

**TOWN OF EAST GREENWICH,
RHODE ISLAND**

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2021



**Town Hall
East Greenwich, Rhode Island
Built in 1804**

**Andrew E. Nota
Town Manager**

**Patricia A. Sunderland
Finance Director**

Prepared by: Finance Department

**TOWN OF EAST GREENWICH, RHODE ISLAND
ANNUAL FINANCIAL REPORT
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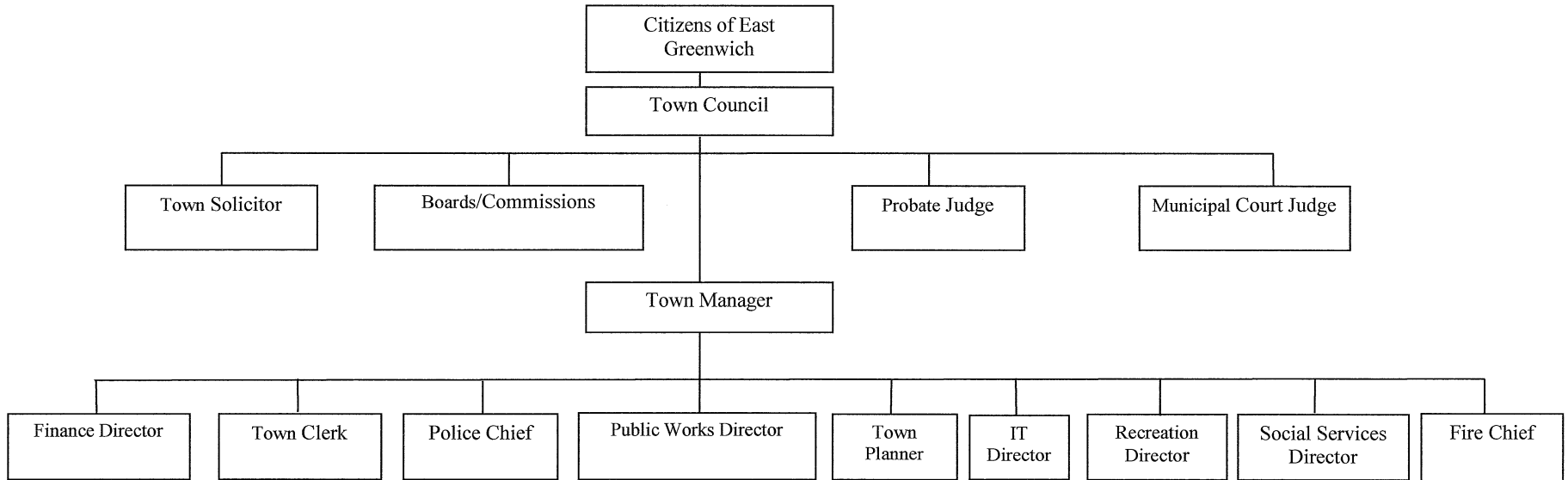
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TOWN OF EAST GREENWICH
MUNICIPAL ORGANIZATIONAL CHART



TOWN OF EAST GREENWICH, RHODE ISLAND

as of June 30, 2021

TOWN COUNCIL

Mark Schwager - President
Michael Donegan - Vice President
Caryn Corenthal
Renu Englehart
Michael Zarrella

TOWN MANAGER

Andrew E. Nota

FINANCE DIRECTOR

Patricia A. Sunderland



Independent Auditors' Report

To the Honorable Town Council
Town of East Greenwich, 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 East Greenwich, 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 East Greenwich, 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.

Auditors' 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 of 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 auditors' 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 East Greenwich, 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 Matters

As discussed in Note 13 to the financial statements, the Town of East Greenwich, Rhode Island adopted GASB Statement No. 84, *Fiduciary Activities*. As a result of the implementation of this standard, the Town of East Greenwich, Rhode Island reported a restatement for the change in accounting principle. Our auditors' opinion was not modified with respect to the restatement.

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2021, the Town of East Greenwich, Rhode Island, restated the beginning net position of the governmental activities and fund balance of the nonmajor governmental funds to record the effect of the reclassification of the East Greenwich Land Trust (the Trust) to special revenue fund, a nonmajor governmental fund, from as a discretely presented component unit. Our opinion is not classified with respect to this matter.

