	<i>RI Covid Relief Fund</i>	<i>Grant Miscellaneous</i>	
Revenues							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,912
Operating grants and contributions	-	-	126,708	73,445	466,750	191,986	2,982,655
Capital grants and contributions	-	-	-	-	-	62,814	62,814
Investment and interest income	-	-	-	-	-	-	8,265
Other revenue	-	-	-	-	-	-	30,721
Total revenues	<u>-</u>	<u>-</u>	<u>126,708</u>	<u>73,445</u>	<u>466,750</u>	<u>254,800</u>	<u>3,214,367</u>
Expenditures							
Current:							
General government	-	-	-	-	-	11,291	18,457
Public safety	-	-	126,708	-	466,750	86,786	711,866
Public works	-	-	-	-	-	-	28,303
Social services	-	-	-	73,445	-	58,689	133,742
Parks and recreation	-	-	-	-	-	20,416	121,272
Food service	-	-	-	-	-	-	291,159
Education	-	-	-	-	-	-	1,714,128
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	56,540	56,540
Total expenditures	<u>-</u>	<u>-</u>	<u>126,708</u>	<u>73,445</u>	<u>466,750</u>	<u>233,722</u>	<u>3,075,467</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,078</u>	<u>138,900</u>
Other financing sources							
Debt issued	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,078</u>	<u>138,900</u>
Fund balances (deficits) - beginning of year, restated	<u>1,989</u>	<u>8,199</u>	<u>-</u>	<u>11,708</u>	<u>-</u>	<u>31,867</u>	<u>998,227</u>
Fund balances (deficits) - end of year	<u>\$ 1,989</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ 11,708</u>	<u>\$ -</u>	<u>\$ 52,945</u>	<u>\$ 1,137,127</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>Capital Project Funds</u>							<u>Total Capital Project Funds</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Debt Service Fund</u>	<u>School Athletic Complex Fund</u>	<u>School Capital Projects Fund</u>	<u>Street Improvement Fund</u>	<u>Town Capital Projects Fund</u>	<u>Library Building Fund</u>	<u>Land Trust Fund</u>		
Revenues									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 51,262	\$ -	\$ 51,262	\$ 181,174
Operating grants and contributions	-	-	-	-	-	-	-	-	2,982,655
Capital grants and contributions	-	-	768,880	-	168,628	-	-	937,508	1,000,322
Investment and interest income	-	-	-	24,376	-	-	1,792	26,168	34,433
Other revenue	-	-	-	-	-	1,225	-	1,225	31,946
Total revenues	<u>-</u>	<u>-</u>	<u>768,880</u>	<u>24,376</u>	<u>168,628</u>	<u>52,487</u>	<u>1,792</u>	<u>1,016,163</u>	<u>4,230,530</u>
Expenditures									
Current:									
General government	-	-	-	-	-	30,605	-	30,605	49,062
Public safety	-	-	-	-	-	-	-	-	711,866
Public works	-	-	-	-	-	-	-	-	28,303
Social services	-	-	-	-	-	-	-	-	133,742
Parks and recreation	-	-	-	-	-	-	-	-	121,272
Food service	-	-	-	-	-	-	-	-	291,159
Education	-	-	-	-	-	-	-	-	1,714,128
Debt service:									
Principal	1,960,871	-	83,335	-	-	-	-	83,335	2,044,206
Interest and fees	918,719	-	1,283	-	-	34,500	-	35,783	954,502
Capital outlay	-	6,215	1,079,527	669,110	2,989,840	85,624	114,982	4,945,298	5,001,838
Total expenditures	<u>2,879,590</u>	<u>6,215</u>	<u>1,164,145</u>	<u>669,110</u>	<u>2,989,840</u>	<u>150,729</u>	<u>114,982</u>	<u>5,095,021</u>	<u>11,050,078</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(2,879,590)</u>	<u>(6,215)</u>	<u>(395,265)</u>	<u>(644,734)</u>	<u>(2,821,212)</u>	<u>(98,242)</u>	<u>(113,190)</u>	<u>(4,078,858)</u>	<u>(6,819,548)</u>
Other financing sources									
Debt issued	-	-	-	-	-	2,800,000	-	2,800,000	2,800,000
Transfers from other funds	2,880,752	-	1,320,500	-	1,916,047	-	-	3,236,547	6,117,299
Total other financing sources	<u>2,880,752</u>	<u>-</u>	<u>1,320,500</u>	<u>-</u>	<u>1,916,047</u>	<u>2,800,000</u>	<u>-</u>	<u>6,036,547</u>	<u>8,917,299</u>
Net change in fund balance	1,162	(6,215)	925,235	(644,734)	(905,165)	2,701,758	(113,190)	1,957,689	2,097,751
Fund balances (deficits) - beginning of year, restated	186,102	6,544	1,285,542	1,927,475	2,603,115	(2,850,972)	375,409	3,347,113	4,531,442
Fund balances (deficits) - end of year	<u>\$ 187,264</u>	<u>\$ 329</u>	<u>\$ 2,210,777</u>	<u>\$ 1,282,741</u>	<u>\$ 1,697,950</u>	<u>\$ (149,214)</u>	<u>\$ 262,219</u>	<u>\$ 5,304,802</u>	<u>\$ 6,629,193</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
Special Revenue Funds - School Restricted Fund
June 30, 2021

	<u>IDEA</u>	<u>Title I Part A</u>	<u>IDEA Preschool</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>Title III Language Acquisition</u>	<u>School Resource Officer</u>
ASSETS							
Due from federal and state government	\$ 141,291	\$ 98,716	\$ 2,058	\$ 20,398	\$ 7,671	\$ -	\$ 19,915
Due from other funds	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	392	-
Total assets	<u>\$ 141,291</u>	<u>\$ 98,716</u>	<u>\$ 2,058</u>	<u>\$ 20,398</u>	<u>\$ 7,671</u>	<u>\$ 392</u>	<u>\$ 19,915</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 229	\$ -	\$ -	\$ -	\$ 19,915
Due to other funds	141,291	98,716	1,829	20,398	7,671	392	-
Total liabilities	<u>141,291</u>	<u>98,716</u>	<u>2,058</u>	<u>20,398</u>	<u>7,671</u>	<u>392</u>	<u>19,915</u>
Fund balances - restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 141,291</u>	<u>\$ 98,716</u>	<u>\$ 2,058</u>	<u>\$ 20,398</u>	<u>\$ 7,671</u>	<u>\$ 392</u>	<u>\$ 19,915</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2021

	<i>English Language Learner</i>	<i>Casit, Inc. AP Italian Program</i>	<i>Robotics Education Competition Foundation</i>	<i>Career & Technical Categorical</i>	<i>Career & Technical Education</i>	<i>Perkins Agriculture CTE Grant</i>
ASSETS						
Due from federal and state government	\$ -	\$ -	\$ -	\$ 59,654	\$ -	\$ 22,887
Due from other funds	-	1,082	-	-	33,294	-
Other receivables	-	-	-	-	-	-
Total assets	\$ -	\$ 1,082	\$ -	\$ 59,654	\$ 33,294	\$ 22,887
 LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 151	\$ -
Due to other funds	-	-	-	-	-	22,887
Total liabilities	-	-	-	-	151	22,887
Fund balances - restricted	-	1,082	-	59,654	33,143	-
Total liabilities and fund balances	\$ -	\$ 1,082	\$ -	\$ 59,654	\$ 33,294	\$ 22,887

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2021

	<i>Narragansett Educational Foundation</i>	<i>Highlander Institute</i>	<i>RI Foundation O'Brien</i>	<i>Royal Little</i>	<i>Westerly Community Credit Union</i>	<i>Tolerance Program</i>	<i>RI Foundation Spark</i>
ASSETS							
Due from federal and state government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	957	10	12,105	15,500	687	1,676	5
Other receivables	-	-	-	-	-	-	-
Total assets	\$ 957	\$ 10	\$ 12,105	\$ 15,500	\$ 687	\$ 1,676	\$ 5
LIABILITIES AND FUND BALANCES							
<i>Liabilities</i>							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 417	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	417	-	-
Fund balances - restricted	957	10	12,105	15,500	270	1,676	5
Total liabilities and fund balances	\$ 957	\$ 10	\$ 12,105	\$ 15,500	\$ 687	\$ 1,676	\$ 5

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2021

	<i>NE Dairy Council Grant</i>	<i>NHS Student Activity Fund</i>	<i>NPS Student Activity Fund</i>	<i>NES Student Activity Fund</i>	<i>Educational Innovation and Research Grant</i>	<i>School Building Authority Capital Fund</i>
ASSETS						
Due from federal and state government	\$ -	\$ -	\$ -	\$ -	\$ 1,988	\$ -
Due from other funds	462	138,289	72,969	42,873	-	-
Other receivables	-	-	-	-	-	-
Total assets	\$ 462	\$ 138,289	\$ 72,969	\$ 42,873	\$ 1,988	\$ -
 LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable and accrued expenditures	\$ -	\$ 722	\$ 725	\$ -	\$ -	\$ -
Due to other funds	-	12,792	-	206	1,988	-
Total liabilities	-	13,514	725	206	1,988	-
Fund balances - restricted	462	124,775	72,244	42,667	-	-
Total liabilities and fund balances	\$ 462	\$ 138,289	\$ 72,969	\$ 42,873	\$ 1,988	\$ -

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2021

	<i>Cares Act ESSER Grant</i>	<i>ESSER II Extended Learning</i>	<i>ESSER II Digital Divide</i>	<i>Cares Act Coronavirus Relief Fund</i>	<i>Cares Act Substitute Teacher Grant</i>	<i>Cares Act Take It Outside</i>	<i>Total</i>
ASSETS							
Due from federal and state government	\$ 80,829	\$ 44,865	\$ 199,722	\$ -	\$ -	\$ -	\$ 699,994
Due from other funds	-	-	-	-	-	-	319,909
Other receivables	-	-	-	-	-	-	392
Total assets	\$ 80,829	\$ 44,865	\$ 199,722	\$ -	\$ -	\$ -	\$ 1,020,295
 LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ 1,932	\$ -	\$ -	\$ -	\$ -	\$ 24,091
Due to other funds	80,829	42,933	199,722	-	-	-	631,654
Total liabilities	80,829	44,865	199,722	-	-	-	655,745
Fund balances - restricted	-	-	-	-	-	-	364,550
Total liabilities and fund balances	\$ 80,829	\$ 44,865	\$ 199,722	\$ -	\$ -	\$ -	\$ 1,020,295

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2021

	<u>IDEA</u>	<u>Title I Part A</u>	<u>IDEA Preschool</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>Title III Language Acquisition</u>	<u>School Resource Officer</u>
Revenues							
Operating grants and contributions	\$ 371,562	\$ 235,792	\$ 5,953	\$ 51,418	\$ 22,116	\$ 392	\$ 63,133
Total revenues	<u>371,562</u>	<u>235,792</u>	<u>5,953</u>	<u>51,418</u>	<u>22,116</u>	<u>392</u>	<u>63,133</u>
Expenditures							
Salaries	253,801	168,525	5,530	33,653	14,300	-	33,989
Employee benefits	116,998	65,651	423	17,765	1,094	-	29,144
Purchased services	-	-	-	-	6,722	156	-
Supplies and materials	763	1,616	-	-	-	236	-
Capital outlay	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-
Total expenditures	<u>371,562</u>	<u>235,792</u>	<u>5,953</u>	<u>51,418</u>	<u>22,116</u>	<u>392</u>	<u>63,133</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balances - beginning of year, restated	-	-	-	-	-	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2021