As discussed in Note 13 to the financial statements, during the fiscal year ended June 30, 2021, the Town of East Greenwich, Rhode Island, restated the business type activities and Sewer enterprise fund net position to recognize revenue related to special assessment receivable. Our opinion is not classified 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, the budgetary comparison information and the pension and OPEB schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which 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 East Greenwich, Rhode Island's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is also not a required part of the basic financial statements of the Town of East Greenwich, Rhode Island.

The combining and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and schedule of expenditures of federal awards 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 and individual nonmajor fund financial statements and schedules, Annual Supplemental Transparency Report and schedule of expenditures of federal awards 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2022 on our consideration of the Town of East Greenwich, 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 East Greenwich, 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 East Greenwich, Rhode Island's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

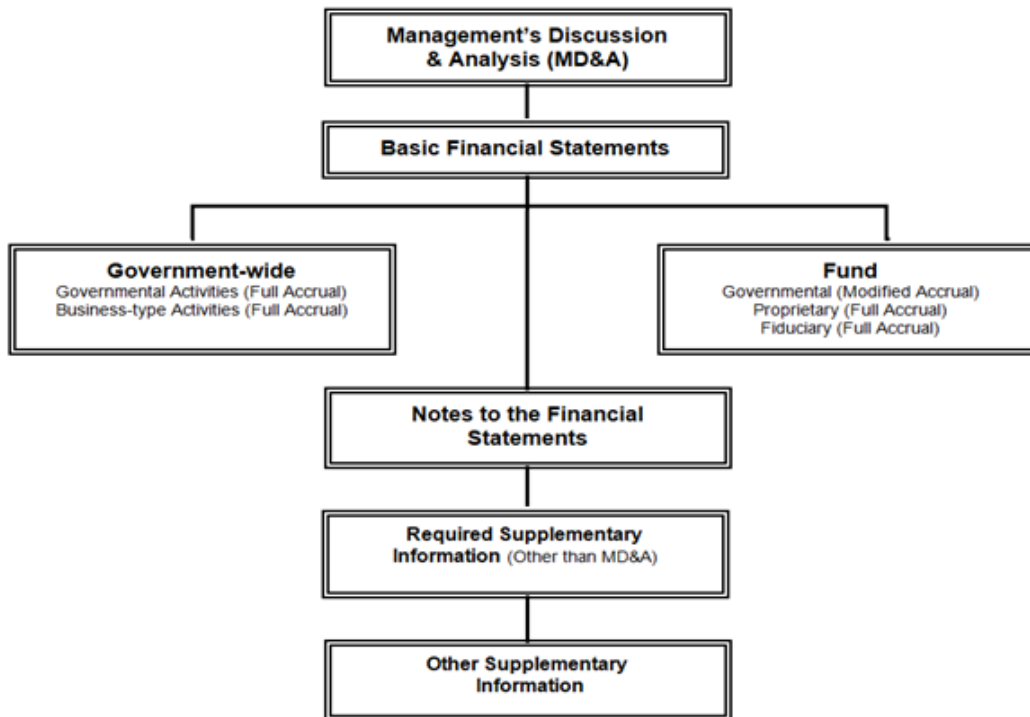
As management of the Town of East Greenwich, we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory section of this report.

Financial Highlights

- At the end of the fiscal year, the Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$7.7 million (total net position). Net position was comprised mainly of \$61.5 million attributable to the Town's net investment in capital assets, \$9.9 million restricted and (\$63.7 million) unrestricted.
- Important to note for fiscal year 2021, the Town had previously recognized a component unit, East Greenwich Land Trust, however, the designation as a component unit has been changed and is now recognized within the Governmental Activities. Quite simply the Land Trust is not a legally separate organization and is part of the primary government's operations. The Town has financial responsibility for the entity. This change in recognition contributed to the total increase in net position by approximately \$5 million.
- The government's net position increased by \$3.5 million for fiscal year 2021. Governmental activities' net position increased by \$3.0 million mainly due to a decrease in net pension liability in the retirement plans and a decrease in the other post-employment benefits (OPEB) liability. Business-type activities had an increase of \$489 thousand in net position due to higher than anticipated revenues combined with conservative spending patterns due to the COVID pandemic.
- As of the close of the current fiscal year, the Town of East Greenwich's governmental funds reported combined ending fund balances of \$18.3 million, an increase of \$5 million over prior year. Approximately 47.6% of this total amount, \$8.7 million is available for use at the government's discretion (unassigned fund balance). The remaining fund balance, \$9.6 million, 52.4%, is either non-spendable funds, restricted funds, committed funds, or assigned funds.
- The Town's total bonded debt (including premium) increased by \$3.3 million during the current fiscal year due to the issuance of \$3.58 million dollars for capital equipment. This issuance was offset by the maturity of older bonds.
- Long-term liabilities for the governmental activities reported an increase of \$4.6 million which is the result of an increase in the bonds payable and, as noted above Pension and OPEB liability increases.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of East Greenwich's basic financial statements. The Town's financial statements comprise three components: 1) introductory, 2) financial, and 3) statistical. As illustrated in the following chart, the financial section of this report consists of five components: management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary information.