	<i>English Language Learner</i>	<i>Casit, Inc. AP Italian Program</i>	<i>Robotics Education Competition Foundation</i>	<i>Career & Technical Categorical</i>	<i>Career & Technical Education</i>	<i>Perkins Agriculture CTE Grant</i>
Revenues						
Operating grants and contributions	\$ 446	\$ -	\$ 3,599	\$ 59,654	\$ -	\$ 22,887
Total revenues	<u>446</u>	<u>-</u>	<u>3,599</u>	<u>59,654</u>	<u>-</u>	<u>22,887</u>
Expenditures						
Salaries	-	-	-	15,606	-	-
Employee benefits	-	-	-	10,910	-	-
Purchased services	944	-	-	5,500	1,484	17,610
Supplies and materials	-	-	3,599	11,538	11,257	1,562
Capital outlay	-	-	-	-	-	1,393
Other costs	-	-	-	-	-	2,322
Total expenditures	<u>944</u>	<u>-</u>	<u>3,599</u>	<u>43,554</u>	<u>12,741</u>	<u>22,887</u>
Net change in fund balances	(498)	-	-	16,100	(12,741)	-
Fund balances - beginning of year, restated	<u>498</u>	<u>1,082</u>	<u>-</u>	<u>43,554</u>	<u>45,884</u>	<u>-</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 1,082</u>	<u>\$ -</u>	<u>\$ 59,654</u>	<u>\$ 33,143</u>	<u>\$ -</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2021

	<i>Narragansett Educational Foundation</i>	<i>Highlander Institute</i>	<i>RI Foundation O'Brien</i>	<i>Royal Little</i>	<i>Westerly Community Credit Union</i>	<i>Tolerance Program</i>	<i>RI Foundation Spark</i>
Revenues							
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ 1,121	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,121</u>	<u>-</u>	<u>-</u>
Expenditures							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	-	129	-	-
Supplies and materials	-	-	-	-	722	-	-
Capital outlay	-	-	-	-	-	-	-
Other costs	-	-	-	-	300	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(30)	-	-
Fund balances - beginning of year, restated	<u>957</u>	<u>10</u>	<u>12,105</u>	<u>15,500</u>	<u>300</u>	<u>1,676</u>	<u>5</u>
Fund balances - end of year	<u>\$ 957</u>	<u>\$ 10</u>	<u>\$ 12,105</u>	<u>\$ 15,500</u>	<u>\$ 270</u>	<u>\$ 1,676</u>	<u>\$ 5</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2021

	<i>NE Dairy Council Grant</i>	<i>NHS Student Activity Fund</i>	<i>NPS Student Activity Fund</i>	<i>NES Student Activity Fund</i>	<i>Educational Innovation and Research Grant</i>	<i>School Building Authority Capital Fund</i>
Revenues						
Operating grants and contributions	\$ -	\$ 83,807	\$ 25,900	\$ 4,383	\$ 22,941	\$ 25,865
Total revenues	<u>-</u>	<u>83,807</u>	<u>25,900</u>	<u>4,383</u>	<u>22,941</u>	<u>25,865</u>
Expenditures						
Salaries	-	-	-	-	3,694	-
Employee benefits	-	-	-	-	283	-
Purchased services	-	-	-	-	-	25,865
Supplies and materials	-	-	-	-	4,452	-
Capital outlay	-	-	-	-	14,512	-
Other costs	-	89,899	18,681	4,284	-	-
Total expenditures	<u>-</u>	<u>89,899</u>	<u>18,681</u>	<u>4,284</u>	<u>22,941</u>	<u>25,865</u>
Net change in fund balances	-	(6,092)	7,219	99	-	-
Fund balances - beginning of year, restated	<u>462</u>	<u>130,867</u>	<u>65,025</u>	<u>42,568</u>	<u>-</u>	<u>-</u>
Fund balances - end of year	<u>\$ 462</u>	<u>\$ 124,775</u>	<u>\$ 72,244</u>	<u>\$ 42,667</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2021

	<i>Cares Act ESSER Grant</i>	<i>ESSER II Extended Learning</i>	<i>ESSER II Digital Divide</i>	<i>Cares Act Coronavirus Relief Fund</i>	<i>Cares Act Substitute Teacher Grant</i>	<i>Cares Act Take It Outside</i>	<i>Total</i>
Revenues							
Operating grants and contributions	\$ 184,416	\$ 44,865	\$ 199,722	\$ 221,041	\$ 15,652	\$ 51,520	\$ 1,718,185
Total revenues	<u>184,416</u>	<u>44,865</u>	<u>199,722</u>	<u>221,041</u>	<u>15,652</u>	<u>51,520</u>	<u>1,718,185</u>
Expenditures							
Salaries	115,792	41,764	-	83,071	14,540	-	784,265
Employee benefits	8,860	3,101	-	6,354	1,112	-	261,695
Purchased services	32,856	-	-	20,183	-	-	111,449
Supplies and materials	9,834	-	-	65,373	-	-	110,952
Capital outlay	17,074	-	199,722	46,060	-	51,520	330,281
Other costs	-	-	-	-	-	-	115,486
Total expenditures	<u>184,416</u>	<u>44,865</u>	<u>199,722</u>	<u>221,041</u>	<u>15,652</u>	<u>51,520</u>	<u>1,714,128</u>
Net change in fund balances	-	-	-	-	-	-	4,057
Fund balances - beginning of year, restated	-	-	-	-	-	-	360,493
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 364,550</u>

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2021

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total Pension Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 3,555,420	\$ 159,692	\$ 3,715,112
Investments at fair value:			
U.S. government and agency obligations	6,142,436	-	6,142,436
Corporate bonds	4,887,652	-	4,887,652
Mortgage backed securities	648,477	-	648,477
Common stock	27,908,150	-	27,908,150
Mutual and exchange traded funds - equities	57,119,143	1,237,532	58,356,675
Mutual and exchange traded funds - fixed income	24,758,363	528,870	25,287,233
Total investments	<u>121,464,221</u>	<u>1,766,402</u>	<u>123,230,623</u>
Accrued interest receivable	44,221	-	44,221
Contribution receivable	173,886	-	173,886
Total assets	<u>125,237,748</u>	<u>1,926,094</u>	<u>127,163,842</u>
Liabilities			
Accounts payable	5,566	-	5,566
Due to other funds	-	214,665	214,665
Total liabilities	<u>5,566</u>	<u>214,665</u>	<u>220,231</u>
Net Position			
Restricted for pension benefits	<u>\$ 125,232,182</u>	<u>\$ 1,711,429</u>	<u>\$ 126,943,611</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2021

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total Pension Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 6,268,731	\$ 267,000	\$ 6,535,731
Plan member	1,660,956	-	1,660,956
Total contributions	<u>7,929,687</u>	<u>267,000</u>	<u>8,196,687</u>
Investment income:			
Net increase (decrease) in fair value of investments	22,279,358	370,546	22,649,904
Interest and dividends	1,987,703	28,293	2,015,996
Less: investment expense	<u>(419,254)</u>	<u>(9,425)</u>	<u>(428,679)</u>
Net investment income	<u>23,847,807</u>	<u>389,414</u>	<u>24,237,221</u>
Total additions	<u>31,777,494</u>	<u>656,414</u>	<u>32,433,908</u>
Deductions			
Benefits	6,909,371	212,154	7,121,525
Refunds of contributions	128,971	-	128,971
Administrative expenses	69,085	7,760	76,845
Total deductions	<u>7,107,427</u>	<u>219,914</u>	<u>7,327,341</u>
Change in net position	24,670,067	436,500	25,106,567
Net position - beginning of year	<u>100,562,115</u>	<u>1,274,929</u>	<u>101,837,044</u>
Net position - end of year	<u>\$ 125,232,182</u>	<u>\$ 1,711,429</u>	<u>\$ 126,943,611</u>

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Other Post-Employment Benefit Trust Funds
June 30, 2021

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total Other Post- Employment Benefit Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 3,005,780	\$ -	\$ 3,005,780
Investments at fair value:			
Common stock	5,476,994	-	5,476,994
Mutual and exchange traded funds - equities	1,536,214	-	1,536,214
Mutual and exchange traded funds - fixed income	3,663,385	-	3,663,385
Pooled investments	-	2,174,083	2,174,083
Total investments	<u>10,676,593</u>	<u>2,174,083</u>	<u>12,850,676</u>
Due from other funds	-	141,716	141,716
Total assets	<u>13,682,373</u>	<u>2,315,799</u>	<u>15,998,172</u>
Liabilities			
Accounts payable and accrued expenses	<u>162,367</u>	-	<u>162,367</u>
Total liabilities	<u>162,367</u>	<u>-</u>	<u>162,367</u>
Net Position			
Restricted for other post-employment benefits	<u>\$ 13,520,006</u>	<u>\$ 2,315,799</u>	<u>\$ 15,835,805</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2021

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total Other Post- Employment Benefit Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 3,650,696	\$ 520,545	\$ 4,171,241
Total contributions	<u>3,650,696</u>	<u>520,545</u>	<u>4,171,241</u>
Investment income:			
Net increase (decrease) in fair value of investments	1,618,007	420,261	2,038,268
Interest and dividends	174,000	-	174,000
Less: investment expense	<u>(30,690)</u>	<u>(5,893)</u>	<u>(36,583)</u>
Net investment income	<u>1,761,317</u>	<u>414,368</u>	<u>2,175,685</u>
Total additions	<u>5,412,013</u>	<u>934,913</u>	<u>6,346,926</u>
Deductions			
Benefits	2,452,724	446,416	2,899,140
Administrative expenses	<u>6,600</u>	<u>-</u>	<u>6,600</u>
Total deductions	<u>2,459,324</u>	<u>446,416</u>	<u>2,905,740</u>
Change in net position	2,952,689	488,497	3,441,186
Net position - beginning of year	<u>10,567,317</u>	<u>1,827,302</u>	<u>12,394,619</u>
Net position - end of year	<u>\$ 13,520,006</u>	<u>\$ 2,315,799</u>	<u>\$ 15,835,805</u>

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2021

	<u>Barton Memorial Scholarship Fund</u>	<u>Richard Colvin Memorial Scholarship Fund</u>	<u>Peter Davis Burial Fund</u>	<u>Franklin Burial Fund</u>	<u>James Water Fund</u>	<u>Frank L. Robinson Fund</u>	<u>Total Private- Purpose Trusts</u>
Assets							
Cash and cash equivalents	\$ 5,414	\$ -	\$ 564	\$ 3,676	\$ 2,889	\$ 60,278	\$ 72,821
Investments		12,011	-	-	-	-	12,011
Total assets	<u>5,414</u>	<u>12,011</u>	<u>564</u>	<u>3,676</u>	<u>2,889</u>	<u>60,278</u>	<u>84,832</u>
Net Position							
Restricted for other purposes	<u>\$ 5,414</u>	<u>\$ 12,011</u>	<u>\$ 564</u>	<u>\$ 3,676</u>	<u>\$ 2,889</u>	<u>\$ 60,278</u>	<u>\$ 84,832</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2021

	<i>Barton Memorial Scholarship Fund</i>	<i>Richard Colvin Memorial Scholarship Fund</i>	<i>Peter Davis Burial Fund</i>	<i>Franklin Burial Fund</i>	<i>James Water Fund</i>	<i>Frank L. Robinson Fund</i>	<i>Total Private- Purpose Trusts</i>
Additions							
Investment earnings:							
Net increase (decrease) in fair value of investments	\$ -	\$ 3,542	\$ -	\$ -	\$ -	\$ -	\$ 3,542
Interest and dividends	2	126	3	20	16	324	491
Net investment earnings	<u>2</u>	<u>3,668</u>	<u>3</u>	<u>20</u>	<u>16</u>	<u>324</u>	<u>4,033</u>
Total additions	<u>2</u>	<u>3,668</u>	<u>3</u>	<u>20</u>	<u>16</u>	<u>324</u>	<u>4,033</u>
 Change in net position	 2	 3,668	 3	 20	 16	 324	 4,033
 Net position - beginning of year	 <u>5,412</u>	 <u>8,343</u>	 <u>561</u>	 <u>3,656</u>	 <u>2,873</u>	 <u>59,954</u>	 <u>80,799</u>
 Net position - end of year	 <u>\$ 5,414</u>	 <u>\$ 12,011</u>	 <u>\$ 564</u>	 <u>\$ 3,676</u>	 <u>\$ 2,889</u>	 <u>\$ 60,278</u>	 <u>\$ 84,832</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2021

Real Estate and Personal Property Taxes

Tax Year	Balance June 30, 2020	Assessments December 31, 2019	Additions	Abatements and Adjustments	Amount to be Collected	Current Year Collections	Balance June 30, 2021
2020	\$ -	\$ 54,889,286	\$ 45,173	\$ (67,018)	54,867,441	\$ 54,450,350	\$ 417,091
2019	382,462	-	-	(4,499)	377,963	309,463	68,500
2018	45,121	-	-	(107)	45,014	19,072	25,942
2017	30,664	-	-	(1)	30,663	3,282	27,381
2016	38,668	-	-	-	38,668	2,549	36,119
2015	34,172	-	-	-	34,172	1,761	32,411
2014	36,526	-	-	-	36,526	1,383	35,143
2013	37,566	-	-	(9)	37,557	1,952	35,605
2012	40,251	-	-	-	40,251	2,871	37,380
2011	30,599	-	-	(23,195)	7,404	1,611	5,793
2010	2,969	-	-	-	2,969	124	2,845
2009	2,454	-	-	-	2,454	-	2,454
2008	35,787	-	-	(32,323)	3,464	88	3,376
2007	3,162	-	-	-	3,162	-	3,162
2006	321	-	-	-	321	-	321
2004	383	-	-	-	383	-	383
2003	624	-	-	-	624	-	624
	<u>\$ 721,729</u>	<u>\$ 54,889,286</u>	<u>\$ 45,173</u>	<u>\$ (127,152)</u>	<u>\$ 55,529,036</u>	<u>\$ 54,794,506</u>	<u>\$ 734,530</u>
Allowance for uncollectible accounts	<u>(260,935)</u>						<u>(222,244)</u>
Net Property Tax Receivable	<u>\$ 460,794</u>						<u>\$ 512,286</u>

Schedule of Most Recent Net Assessed Property Value by Category

Description of Property	Valuation	Levy
Real property	\$ 5,039,302,701	\$ 54,006,893
Motor vehicles	139,922,602	2,303,126
Tangible personal property	113,833,904	1,610,750
Total	<u>5,293,059,207</u>	<u>57,920,769</u>
Exemptions	<u>251,040,377</u>	<u>3,031,483</u>
Net assessed value	<u>\$ 5,042,018,830</u>	<u>\$ 54,889,286</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 54,794,506
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2021	214,569
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2020	<u>(189,883)</u>
Current year property tax revenue	<u>\$ 54,819,192</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Tax Collector's Annual Report (Continued)
For the Fiscal Year Ended June 30, 2021

Fiscal Year 2021 Cash Collection Summary

<u>Tax Year</u>	<u>July - August 2020 Collections Subject to 60 day FY 20 Accrual</u>	<u>September 2020- June 2021 Collections</u>	<u>Total FY 2021 Cash Collections</u>	<u>July - August 2021 Collections Subject to 60 day FY 21 Accrual</u>
2020	\$ -	\$ 54,451,168	\$ 54,450,350	\$ 201,817
2019	180,514	128,949	309,463	11,494
2018	6,493	12,579	19,072	506
2017	329	2,953	3,282	144
2016	1,264	1,285	2,549	194
2015	637	1,124	1,761	71
2014	384	999	1,383	29
2013	262	1,690	1,952	19
2012	-	2,871	2,871	295
2011	-	1,611	1,611	-
2010	-	124	124	-
2009	-	-	-	-
2008	-	88	88	-
2007	-	-	-	-
2006	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
	<u>\$ 189,883</u>	<u>\$ 54,605,441</u>	<u>\$ 54,794,506</u>	<u>\$ 214,569</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2021

	<u>Town General</u>	<u>Library Fund</u>	<u>Retained Claims</u>	<u>Kinney Bungalow</u>	<u>Surplus Property</u>	<u>Towers Committee</u>	<u>Parks & Recreation Aid</u>	<u>Parks & Recreation Trust</u>	<u>Sunset Farm</u>	<u>Town Anniversary</u>
Assets										
Cash	\$ 20,272,324	\$ 610,879	\$ 22,706	\$ 142,661	\$ 98,371	\$ 180,053	\$ 55,356	\$ 249,687	\$ 8,177	\$ 1,438
Investments	6,667,833	-	-	-	-	-	-	-	-	-
Real estate and personal property										
tax receivable, net	512,286	-	-	-	-	-	-	-	-	-
Due from federal and state governments	190,887	-	-	-	-	-	-	-	-	-
Due from other funds	364,654	-	-	-	-	-	-	-	-	-
Other receivables	123,116	-	-	-	-	892	-	-	-	-
Inventory	18,778	-	-	-	-	-	-	-	-	-
Prepaid expenditures	330,356	-	-	-	-	-	-	-	-	-
Other assets	66,871	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 28,547,105</u>	<u>\$ 610,879</u>	<u>\$ 22,706</u>	<u>\$ 142,661</u>	<u>\$ 98,371</u>	<u>\$ 180,945</u>	<u>\$ 55,356</u>	<u>\$ 249,687</u>	<u>\$ 8,177</u>	<u>\$ 1,438</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities:										
Accounts payable and accrued expenditures	1,082,766	22,873	332	6,166	-	15,580	-	7,360	-	-
Due to other funds	9,667,252	-	-	-	-	-	-	-	-	-
Other liabilities	86,767	-	-	26,300	-	15,425	-	-	-	-
Total liabilities	<u>10,836,785</u>	<u>22,873</u>	<u>332</u>	<u>32,466</u>	<u>-</u>	<u>31,005</u>	<u>-</u>	<u>7,360</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:										
Unavailable-property taxes	2,473,480	-	-	-	-	-	-	-	-	-
Unavailable-other revenues	72,718	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>2,546,198</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances:										
Nonspendable:										
Inventory	18,778	-	-	-	-	-	-	-	-	-
Prepaid expenditures	330,356	-	-	-	-	-	-	-	-	-
Restricted for:										
Education programs	-	-	-	-	-	-	-	-	-	-
Library programs	-	64,469	-	-	-	-	-	-	-	-
Capital projects	-	98,962	-	-	-	-	-	-	-	-
Committed for:										
Capital projects	-	50,000	-	-	-	-	-	-	-	-
Assigned to:										
Parks and recreation programs	-	-	-	-	-	-	55,356	242,327	-	-
Towers	-	-	-	-	-	149,940	-	-	-	-
Kinney Bungalow	-	-	-	110,195	-	-	-	-	-	-
Sunset Farm	-	-	-	-	-	-	-	-	8,177	-
Other	-	-	-	-	-	-	-	-	-	1,438
2022 budget	695,559	-	-	-	-	-	-	-	-	-
Unassigned	14,119,429	374,575	22,374	-	98,371	-	-	-	-	-
Total fund balances	<u>15,164,122</u>	<u>588,006</u>	<u>22,374</u>	<u>110,195</u>	<u>98,371</u>	<u>149,940</u>	<u>55,356</u>	<u>242,327</u>	<u>8,177</u>	<u>1,438</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,547,105</u>	<u>\$ 610,879</u>	<u>\$ 22,706</u>	<u>\$ 142,661</u>	<u>\$ 98,371</u>	<u>\$ 180,945</u>	<u>\$ 55,356</u>	<u>\$ 249,687</u>	<u>\$ 8,177</u>	<u>\$ 1,438</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
General Fund
June 30, 2021

	<i>Earle</i>	<i>Rental</i>	<i>Tipping</i>	<i>Total</i>	<i>School</i>	<i>Athletic</i>	<i>Total</i>	<i>Interfund</i>	<i>Total</i>
	<i>Water Tank</i>	<i>Registration</i>	<i>Fees</i>	<i>Town</i>	<i>Unrestricted</i>	<i>Gate Receipts</i>	<i>School</i>	<i>Elimination</i>	<i>General Fund</i>
								<i>Entries</i>	
Assets									
Cash	\$ 91	\$ 3,937	\$ 71,052	21,716,732	\$ 1,770	\$ -	\$ 1,770	\$ -	\$ 21,718,502
Investments	-	-	-	6,667,833	-	-	-	-	6,667,833
Real estate and personal property									
tax receivable	-	-	-	512,286	-	-	-	-	512,286
Due from federal and state governments	-	-	-	190,887	37,846	-	37,846	-	228,733
Due from other funds	-	-	-	364,654	10,299,213	26,251	10,325,464	(9,693,503)	996,615
Other receivables	-	540	-	124,548	655,656	-	655,656	-	780,204
Inventory	-	-	-	18,778	-	-	-	-	18,778
Prepaid expenditures	-	-	-	330,356	114,466	-	114,466	-	444,822
Other assets	-	-	-	66,871	-	-	-	-	66,871
Total assets	\$ 91	\$ 4,477	\$ 71,052	\$ 29,992,945	\$ 11,108,951	\$ 26,251	\$ 11,135,202	\$ (9,693,503)	\$ 31,434,644
Liabilities, Deferred Inflows of Resources, and Fund Balances									
Liabilities:									
Accounts payable and accrued expenditures	-	4,856	-	1,139,933	501,416	3,174	504,590	-	1,644,523
Due to other funds	-	-	-	9,667,252	2,791,653	-	2,791,653	(9,693,503)	2,765,402
Other liabilities	-	-	-	128,492	-	-	-	-	128,492
Total liabilities	-	4,856	-	10,935,677	3,293,069	3,174	3,296,243	(9,693,503)	4,538,417
Deferred Inflows of Resources:									
Unavailable-property taxes	-	-	-	2,473,480	-	-	-	-	2,473,480
Unavailable-other revenues	-	-	-	72,718	7,286	-	7,286	-	80,004
Total deferred inflows of resources	-	-	-	2,546,198	7,286	-	7,286	-	2,553,484
Fund Balances:									
Nonspendable:									
Inventory	-	-	-	18,778	-	-	-	-	18,778
Prepaid expenditures	-	-	-	330,356	114,466	-	114,466	-	444,822
Restricted for:									
Education programs	-	-	-	-	7,694,130	23,077	7,717,207	-	7,717,207
Library programs	-	-	-	64,469	-	-	-	-	64,469
Capital projects	-	-	-	98,962	-	-	-	-	98,962
Committed for:									
Capital projects	-	-	-	50,000	-	-	-	-	50,000
Assigned to:									
Parks and recreation programs	-	-	-	297,683	-	-	-	-	297,683
Towers	-	-	-	149,940	-	-	-	-	149,940
Kinney Bungalow	-	-	-	110,195	-	-	-	-	110,195
Sunset Farm	-	-	-	8,177	-	-	-	-	8,177
Other	91	-	-	1,529	-	-	-	-	1,529
2022 budget	-	-	-	695,559	-	-	-	-	695,559
Unassigned	-	(379)	71,052	14,685,422	-	-	-	-	14,685,422
Total fund balances	91	(379)	71,052	16,511,070	7,808,596	23,077	7,831,673	-	24,342,743
Total liabilities, deferred inflows of resources, and fund balances	\$ 91	\$ 4,477	\$ 71,052	\$ 29,992,945	\$ 11,108,951	\$ 26,251	\$ 11,135,202	\$ -	\$ 31,434,644