The Town's financial statements present a focus on the Town as a whole (government-wide) as well as the major individual funds. The fund financial statements focus on the individual parts of the Town government, reporting the operations of the Town in more detail than the government-wide statements. Both perspectives government-wide and individual fund, allow the user to address relevant questions, broaden the basis for comparisons year to year or government to government and enhance the Town's accountability.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town of East Greenwich's finances, in a manner similar to a private-sector business. Government-wide financial reporting consists of two statements: Statement of Net Position and Statement of Activities.

The Statement of Net Position presents information on all of the Town's assets, both short-term and long-term, with the difference between the two reported as net position. Over time, increases or decreases in the Town's net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event 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. Examples are uncollected taxes and earned but unused sick and vacation leave.

The government-wide financial statements can be found on pages Exhibits I and II of this report.

The Town's government-wide financial statements are divided into two categories:

- **Governmental Activities** - Most of the Town's basic services including general government, public safety, streets and highways, planning, education and recreation are reported here. Most of these activities are supported by property taxes, other local taxes and federal and state funding.

- **Business-type Activities** - The Town's wastewater operations and school cafeteria funds are reported here. Fees charged to customers to help cover the costs of providing these services.

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 government, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town has three types of funds: governmental, proprietary, and fiduciary.

- **Governmental Funds** – The General Fund, Capital Projects Funds, Special Revenue Funds and Permanent Funds are governmental funds. Most of the basic services provided by the Town are financed through governmental funds. The School Unrestricted Fund has been included in the General Fund, in the basic governmental financial statements. These funds' statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The basic governmental fund financial statements can be found on Exhibits III through IV of this report.

- **Proprietary Funds** – Services for which the Town charges customers a fee is generally reported in proprietary funds. Like the government-wide statements, proprietary funds statements provide both long-and short-term financial information.
 - **Enterprise Funds** – Similar to business-type activities included in the government-wide statements, the enterprise fund financial statements provide more detail and additional information, such as cash-flow. The Town maintains two enterprise funds: Sewer Fund and School Lunch Fund.

The basic proprietary fund financial statements can be found on pages Exhibit V through VII of this report.

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These fiduciary activities are excluded from the Town's government-wide financial statements because the Town cannot use these assets to finance its operations. The Town maintains the following fiduciary fund:
 - **OPEB Trust Fund** – Provides post-employment benefits for all vested full-time employees such as health, dental and life insurance for the Town retirees.

The basic fiduciary fund financial statements can be found on pages Exhibits VIII and IX of this report.

Notes to the Financial Statements

The notes to the financial statements provide information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes also present certain required supplementary information. Included in the notes is the information pertaining to the Town's funding obligation to provide pension and OPEB benefits to its employees (Note 9 and 10).

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, a reconciliation between the statutory fund balance for budgetary purposes and the fund balances for the General Fund and School Fund, as presented in the governmental fund financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. In the case of the Town of East Greenwich, assets exceeded liabilities (net position) by \$7.7 million for the primary government. The unrestricted net deficit at June 30, 2021 is (\$63.7 million). Consistent with prior years the Town has significant investment in capital assets (e.g. land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. Net investment in capital assets as of June 30, 2021 is \$61.5 million. 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.