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Town General</u>	<u>Library Fund</u>	<u>Retained Claims</u>	<u>Kinney Bungalow</u>	<u>Surplus Property</u>	<u>Towers Committee</u>	<u>Parks & Recreation Aid</u>	<u>Parks & Recreation Trust</u>	<u>Sunset Farm</u>	<u>Town Anniversary</u>
Revenues:										
General property taxes and payments in lieu of taxes	\$ 55,726,947	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State and federal aid	2,189,411	178,025	-	-	-	-	-	-	-	-
Charges for services	4,420,133	4,353	-	41,200	-	114,261	-	-	-	-
Operating grants and contributions	-	706	-	-	-	-	7,000	73,991	-	-
Investment and interest income	257,396	18,562	121	697	525	1,126	272	1,195	46	8
Other revenues	-	-	2,325	-	15,324	-	-	-	-	-
Total revenues	<u>62,593,887</u>	<u>201,646</u>	<u>2,446</u>	<u>41,897</u>	<u>15,849</u>	<u>115,387</u>	<u>7,272</u>	<u>75,186</u>	<u>46</u>	<u>8</u>
Expenditures:										
Current:										
General government	2,204,093	-	9,711	-	-	-	-	-	-	-
Financial administration	1,669,258	-	-	-	-	-	-	-	-	-
Public safety	14,586,695	-	-	-	-	-	-	-	-	-
Public works	2,902,462	-	-	-	-	-	-	-	-	-
Parks and recreation	1,156,205	-	-	76,071	-	221,360	2,512	18,691	3,545	-
Planning, engineering and inspection	1,131,161	-	-	-	-	-	-	-	-	-
Library	-	881,288	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Town-wide	596,397	-	-	-	-	-	-	-	-	-
Other	3,016,890	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	100,980	-	-	-	-
Total expenditures	<u>27,263,161</u>	<u>881,288</u>	<u>9,711</u>	<u>76,071</u>	<u>-</u>	<u>322,340</u>	<u>2,512</u>	<u>18,691</u>	<u>3,545</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>35,330,726</u>	<u>(679,642)</u>	<u>(7,265)</u>	<u>(34,174)</u>	<u>15,849</u>	<u>(206,953)</u>	<u>4,760</u>	<u>56,495</u>	<u>(3,499)</u>	<u>8</u>
Other financing sources (uses):										
Transfers from other funds	148,300	841,103	9,000	-	-	-	-	-	-	-
Transfers to other funds	(32,316,263)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(32,167,963)</u>	<u>841,103</u>	<u>9,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,162,763	161,461	1,735	(34,174)	15,849	(206,953)	4,760	56,495	(3,499)	8
Fund balances - beginning of year	<u>12,001,359</u>	<u>426,545</u>	<u>20,639</u>	<u>144,369</u>	<u>82,522</u>	<u>356,893</u>	<u>50,596</u>	<u>185,832</u>	<u>11,676</u>	<u>1,430</u>
Fund balances - end of year	<u>\$ 15,164,122</u>	<u>\$ 588,006</u>	<u>\$ 22,374</u>	<u>\$ 110,195</u>	<u>\$ 98,371</u>	<u>\$ 149,940</u>	<u>\$ 55,356</u>	<u>\$ 242,327</u>	<u>\$ 8,177</u>	<u>\$ 1,438</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
For the Fiscal Year Ended June 30, 2021

	<i>Earle Water Tank</i>	<i>Rental Registration</i>	<i>Tipping Fees</i>	<i>Total Town</i>	<i>School Unrestricted</i>	<i>Athletic Gate Receipts</i>	<i>Total School</i>	<i>Interfund Elimination Entries</i>	<i>Total General Fund</i>
Revenues:									
General property taxes and payments in lieu of taxes	\$ -	\$ -	\$ -	\$ 55,726,947	\$ -	\$ -	\$ -	\$ -	\$ 55,726,947
State and federal aid	-	-	-	2,367,436	3,623,400	-	3,623,400	-	5,990,836
Charges for services	-	330,440	-	4,910,387	2,054,835	-	2,054,835	-	6,965,222
Operating grants and contributions	-	-	-	81,697	-	-	-	-	81,697
Investment and interest income	1	32	572	280,553	-	-	-	-	280,553
Other revenues	-	-	-	17,649	41,843	-	41,843	-	59,492
Total revenues	1	330,472	572	63,384,669	5,720,078	-	5,720,078	-	69,104,747
Expenditures:									
<i>Current:</i>									
General government	-	168,888	-	2,382,692	-	-	-	-	2,382,692
Financial administration	-	-	-	1,669,258	-	-	-	-	1,669,258
Public safety	-	-	-	14,586,695	-	-	-	-	14,586,695
Public works	-	-	-	2,902,462	-	-	-	-	2,902,462
Parks and recreation	-	-	-	1,478,384	-	-	-	-	1,478,384
Planning, engineering and inspection	-	-	-	1,131,161	-	-	-	-	1,131,161
Library	-	-	-	881,288	-	-	-	-	881,288
Education	-	-	-	-	29,381,180	13,973	29,395,153	-	29,395,153
Town-wide	-	-	-	596,397	-	-	-	-	596,397
Other	-	-	-	3,016,890	-	-	-	-	3,016,890
Capital outlay	-	-	-	100,980	-	-	-	-	100,980
Total expenditures	-	168,888	-	28,746,207	29,381,180	13,973	29,395,153	-	58,141,360
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	1	161,584	572	34,638,462	(23,661,102)	(13,973)	(23,675,075)	-	10,963,387
Other financing sources (uses):									
Transfers from other funds	-	-	-	998,403	26,669,361	-	26,669,361	(27,667,764)	-
Transfers to other funds	-	(148,300)	-	(32,464,563)	(1,320,500)	-	(1,320,500)	27,667,764	(6,117,299)
Total other financing sources (uses)	-	(148,300)	-	(31,466,160)	25,348,861	-	25,348,861	-	(6,117,299)
Net change in fund balances	1	13,284	572	3,172,302	1,687,759	(13,973)	1,673,786	-	4,846,088
Fund balances - beginning of year	90	(13,663)	70,480	13,338,768	6,120,837	37,050	6,157,887	-	19,496,655
Fund balances - end of year	\$ 91	\$ (379)	\$ 71,052	\$ 16,511,070	\$ 7,808,596	\$ 23,077	\$ 7,831,673	\$ -	\$ 24,342,743

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Assets, Liabilities and Fund Balance
School Unrestricted Fund
June 30, 2021

ASSETS

Cash	\$ 1,770
Due from federal and state governments	37,846
Other receivables	655,656
Due from other funds	10,299,213
Prepaid expenditures	114,466
Total assets	<u>\$ 11,108,951</u>

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

Liabilities

Accounts payable and accrued expenditures	\$ 501,416
Due to other funds	2,791,653
Total liabilities	<u>3,293,069</u>

Deferred inflows of resources

Unavailable -other revenue	7,286
Total deferred inflows of resources	<u>7,286</u>

Fund balances

Nonspendable:	
Prepaid expenditures	114,466
Restricted for:	
Education	7,694,130
Total fund balances	<u>7,808,596</u>

Total liabilities and fund balances	<u>\$ 11,108,951</u>
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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance
School Unrestricted Fund
For the Fiscal Year Ended June 30, 2021

REVENUES

Town appropriation	\$ 26,669,361
State aid	3,623,400
Charges for services	2,054,835
Other revenues	41,843
Total revenues	<u>32,389,439</u>

EXPENDITURES

Education	<u>29,381,180</u>
Total expenditures	<u>29,381,180</u>

*Excess of revenues over expenditures
before other financing uses*

3,008,259

Other financing uses:

Transfers to other funds	<u>(1,320,500)</u>
Total other financing uses	<u>(1,320,500)</u>

Net change in fund balances

1,687,759

Fund balances - beginning of year

6,120,837

Fund balances - end of year

\$ 7,808,596

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual
School Department Operating Budget
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
Revenues				
Town appropriation	\$ 26,669,361	\$ 26,669,361	\$ 26,669,361	\$ -
State aid	2,298,965	2,261,595	2,260,927	(668)
Charges for services	1,015,000	1,052,370	2,054,835	1,002,465
Other revenues	-	-	41,843	41,843
Re-appropriated fund balance	2,298,113	2,298,113	-	(2,298,113)
Total revenues	<u>32,281,439</u>	<u>32,281,439</u>	<u>31,026,966</u>	<u>(1,254,473)</u>
Expenditures				
Salaries	17,339,981	17,304,981	16,605,708	699,273
Employee benefits	7,906,245	7,848,344	7,155,875	692,469
Purchased services	3,820,330	3,621,217	2,488,282	1,132,935
Supplies and materials	1,208,228	1,124,462	838,216	286,246
Capital outlay	460,853	557,313	494,295	63,018
Other costs	77,752	74,622	36,331	38,291
Total expenditures	<u>30,813,389</u>	<u>30,530,939</u>	<u>27,618,707</u>	<u>2,912,232</u>
Excess of revenues over expenditures before other financing uses	<u>1,468,050</u>	<u>1,750,500</u>	<u>3,408,259</u>	<u>1,657,759</u>
Other financing uses				
Transfer to other funds	<u>(1,468,050)</u>	<u>(1,750,500)</u>	<u>(1,720,500)</u>	<u>30,000</u>
Total other financing uses	<u>(1,468,050)</u>	<u>(1,750,500)</u>	<u>(1,720,500)</u>	<u>30,000</u>
Net change in fund balance (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,687,759</u>	<u>\$ 1,687,759</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Unrestricted Fund - Fund Balance
Restricted for Education Programs
June 30, 2021

Restricted for Education:

School Committee designation for use in subsequent year budget	\$ 2,727,688
Undesignated	<u>4,966,442</u>
Total	<u><u>\$ 7,694,130</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 54,652,167	\$ -
Last Year's Levy Tax Collection	140,443	-
Prior Years Property Tax Collection	26,582	-
Interest & Penalty	198,097	-
PILOT & Tax Treaty (excluded from levy) Collection	709,658	-
Other Local Property Taxes	-	-
Licenses and Permits	545,559	-
Fines and Forfeitures	437,329	-
Investment Income	168,220	-
Departmental	3,460,267	-
Rescue Run Revenue	487,420	-
Police & Fire Detail	190,784	-
Other Local Non-Property Tax Revenues	708	-
Tuition	-	1,882,075
Impact Aid	-	-
Medicaid	-	147,155
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	318,514
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,029,167
COVID - ESSER	-	184,416
COVID - CRF	338,006	236,693
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	-	-
MV Excise Tax Reimbursement	61,720	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	178,025	-
Library Construction Aid	-	-
Public Service Corporation Tax	184,599	-
Meals & Beverage Tax / Hotel Tax	855,299	-
LEA Aid	-	2,260,927
Group Home	-	-
Housing Aid Capital Projects	-	718,880
Housing Aid Bonded Debt	455,059	-
State Food Service Revenue	-	4,489
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	215,744	199,098
Motor Vehicle Phase Out	78,983	-
Other Revenue	-	186,684
Local Appropriation for Education	-	26,669,361
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 63,384,669	\$ 33,837,458
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 828,857	\$ 807,232	\$ 70,414	\$ 211,318	\$ 390,994	\$ 367,591	\$ 1,231,024	\$ 623,082	\$ 3,336,100
Compensation - Group B	-	-	-	-	-	-	-	-	253,677
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	17,655	651	647	5,706	9,371	-	111,592	12,522	517,243
Overtime - Group B	-	-	-	-	-	-	-	-	1,494
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	127,279
Active Medical Insurance - Group A	141,065	180,424	20,920	18,308	101,456	65,762	292,973	105,329	431,362
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	85,103
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	6,785	8,266	1,029	912	4,109	2,635	14,026	4,953	17,351
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	4,205
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	67,333	61,294	5,017	16,245	30,347	27,145	98,800	48,101	324,907
Life Insurance	3,307	3,552	296	765	1,749	1,316	5,406	2,590	11,701
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	248,070	-	-	-	6,773	1,023	1,604	7,266	87,628
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	227,513	270,647	18,363	74,524	145,712	75,694	441,192	151,312	1,599,810
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	173,205
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	267,000	-	-	-	-	-	-	-	-
Purchased Services	359,575	30,841	2,539	5,710	42,511	48,283	30,634	36,117	57,682
Materials/Supplies	63,289	43,959	5,495	5,260	17,733	147,610	51,755	108,164	135,034
Software Licenses	-	6,746	-	179,514	28,374	-	4,000	2,300	2,828
Capital Outlays	-	-	-	-	-	-	85,669	100,980	-
Insurance	252,540	-	-	-	-	-	-	-	-
Maintenance	-	-	4,227	-	-	21,943	61,379	70,145	14,163
Vehicle Operations	-	-	-	-	-	-	249,096	15,527	56,173
Utilities	2,316	1,693	8,897	236	1,917	25,744	384,764	87,597	79,525
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	81,700	-	-
Revaluation	-	253,953	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	33,377	-	-
Trash Removal & Recycling	-	-	-	-	-	-	50,203	-	-
Claims & Settlements	88,016	-	-	-	-	-	-	-	-
Community Support	138,938	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	-	-	-	25,306	-	65,532	-
Tipping Fees	-	-	-	-	-	-	23,378	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,712,259	\$ 1,669,258	\$ 137,844	\$ 518,498	\$ 781,046	\$ 810,052	\$ 3,252,572	\$ 1,441,517	\$ 7,316,470

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 2,675,169	\$ 539,613	\$ 113,337	\$ -	\$ -	\$ -	\$ 11,194,731	\$ 12,421,491
Compensation - Group B	34,477	-	-	-	-	-	288,154	1,683,245
Compensation - Group C	-	-	-	-	-	-	-	3,266,503
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	987,981	80,673	8,233	-	-	-	1,752,274	-
Overtime - Group B	239	-	-	-	-	-	1,733	-
Overtime - Group C	-	-	-	-	-	-	-	18,732
Police & Fire Detail	-	-	-	-	-	-	127,279	-
Active Medical Insurance - Group A	479,315	104,694	20,296	-	-	-	1,961,904	1,650,342
Active Medical Insurance- Group B	4,919	-	-	-	-	-	90,022	203,502
Active Medical Insurance- Group C	-	-	-	-	-	-	-	694,986
Active Dental insurance- Group A	18,352	3,936	998	-	-	-	83,352	117,479
Active Dental Insurance- Group B	236	-	-	-	-	-	4,441	13,378
Active Dental Insurance- Group C	-	-	-	-	-	-	-	42,735
Payroll Taxes	279,079	47,725	8,892	-	-	-	1,014,885	1,312,111
Life Insurance	9,819	2,504	287	-	-	-	43,292	48,606
State Defined Contribution- Group A	-	-	-	-	-	-	-	63,963
State Defined Contribution - Group B	-	-	-	-	-	-	-	5,024
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	61,035	-	-	-	-	-	413,399	36,802
Other Benefits- Group B	-	-	-	-	-	-	-	4,448
Other Benefits- Group C	-	-	-	-	-	-	-	48,799
Local Defined Benefit Pension- Group A	1,162,280	202,041	23,069	-	-	-	4,392,157	-
Local Defined Benefit Pension - Group B	16,524	-	-	-	-	-	189,729	182,918
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,122,545
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	1,693,935
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	176,000
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	267,000	-
Purchased Services	42,470	-	83,751	-	-	-	740,113	2,410,406
Materials/Supplies	105,686	5,924	7,060	-	-	-	696,969	441,212
Software Licenses	24,213	-	-	-	-	-	247,975	60,429
Capital Outlays	-	-	-	-	-	-	186,649	1,804,373
Insurance	-	-	-	-	-	-	252,540	231,223
Maintenance	58,720	-	-	-	-	-	230,577	226,892
Vehicle Operations	29,586	-	1,652	-	-	-	352,034	92,784
Utilities	24,612	-	830	-	-	-	618,131	470,579
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	81,700	-
Revaluation	-	-	-	-	-	-	253,953	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	33,377	-
Trash Removal & Recycling	-	-	-	-	-	-	50,203	-
Claims & Settlements	-	-	-	-	-	-	88,016	-
Community Support	-	-	-	-	-	-	138,938	-
Other Operation Expenditures	-	-	-	-	-	-	90,838	262,885
Tipping Fees	-	-	-	-	-	-	23,378	-
Local Appropriation for Education	-	-	-	26,669,361	-	-	26,669,361	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	840,871	-	840,871	-
Municipal Debt- Interest	-	-	-	-	395,118	-	395,118	-
School Debt- Principal	-	-	-	-	1,120,000	-	1,120,000	-
School Debt- Interest	-	-	-	-	523,601	-	523,601	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	2,836,464	2,836,464	400,000
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,014,712	\$ 987,110	\$ 268,405	\$ 26,669,361	\$ 2,879,590	\$ 2,836,464	\$ 58,295,158	\$ 31,208,327

Financing Uses: Transfer to Capital Funds	\$ 1,916,047	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 1,916,047	\$ -
Net Change in Fund Balance¹	3,173,464	2,629,131
Fund Balance1- beginning of year	\$13,524,870	\$7,653,149
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	238,460
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	13,524,870	7,891,609
Rounding	-	-
Fund Balance¹ - end of year	\$ 16,698,334	\$ 10,520,740

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 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						\$ 13,524,870	-	\$ 13,524,870	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 13,524,870</u>	<u>-</u>	<u>\$ 13,524,870</u>	
General Fund	\$ 69,104,747	\$ -	\$ 58,141,360	\$ 6,117,299	\$ 4,846,088	\$ 19,496,655	\$ -	\$ 19,496,655	\$ 24,342,743
Debt Service Fund	-	2,880,752	2,879,590	-	1,162	186,102	-	186,102	187,264
Totals per audited financial statements	<u>\$ 69,104,747</u>	<u>\$ 2,880,752</u>	<u>\$ 61,020,950</u>	<u>\$ 6,117,299</u>	<u>\$ 4,847,250</u>	<u>\$ 19,682,757</u>	<u>\$ -</u>	<u>\$ 19,682,757</u>	<u>\$ 24,530,007</u>
Reconciliation from financial statements to MTP2									
Reverse elimination entry from combining School Unrestricted Fund with Town's General Fund	\$ -	\$ 26,669,361	\$ -	\$ 26,669,361	\$ -	-	-	-	-
Remove School Unrestricted Fund from General Fund	(5,720,078)	(26,669,361)	(29,395,153)	(1,320,500)	(1,673,786)	(6,157,887)	-	(6,157,887)	(7,831,673)
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	-	-	26,669,361	(26,669,361)	-	-	-	-	-
Elimination of municipal appropriation for Debt	-	(2,880,752)	-	(2,880,752)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 63,384,669</u>	<u>\$ -</u>	<u>\$ 58,295,158</u>	<u>\$ 1,916,047</u>	<u>\$ 3,173,464</u>	<u>\$ 13,524,870</u>	<u>\$ -</u>	<u>\$ 13,524,870</u>	<u>\$ 16,698,334</u>

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 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 <i>No misc. adjustments made for fiscal 2020</i>						\$ 7,653,149	238,460	\$ 7,891,609	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 7,653,149</u>		<u>\$ 7,653,149</u>	
School Unrestricted Fund	\$ 5,720,078	\$ 26,669,361	\$ 29,395,153	\$ 1,320,500	\$ 1,673,786	\$ 6,157,887	\$ -	\$ 6,157,887	\$ 7,831,673
School Special Revenue Funds - Restricted	1,718,185	-	1,714,128	-	4,057	122,033	238,460	360,493	364,550
School Special Revenue Funds - Food Service Fund	323,427	-	291,159	-	32,268	81,143	-	81,143	113,411
School Athletic Fund	-	-	6,215	-	(6,215)	6,544	-	6,544	329
School Capital Project Fund	768,880	1,320,500	1,164,145	-	925,235	1,285,542	-	1,285,542	2,210,777
Totals per audited financial statements	<u>\$ 8,530,570</u>	<u>\$ 27,989,861</u>	<u>\$ 32,570,800</u>	<u>\$ 1,320,500</u>	<u>\$ 2,629,131</u>	<u>\$ 7,653,149</u>	<u>\$ 238,460</u>	<u>\$ 7,891,609</u>	<u>\$ 10,520,740</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 26,669,361	\$ (26,669,361)	\$ -	\$ -	\$ -	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(1,362,473)	-	(1,362,473)	-	-	-	-	-	-
Transfer of unrestricted fund balance to capital projects fund	-	(1,320,500)	-	(1,320,500)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 33,837,458</u>	<u>\$ -</u>	<u>\$ 31,208,327</u>	<u>\$ -</u>	<u>\$ 2,629,131</u>	<u>\$ 7,653,149</u>	<u>\$ 238,460</u>	<u>\$ 7,891,609</u>	<u>\$ 10,520,740</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 & UCOA	<u>1</u>		<u>-</u>						
Totals per UCOA Validated Totals Report 1/25/22	<u>\$ 33,837,459</u>		<u>\$ 31,208,327</u>						

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

Town of Narragansett, Rhode Island
Reportable Government Services with
MTP2 Notes
Fiscal Year Ended June 30, 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 annual financial statements is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

STATISTICAL SECTION

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

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit I

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 74,886,690	\$ 76,687,158	\$ 76,033,001	\$ 73,270,420	\$ 73,026,624	\$ 75,998,883	\$ 71,751,258	\$ 73,242,220	\$ 72,797,383	\$ 73,799,642
Restricted	9,233,808	7,423,181	6,006,722	5,306,428	4,483,692	5,685,301	7,550,352	7,151,671	6,041,787	5,465,023
Unrestricted	(83,142,549)	(93,207,557)	(93,222,815)	(92,257,243)	(91,957,086)	(79,428,779)	(72,894,919)	(71,834,567)	(68,600,464)	(26,820,119)
Total governmental activities net position	<u>\$ 977,949</u>	<u>\$ (9,097,218)</u>	<u>\$ (11,183,092)</u>	<u>\$ (13,680,395)</u>	<u>\$ (14,446,770)</u>	<u>\$ 2,255,405</u>	<u>\$ 6,406,691</u>	<u>\$ 8,559,324</u>	<u>\$ 10,238,706</u>	<u>\$ 52,444,546</u>
Business-type activities:										
Net investment in capital assets	\$ 32,841,167	\$ 33,044,852	\$ 33,691,799	\$ 33,922,462	\$ 34,104,629	\$ 32,190,515	\$ 31,406,927	\$ 30,664,018	\$ 30,053,171	\$ 29,007,798
Unrestricted	10,440,830	10,996,420	10,764,951	10,063,862	9,493,302	9,937,571	9,319,004	9,301,453	9,188,467	7,993,878
Total business-type activities net position	<u>\$ 43,281,997</u>	<u>\$ 44,041,272</u>	<u>\$ 44,456,750</u>	<u>\$ 43,986,324</u>	<u>\$ 43,597,931</u>	<u>\$ 42,128,086</u>	<u>\$ 40,725,931</u>	<u>\$ 39,965,471</u>	<u>\$ 39,241,638</u>	<u>\$ 37,001,676</u>
Primary government:										
Net investment in capital assets	\$ 107,727,857	\$ 109,732,010	\$ 109,724,800	\$ 107,192,882	\$ 107,131,253	\$ 108,189,388	\$ 103,158,185	\$ 103,906,238	\$ 102,850,554	\$ 102,807,440
Restricted	9,233,808	7,423,181	6,006,722	5,306,428	4,483,692	5,685,301	7,550,352	7,151,671	6,041,787	5,465,023
Unrestricted	(72,701,719)	(82,211,137)	(82,457,864)	(82,193,381)	(82,463,784)	(89,831,770)	(63,575,915)	(62,533,114)	(59,411,997)	(18,826,241)
Total primary government net position	<u>\$ 44,259,946</u>	<u>\$ 34,944,054</u>	<u>\$ 33,273,658</u>	<u>\$ 30,305,929</u>	<u>\$ 29,151,161</u>	<u>\$ 24,042,919</u>	<u>\$ 47,132,622</u>	<u>\$ 48,524,795</u>	<u>\$ 49,480,344</u>	<u>\$ 89,446,222</u>

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(UNAUDITED)

Exhibit 2

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses:										
Governmental activities:										
General government	\$ 2,825,664	\$ 2,846,519	\$ 2,850,749	\$ 2,613,752	\$ 2,129,141	\$ 2,662,489	\$ 3,354,594	\$ 3,657,602	\$ 3,697,034	\$ 3,967,108
Financial administration	1,649,211	1,822,041	1,696,829	1,765,091	1,441,551	1,857,972	1,824,303	1,677,212	1,719,594	1,972,289
Public safety	16,021,638	17,814,969	16,575,459	17,752,138	14,422,218	18,133,546	15,338,485	15,180,592	15,284,664	14,644,220
Public works	4,916,300	5,294,571	4,896,441	5,042,949	4,650,783	4,984,541	4,913,307	4,978,149	4,757,802	4,107,512
Social services	133,742	34,588	84,173	19,125	29,372	16,893	140,703	93,240	54,874	93,959
Parks and recreation	2,014,316	2,328,988	2,269,787	2,364,493	2,130,369	2,484,974	2,214,141	2,398,295	2,403,126	2,323,745
Planning, engineering and inspection	1,172,385	1,287,273	1,327,790	1,263,615	1,156,325	1,454,157	1,273,212	1,204,386	1,333,057	1,226,549
Library	922,812	995,575	1,050,354	964,371	907,202	1,001,974	782,598	709,574	743,782	697,801
Education	33,325,620	33,787,089	32,546,660	31,989,619	31,740,543	32,444,668	30,442,611	30,396,974	30,074,899	30,177,912
Interest on long-term debt	807,181	806,122	771,128	758,670	1,170,831	871,622	1,038,443	894,414	890,143	979,348
Total governmental activities expenses	63,788,869	67,017,735	64,069,370	64,533,823	59,778,335	65,912,836	61,322,397	61,190,438	60,958,975	60,190,443
Business-type activities:										
Water Fund	2,372,320	2,305,648	2,274,164	2,262,475	2,328,498	2,234,456	2,258,823	1,922,478	1,888,917	1,873,817
Sewer Fund	5,028,665	5,322,640	4,246,453	4,450,670	4,400,539	4,084,743	4,053,411	3,780,631	3,712,886	3,764,890
Beach Fund	2,310,494	2,064,437	1,971,060	1,920,459	1,861,793	1,918,514	1,749,799	1,768,047	2,027,956	1,613,978
Middlebridge Recreation Fund	25,408	25,808	22,582	25,902	29,252	33,660	35,923	43,983	189,469	-
Total business-type activities expenses	9,736,887	9,718,533	8,514,259	8,659,506	8,620,082	8,271,373	8,097,956	7,515,139	7,819,228	7,252,685
Total primary government expenses	73,525,756	76,736,268	72,583,629	73,193,329	68,398,417	74,184,209	69,420,353	68,705,577	68,778,203	67,443,128
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	2,227,593	1,693,910	1,647,577	1,560,044	1,700,014	1,549,178	1,461,007	1,369,157	1,356,215	1,271,041
Financial administration	970,773	700,491	700,491	700,566	700,491	700,566	716,726	700,491	700,491	656,167
Public safety	861,253	904,653	787,178	979,735	1,173,178	1,016,391	712,509	724,676	712,988	568,833
Public works	43,536	50,824	39,683	39,856	31,871	28,432	29,538	2,125	1,050	400
Parks and recreation	323,081	436,315	631,525	647,131	684,790	696,417	684,488	660,367	623,976	598,997
Planning, engineering and inspection	489,257	416,413	373,373	361,005	399,635	337,113	335,749	501,068	468,874	402,698
Library	55,615	58,371	45,125	15,125	15,362	11,610	15,254	12,811	9,619	10,619
Education	2,287,625	1,837,460	1,507,013	1,173,646	884,097	627,132	506,909	645,067	605,599	636,300
Operating grants and contributions	7,984,286	5,620,873	5,731,228	5,795,935	5,396,724	5,713,910	4,783,010	4,681,774	4,630,534	4,556,277
Capital grants and contributions	1,000,322	714,903	560,813	1,378,981	847,113	792,470	509,300	1,203,364	202,815	981,500
Total governmental activities program revenues	16,243,341	12,434,213	12,024,006	12,652,024	11,833,275	11,473,219	9,754,490	10,500,900	9,312,161	9,682,832
Business-type activities:										
Charges for services:										
Water Fund	2,470,182	2,341,252	2,219,651	2,206,658	2,390,322	2,418,909	2,048,386	2,015,463	2,123,262	1,541,433
Sewer Fund	3,890,306	3,993,499	3,983,701	4,171,610	4,120,966	4,283,991	4,312,525	4,334,115	4,576,529	4,177,713
Beach Fund	2,467,408	2,647,096	2,496,662	2,388,572	2,382,280	2,601,661	2,147,294	2,081,062	1,862,687	1,902,033
Middlebridge Recreation Fund	92,125	95,425	85,400	73,411	73,606	65,376	53,199	55,556	65,113	-
Operating grants and contributions, Beach Fund	-	-	-	-	-	115,647	140,376	-	-	-
Capital grants and contributions	-	-	-	72,164	992,131	-	-	-	-	-
Total business-type activities program revenues	8,920,021	9,077,272	8,785,414	8,912,415	9,959,305	9,485,584	8,701,780	8,486,196	8,627,591	7,621,179
Total primary government program revenues	25,163,362	21,511,485	20,809,420	21,564,439	21,792,580	20,958,803	18,456,270	18,987,096	17,939,752	17,304,011
Net (Expense) Revenue:										
Governmental activities	(47,545,528)	(54,583,522)	(52,045,364)	(51,881,799)	(47,945,060)	(54,439,617)	(51,567,907)	(50,689,538)	(51,646,814)	(50,507,611)
Business-type activities	(816,866)	(641,261)	271,155	252,909	1,339,223	1,214,211	603,824	971,057	808,363	368,494
Total primary government net expenses	(48,362,394)	(55,224,783)	(51,774,209)	(51,628,890)	(46,605,837)	(53,225,406)	(50,964,083)	(49,718,481)	(50,838,451)	(50,139,117)

(continued)

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes and in lieu of taxes	55,044,095	53,775,607	51,898,135	50,562,602	49,492,588	48,389,492	47,541,544	46,131,289	44,974,695	44,908,921
State aid, unrestricted	2,106,004	2,145,219	2,147,564	1,984,238	1,822,669	1,755,249	1,614,798	1,604,893	1,526,105	1,422,516
Investment income	314,986	421,096	513,843	79,018	271,919	179,241	131,188	280,124	40,703	168,042
Other revenues	155,610	163,839	57,950	104,220	101,366	93,574	284,380	651,609	30,182	101,577
Transfers	-	(74,825)	(74,825)	(81,904)	(105,095)	(129,225)	(156,636)	342,241	(924,669)	-
Total governmental activities	57,620,695	56,430,936	54,542,667	52,648,174	51,583,447	50,288,331	49,415,274	49,010,156	45,647,016	46,601,056
Business-type activities:										
Investment income	57,591	150,958	112,194	46,580	15,358	-	-	95,017	65,032	80,336
Transfers	-	74,825	74,825	81,904	105,095	129,225	156,636	(342,241)	924,669	-
Other revenues	-	-	12,252	7,000	10,179	159,746	-	-	392,087	-
Total business-type activities	57,591	225,783	199,271	135,484	130,632	288,971	156,636	(247,224)	1,381,788	80,336
Total primary government	57,678,286	56,656,719	54,741,938	52,783,658	51,714,079	50,577,302	49,571,910	48,762,932	47,028,804	46,681,392
Change in Net Position:										
Governmental activities	10,075,167	1,847,414	2,497,303	766,375	3,638,387	(4,151,286)	(2,152,633)	(1,679,382)	(5,999,798)	(3,906,555)
Business-type activities	(759,275)	(415,478)	470,426	388,393	1,469,855	1,503,182	760,460	723,833	2,190,151	448,830
Total primary government	\$ 9,315,892	\$ 1,431,936	\$ 2,967,729	\$ 1,154,768	\$ 5,108,242	\$ (2,648,104)	\$ (1,392,173)	\$ (955,549)	\$ (3,809,647)	\$ (3,457,725)

concluded

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 3

	FISCAL YEAR									
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
General Fund:										
Nonspendable	\$ 463,600	\$ 3,272,615	\$ 3,272,623	\$ 297,133	\$ 2,031,217	\$ 2,171,270	\$ 1,664,899	\$ 1,787,715	\$ 2,000,281	\$ 2,112,420
Restricted	7,880,638	6,193,675	5,098,440	4,396,810	3,625,065	4,842,626	6,531,905	6,290,018	5,195,278	4,655,701
Committed	50,000	50,000	97,800	50,000	50,000	50,000				
Assigned	1,263,083	1,191,989	2,517,576	2,721,854	2,968,253	1,274,978	1,602,708	407,462	2,219,760	414,758
Unassigned	14,685,422	8,788,376	7,345,472	9,897,474	10,255,432	9,913,554	8,781,159	8,204,658	4,229,693	6,580,480
Total General Fund	<u>24,342,743</u>	<u>19,496,655</u>	<u>18,331,911</u>	<u>17,363,271</u>	<u>18,929,967</u>	<u>18,252,428</u>	<u>18,580,671</u>	<u>16,689,853</u>	<u>13,645,012</u>	<u>13,763,359</u>
All Other Governmental Funds:										
Restricted	2,420,197	2,932,290	3,693,610	1,418,395	3,204,150	1,640,560	3,495,634	576,405	553,042	493,255
Committed	2,147,433	3,164,626	3,318,736	2,956,906	2,605,619	501,285	1,612,909	2,222,676	2,844,035	2,582,359
Assigned	2,210,777	1,285,542	1,115,176	1,220,432	419,129	1,213,844	624,837	324,837	452,219	561,192
Unassigned	(149,214)	(2,851,016)	(2,849,583)	(38,576)	(70,826)	(2,149,520)	(14,554)	(209,301)	(180,562)	(118,319)
Total All Other Governmental Funds	<u>6,629,193</u>	<u>4,531,442</u>	<u>5,277,939</u>	<u>5,557,157</u>	<u>6,158,072</u>	<u>1,206,169</u>	<u>5,718,826</u>	<u>2,914,617</u>	<u>3,668,734</u>	<u>3,518,487</u>
Grand Total	<u>\$ 30,971,936</u>	<u>\$ 24,028,097</u>	<u>\$ 23,609,850</u>	<u>\$ 22,920,428</u>	<u>\$ 25,088,039</u>	<u>\$ 19,458,597</u>	<u>\$ 24,299,497</u>	<u>\$ 19,604,470</u>	<u>\$ 17,313,746</u>	<u>\$ 17,281,846</u>

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 4	FISCAL YEAR									
	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12
General property taxes and payments in lieu of taxes	\$ 55,726,947	\$ 54,209,130	\$ 52,450,108	\$ 51,059,703	\$ 49,896,038	\$ 48,793,179	\$ 47,915,634	\$ 46,583,683	\$ 45,255,391	\$ 45,232,567
State aid, unrestricted	5,990,836	5,611,459	6,000,662	6,295,458	5,390,295	5,397,906	5,124,796	5,012,113	4,752,274	4,453,025
Charges for services	7,146,396	6,264,887	5,848,171	5,576,500	5,726,864	5,141,830	4,567,613	4,603,869	4,445,998	4,097,518
Operating grants and contributions	3,064,352	1,290,396	1,239,811	1,282,315	1,284,692	1,176,369	1,302,315	1,133,829	1,219,449	1,350,198
Capital grants and contributions	1,000,322	714,903	449,606	710,742	837,757	743,116	361,843	976,344	32,425	811,998
Investment income	314,986	421,096	513,843	79,018	271,919	179,241	131,188	280,124	40,703	168,042
Other revenues	91,438	68,473	85,527	96,778	53,489	48,463	126,892	642,769	60,529	148,322
Total revenues	73,335,277	68,580,344	66,587,728	65,100,514	63,461,054	61,480,104	59,530,281	59,232,731	55,806,769	56,261,670
Expenditures:										
Current:										
General government	2,431,754	2,314,459	2,315,808	2,012,780	1,903,098	1,990,605	1,623,795	1,904,804	1,895,652	1,832,287
Financial administration	1,669,258	1,581,199	1,465,993	1,563,238	1,346,402	1,346,256	1,460,933	1,266,781	1,275,723	1,541,310
Public safety	15,298,561	14,776,038	14,191,808	14,028,876	13,320,233	13,136,170	12,944,328	11,334,333	11,613,905	10,641,387
Public works	2,930,765	2,874,182	3,031,593	2,938,268	3,006,632	2,811,152	3,015,199	2,551,415	2,437,380	2,118,369
Social services	133,742	34,588	84,173	19,125	29,372	16,893	140,703	93,240	54,874	100,779
Parks and recreation	1,599,656	1,850,460	1,843,043	1,855,156	1,861,704	1,859,508	1,819,447	1,888,093	1,963,199	1,864,081
Planning, engineering and inspection	1,131,161	1,200,658	1,137,558	1,111,062	1,114,189	1,073,782	1,119,003	990,026	971,121	854,110
Library	881,288	925,453	1,028,771	874,144	881,832	848,756	770,261	697,892	690,615	670,406
Food services	291,159	282,961	385,797	366,913	389,010	369,185	401,748	403,267	-	-
Other	3,613,287	3,899,196	4,309,372	3,874,409	3,533,494	3,536,709	1,787,774	2,867,951	2,184,981	2,346,879
Education	31,109,281	30,414,570	29,909,656	29,208,100	29,814,373	28,207,782	28,991,540	27,330,462	27,397,152	27,630,424
Debt service:										
Principal	2,044,206	2,007,563	1,735,856	1,764,650	1,418,982	1,631,158	1,403,530	1,268,095	1,370,553	1,534,485
Interest	954,502	969,836	957,723	943,900	1,178,345	926,569	1,013,262	879,515	922,026	969,447
Capital outlay and Major Maintenance	5,102,818	5,234,617	9,072,866	4,937,011	4,899,189	8,315,844	3,107,553	3,810,103	2,378,620	2,367,389
Total expenditures	69,191,438	68,365,780	71,470,017	65,497,632	64,696,855	66,070,369	59,599,076	57,285,977	55,155,801	54,471,353
Excess (deficiency) of revenues over expenditures	4,143,839	214,564	(4,882,289)	(397,118)	(1,235,801)	(4,590,265)	(68,795)	1,946,754	650,968	1,790,317
Other financing sources (uses):										
Bond proceeds	2,800,000	-	5,000,000	-	6,100,000	-	4,100,000	-	-	-
Bond premium	-	-	646,536	-	262,766	-	135,626	-	-	-
Issued and Premium of refunding bonds	-	-	-	-	13,594,550	-	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	(13,458,152)	-	-	-	-	-
Capital lease proceeds	-	40,048	-	-	455,670	-	624,870	-	280,540	142,041
Transfers from other funds	6,117,299	6,305,436	5,201,925	5,368,643	5,150,004	5,880,609	3,379,954	6,505,644	5,097,416	8,122,110
Transfers to other funds	(6,117,299)	(6,380,261)	(5,276,750)	(5,450,547)	(5,255,099)	(6,009,834)	(3,536,590)	(6,163,403)	(6,022,085)	(8,122,110)
Sale of capital assets	-	-	-	-	15,504	10,525	59,962	28,951	25,061	12,375
Total other financing sources (uses)	2,800,000	(34,777)	5,571,711	(81,904)	6,865,243	(118,700)	4,763,822	371,192	(619,068)	154,416
Net change in fund balances	\$ 6,943,839	\$ 179,787	\$ 689,422	\$ (479,022)	\$ 5,629,442	\$ (4,708,965)	\$ 4,695,027	\$ 2,317,946	\$ 31,900	\$ 1,944,733
Debt service as a percentage of noncapital expenditures	4.7%	4.7%	4.3%	4.5%	4.3%	4.4%	4.3%	4.0%	4.3%	4.8%

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 5

Assessment Date	Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed Valuation to Total Estimated Actual Value
		Assessed Valuations	Estimated Actual Value	Assessed Valuations	Estimated Actual Value	Assessed Valuations	Estimated Actual Value	
12/31/2010	2011-12	\$ 4,638,015,302	\$ 4,732,668,676	\$ 126,150,948	\$ 126,150,948	\$ 4,764,166,250	\$ 4,858,819,624	98.05%
12/31/2011	2012-13	4,350,353,287	4,439,136,007	133,943,059	133,943,059	4,484,296,346	4,573,079,066	98.06%
12/31/2012	2013-14	4,351,278,768	4,542,366,625	132,860,822	132,860,822	4,484,139,590	4,675,227,447	95.91%
12/31/2013	2014-15	4,369,756,694	4,599,743,888	136,792,291	136,792,291	4,506,548,896	4,736,536,179	95.14%
12/31/2014	2015-16	4,476,928,059	4,815,206,205	147,375,176	147,375,176	4,624,303,235	4,962,581,381	93.18%
12/31/2015	2016-17	4,495,724,567	4,940,356,667	154,965,455	154,965,455	4,650,690,022	5,095,322,122	91.27%
12/31/2016	2017-18	4,382,903,592	4,724,562,848	157,985,621	157,985,621	4,540,889,213	4,882,548,469	93.00%
12/31/2017	2018-19	4,799,270,621	4,991,241,445	172,032,065	172,032,065	4,971,302,686	5,163,273,510	96.28%
12/31/2018	2019-20	4,835,385,867	4,934,067,211	184,171,727	184,171,727	5,019,557,594	5,118,238,938	98.07%
12/31/2019	2020-21	4,857,733,810	4,956,871,235	184,285,019	191,963,561	5,042,018,829	5,148,834,796	97.93%

Source: Town of Narragansett, Rhode Island Assessor

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 6

Taxpayer	Type of Business	FISCAL YEAR 2020-2021 (ASSESSED VALUE AS OF 12-31-19)			FISCAL YEAR 2010-2011 (ASSESSED VALUE AS OF 12-31-09)			
		Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
National Grid	Electric & Gas Utility	\$ 48,474,643	1	0.92%	National Grid	\$ 11,183,917	2	0.23%
Cox Communications	Cable Utility	27,258,928	2	0.51%	Salt Pond Corp.	25,258,500	1	0.52%
DPF Narragansett LLC	Shopping Plaza	26,796,500	3	0.51%				
Dunes Club	Private Beach Club	12,385,100	4	0.23%	Dunes Club	10,729,000	3	0.22%
SUEZ Water	Water Utility	11,915,729	5	0.23%				
Point Judith Country Club	Private Golf Course	8,580,300	6	0.16%	Point Judith Country Club	7,688,200	4	0.16%
JDL Family LTD Partnership	Shopping Plaza	8,130,700	7	0.15%	JDL Family LTD Partnership	6,080,700	9	0.13%
SAH Hospitality, LLC	Hotel/Restaurant	7,515,500	8	0.14%				
Remedy LLC	Residential Property	6,446,500	9	0.12%				
Murray, J Terrance	Residential Property	5,678,400	10	0.11%	J. Terrance Murray	6,224,300	7	0.13%
					GP Pier Retail, LLC	7,570,300	5	0.16%
					Recreation Partners I	6,534,900	6	0.13%
					United Water	6,104,650	8	0.13%
					Russell A. Boss	5,935,800	10	0.12%
		<u>\$ 163,182,300</u>		<u>3.08%</u>		<u>\$ 93,310,267</u>		<u>1.92%</u>
Total assessed valuation (gross)		<u>\$ 5,293,059,207</u>			(gross) <u>\$ 4,851,134,862</u>			
TOP TEN ONLY								
Commercial/Industrial Values		\$ 151,057,400		2.85%	\$ 81,150,167			1.67%
Residential Values		12,124,900		0.23%	12,160,100			0.25%

Source: Town of Narragansett Assessor, certified tax roll.

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 7

Fiscal Year Ended	Taxes Outstanding for the	Collected within the Fiscal year	
			Percentage
2011-12	\$ 45,657,642	\$ 44,917,809	98.38%
2012-13	45,635,119	44,843,811	98.27%
2013-14	46,855,316	46,113,597	98.42%
2014-15	48,173,623	47,352,195	98.29%
2015-16	49,094,018	48,320,442	98.42%
2016-17	50,151,603	49,351,387	98.40%
2017-18	51,195,855	50,422,075	98.49%
2018-19	52,394,807	51,802,230	98.87%
2019-20	54,214,966	53,493,237	98.67%
2020-21	55,529,036	54,794,506	98.68%

	Current Taxes	Current Year Collected	Percent of Levy
2011-12	\$ 44,736,568	\$ 44,380,651	99.20%
2012-13	44,946,199	44,547,908	99.11%
2013-14	46,107,795	45,754,896	99.23%
2014-15	47,455,661	47,043,390	99.13%
2015-16	48,342,629	47,937,036	99.16%
2016-17	49,396,535	48,974,578	99.15%
2017-18	50,425,079	50,043,114	99.24%
2018-19	51,610,221	51,356,961	99.51%
2019-20	53,654,815	53,272,353	99.29%
2020-21	54,867,441	54,450,350	99.24%

Source: Town of Narragansett Tax Collector

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 8

List	Fiscal	Residential	Commercial	Personal	Motor Vehicle
2010	2011-12	\$8.97	\$13.45	\$13.45	\$16.46
2011	2012-13	\$9.57	\$14.35	\$14.35	\$16.46
2012	2013-14	\$9.80	\$14.68	\$14.68	\$16.46
2013	2014-15	\$10.04	\$15.06	\$15.06	\$16.46
2014	2015-16	\$9.94	\$14.91	\$14.91	\$16.46
2015	2016-17	\$10.08	\$15.12	\$15.12	\$16.46
2016	2017-18	\$10.56	\$15.84	\$15.84	\$16.46
2017	2018-19	\$9.95	\$13.93	\$13.93	\$16.46
2018	2019-20	\$10.23	\$14.33	\$14.33	\$16.46
2019	2020-21	\$10.48	\$14.15	\$14.15	\$16.46

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 9

Fiscal Year	Population	Assessed Valuation	Gross Bonded Debt (1)	Debt payable from Business Type Revenues	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Valuation	Net Bonded Debt per Capita
2011-12	15,868	\$ 4,764,166,250	\$ 27,864,187	\$ 5,795,183	\$ 22,069,004	0.46%	\$ 1,390.79
2012-13	15,868	4,484,296,346	25,968,000	5,198,315	20,769,685	0.46%	1,308.90
2013-14	15,868	4,484,139,590	23,824,611	4,323,020	19,501,590	0.43%	1,228.99
2014-15	15,868	4,506,548,986	25,965,510	3,660,869	22,304,641	0.49%	1,405.64
2015-16	15,868	4,624,303,235	23,864,429	3,084,673	20,779,756	0.45%	1,309.54
2016-17	15,868	4,650,690,022	27,579,129	2,544,280	25,034,849	0.54%	1,577.69
2017-18	15,868	4,540,889,213	25,427,949	1,991,112	23,436,837	0.52%	1,476.99
2018-19	15,868	4,971,302,686	28,217,474	1,427,843	26,789,631	0.54%	1,688.28
2019-20	15,868	5,019,557,596	25,712,446	848,307	24,864,139	0.50%	1,566.94
2020-21	14,532	5,042,018,829	26,388,575	685,307	25,703,268	0.51%	1,768.74

(1) includes Business-type Activities

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 10

	Assessment Date 12/31/2019 FY 2020-21	Assessment Date 12/31/2018 FY 2019-20	Assessment Date 12/31/2017 FY 2018-19	Assessment Date 12/31/2016 FY 2017-18	Assessment Date 12/31/2015 FY 2016-17	Assessment Date 12/31/2014 FY 2015-16	Assessment Date 12/31/2013 FY 2014-15	Assessment Date 12/31/2012 FY 2013-14	Assessment Date 12/31/2011 FY 2012-13	Assessment Date 12/31/2010 FY 2011-12
Net assessed valuation	\$ 5,042,018,829	\$ 5,019,557,596	\$ 4,971,302,686	\$ 4,540,889,213	\$ 4,650,690,022	\$ 4,624,303,235	\$ 4,506,548,986	\$ 4,484,139,590	\$ 4,484,296,346	\$ 4,764,166,250
Debt limit	151,260,565	150,586,728	149,139,081	136,226,676	139,520,701	138,729,097	135,196,470	134,524,188	134,528,890	142,924,988
Total net debt applicable to limit	399,000	448,000	496,000	23,436,837	25,034,849	20,779,756	22,304,641	19,501,590	20,769,685	22,069,004
Legal debt margin	150,861,565	150,138,728	148,643,081	112,789,839	114,485,852	117,949,341	112,891,829	115,022,598	113,759,205	120,855,984
Total net debt applicable to limit as a percentage of the debt limit	0.26%	0.30%	0.33%	17.20%	17.94%	14.98%	16.50%	14.50%	15.44%	15.44%

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total Governmental Funds Expenditures (1)	Ratio of Total Debt Service to Total Governmental Expenditures
2012	\$ 1,534,485	\$ 969,447	\$ 2,503,932	\$ 54,471,353	4.60%
2013	1,370,553	922,026	2,292,579	55,155,801	4.16%
2014	1,268,095	879,015	2,147,110	57,285,977	3.75%
2015	1,296,950	839,622	2,136,572	59,599,076	3.58%
2016	1,524,885	928,436	2,453,321	66,070,369	3.71%
2017	1,248,906	944,472	2,193,378	64,696,855	3.39%
2018	1,598,012	935,930	2,533,942	65,497,632	3.87%
2019	1,647,206	822,152	2,469,358	71,470,017	3.46%
2020	1,925,492	966,290	2,891,782	68,365,780	4.23%
2021	1,960,871	918,719	2,879,590	69,191,438	4.16%

Note:

- (1) Modified accrual basis of accounting
- (2) General Obligation Bonds and Notes only

TOWN OF NARRAGANSETT, RHODE ISLAND

PRINCIPAL EMPLOYERS*

JUNE 30, 2021
(UNAUDITED)

Exhibit 12

Employer	Type of Business	Number of Employees
VNS Home Health Service	Healthcare Services	1187
Town of Narragansett	Municipality/Schools/Library	433
University of Rhode Island/Bay Campus	Colleges & Universities	300
DeWal Industries	Manufacturer - Specialty films, tapes, etc.	150
Coast Guard House	Restaurant	148
Ngc, Inc	Fish and Seafood Merchant Wholesalers	94
Point Judith Country Club	Parks & Recreation - Private Club	80
Bonnet Shores Beach Club	Beach Club/Seasonal - Private	70
George's of Galilee Restaurant	Restaurant	69
Inp Beverage Sercies Inc	Hotels and Motels	50
Roch's Fresh Foods Narragansett	Fruit and Vegetable Markets	41
Ocean Tides Inc	Child and Youth Services	39
Christian Brothers Center	Religious Organizations	37
Unemployment rate: 4.2% - June 2021	* Source: Dun & Bradstreet	

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 13

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Administration	13.0	13.0	13.0	13.0	13.0	10.0	10.0	10.0	11.0	11.0
Financial administration	11.0	12.0	12.0	12.0	12.0	15.0	15.0	15.0	15.0	16.0
Public safety:										
Police:										
Officers	41.0	41.0	41.0	41.0	41.0	40.0	40.0	40.0	41.0	41.0
Civilians	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	15.0	14.0
Fire:										
Firefighter and officers	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Civilians	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Public Safety	89.0	89.0	89.0	89.0	89.0	88.0	88.0	88.0	91.0	90.0
Public works:										
Administration & Highway	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	13.0	13.0
Parks Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.5
Engineering	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Public Works & Engineering	15.6	15.6	15.6	15.6	15.6	14.6	14.6	14.6	15.6	15.6
Parks and recreation	5.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5	3.5
Parks Maintenance	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	0.0
Planning and Development	7.5	7.5	7.5	7.5	7.5	8.0	8.0	8.0	8.0	8.0
Education:										
Administrative, certified	9.5	8.0	10.0	9.0	8.0	8.5	8.5	8.0	8.0	8.0
Administrative, noncertified	11.0	7.0	10.0	10.6	10.6	11.6	11.6	11.7	11.4	11.0
Classroom aides	34.0	26.0	26.2	26.5	25.5	28.4	28.4	32.0	28.0	28.0
Teachers	148.8	144.0	141.2	145.8	145.8	152.1	152.1	153.9	154.8	154.9
Bus drivers, monitors, and bus aides	18.0	18.0	24.0	21.3	21.3	22.5	22.5	22.5	24.0	24.0
Clerks	10.0	9.0	10.5	12.0	12.0	12.0	12.0	12.0	12.0	12.0
Operation and maintenance	19.0	17.0	17.0	17.4	17.4	18.4	18.4	18.4	18.0	18.0
	250.3	229.0	238.9	242.5	240.5	253.5	253.5	258.5	256.2	255.9
Library - full-time	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0	5.0
Library-part-time	10.0	10.0	10.0	10.0	10.0	12.0	12.0	15.0	18.0	18.0
Fleet Maintenance	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	3.0
Water	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Wastewater Treatment	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Beach	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0
Total	434.3	414.0	423.9	427.5	425.5	435.5	435.5	443.5	449.2	447.9

TOWN OF NARRAGANSETT, RHODE ISLAND
 MISCELLANEOUS STATISTICS
 JUNE 30, 2021
 (UNAUDITED)

Exhibit 14

Town Incorporation	1901	Municipal buildings:	
Type of Government	Council / Town Manager	Town Hall	1
Population:		Fire Stations	3
Official U.S. Census:		Police Station	1
1950	2,288	Port Facility Building	1
1960	3,444	Education	
1970	7,138	High School (Grades 9 – 12)	1
1980	12,088	Middle School (Grades 5 – 8)	1
1990	15,004	Elementary (Grades Pre-K – 4)	1
2000	16,361	Wastewater pumping stations	19
2010	15,876	Wastewater treatment plant	1
2020 Census	14,532	Water pumping stations (not in service)	1
		Water storage tanks	3
Area of Town	18.3 square miles	Water chlorine injections stations	3
Shoreline	44.2 miles	Public works garage/maintenance facility	2
Miles of Streets:		Library	1
Local Paved	103	Parks/recreation buildings	20
State Paved	25	Pavilions	1
Construction (Period 7/1/17 to 6/30/18):		Gazebos	1
Building Permits Issued	1,094	Beach Cabanas – 83 units	1
Total Value	\$56,731,499	Beach clubhouse	1
Elections – November 2020:		North Beach Pavilion – 263 units	1
Registered voters	12,674	South Beach Pavilion – 218 units	1
Number of votes cast	7,134	Kinney Bungalow	1
Percentage voting	56%	Comfort station	1
Fire Protection:		Community Center	1
Fire alarm boxes	199	The Towers	1
Fire hydrants	698	25, 27, 29 Pier Market Place	1
Education:		Recreation Facilities:	
Student Enrollments:		Public squares	3
Pre-Kindergarten	71	Acres for recreation (developed)	48
Elementary (grades k – 4)	314	Playgrounds	6
Middle School (grades 5 – 8)	319	Tot lots	1
High (grades 9 – 12)	491	Major recreation facilities	12
Special Education-Out of Dist	12	Undeveloped sites	2
Other out of district	20	Municipal tennis courts	13
Total in all schools	1,227	Municipal pickle ball courts	4
Home Instruction	26	Bathing beaches	1
Charter Schools	14	Diamonds:	
Total	1,267	Hard ball	4
		Soft ball	1
		Basketball courts:	
		Outdoor	7
		Indoor (schools)	3
		Soccer Fields	7
		Marina - 37 slips	1
		Marina Building	1
		Residential Cottages	4
		Residential House	1
		Café/Restaurant Building	1
		Farm House (Sunset Farm)	1
		Barn (Sunset Farm)	1



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
(401) 586-6565 • Fax (401) 826-1710

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Narragansett, Rhode Island's basic financial statements, and have issued our report thereon dated February 3, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
February 3, 2022