NET POSITION
For the Fiscal Years Ended June 30, 2021 and 2020 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 31,083	\$ 25,662	\$ 4,828	\$ 5,122	\$ 35,911	\$ 30,784
Capital assets, net of accumulated depreciation	83,718	78,343	36,011	37,142	119,729	115,485
Total assets	<u>114,801</u>	<u>104,005</u>	<u>40,839</u>	<u>42,264</u>	<u>155,640</u>	<u>146,269</u>
Deferred outflows of resources	18,900	16,789	170	192	19,071	16,981
Current liabilities	5,750	6,174	306	447	6,055	6,621
Long-term liabilities outstanding	131,764	128,335	15,115	16,911	146,879	145,246
Total liabilities	<u>137,514</u>	<u>134,509</u>	<u>15,421</u>	<u>17,358</u>	<u>152,934</u>	<u>151,867</u>
Deferred inflows of resources	14,082	12,657	-	4,247	14,082	16,904
Net Position:						
Net investment in capital assets	40,248	35,801	21,267	20,457	61,515	56,258
Restricted	5,948	5,376	3,956		9,904	5,376
Unrestricted	<u>(64,090)</u>	<u>(67,549)</u>	<u>365</u>	<u>395</u>	<u>(63,725)</u>	<u>(67,154)</u>
Total Net Position	<u>\$ (17,895)</u>	<u>\$ (26,372)</u>	<u>\$ 25,588</u>	<u>\$ 20,852</u>	<u>\$ 7,693</u>	<u>\$ (5,520)</u>

FY 2021, total assets for both governmental and business-type activities was \$155.6 million, an increase of \$9.4 million from prior year total assets of \$146.3 million. The primary reason for this increase is the change in reporting recognition of the East Greenwich Land Trust as a primarily governmental unit rather than a component unit in prior years.

At the end of the current fiscal year, the Town of East Greenwich, with one exception, is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The reported deficit for the unrestricted portion of net position decreased by approximately \$3.4 million which is a result of the continuation of disclosing and reporting for Pension and OPEB, offset by the Town's continued investment in capital assets and the change in the recognition of the unrestricted net position of the East Greenwich Land Trust.

CHANGES IN NET POSITION
For the Fiscal Years Ended June 30, 2021 and 2020 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 3,768	\$ 2,717	\$ 4,318	\$ 4,465	\$ 8,085	\$ 7,182
Operating grants and contributions	12,651	8,657	633	183	13,284	8,840
Capital grants and contributions	431	100	-	-	431	100
General revenues:						
Property taxes	58,424	57,093	-	-	58,424	57,093
Grants not restricted to specific programs	1,006	1,386	-	-	1,006	1,386
Unrestricted investment earnings	77	114	-	-	77	114
Miscellaneous revenue	370	282	-	-	370	282
Total revenues	<u>76,728</u>	<u>70,348</u>	<u>4,951</u>	<u>4,648</u>	<u>81,678</u>	<u>74,996</u>
Expenses:						
General government	4,772	5,485	-	-	4,772	5,485
Public safety	14,399	13,446	-	-	14,399	13,446
Public works	4,336	4,781	-	-	4,336	4,781
Cultural and recreation	1,155	1,475	-	-	1,155	1,475
Health and welfare	-	0	-	-	-	-
Education	47,564	47,119	-	-	47,564	47,119
Interest and fiscal charges	1,466	1,821	-	-	1,466	1,821
Sewer	-	-	3,889	3,306	3,889	3,306
School Lunch ¹	-	-	572	544	572	544
Total expenses	<u>73,691</u>	<u>74,128</u>	<u>4,462</u>	<u>3,850</u>	<u>78,153</u>	<u>77,978</u>
Change in net position before transfers	3,036	(3,779)	489	798	3,525	(2,982)
Transfers	-	43	-	(43)	-	-
Change in net position	<u>3,036</u>	<u>(3,736)</u>	<u>489</u>	<u>755</u>	<u>3,525</u>	<u>(2,982)</u>
Net Position at Beginning of Year	<u>(26,371)</u>	<u>(22,635)</u>	<u>20,851</u>	<u>20,096</u>	<u>(5,521)</u>	<u>(2,539)</u>
Restatement	<u>5,440</u>	<u>-</u>	<u>4,247</u>	<u>-</u>	<u>9,687</u>	<u>-</u>
Net Position at End of Year	<u>\$ (17,895)</u>	<u>\$ (26,371)</u>	<u>\$ 25,587</u>	<u>\$ 20,851</u>	<u>\$ 7,692</u>	<u>\$ (5,521)</u>

Governmental Activities

Governmental activities net position increased by \$3.0 million. This increase helped to offset the change in the negative net position of \$26.4 million in the prior year. In FY 2021, the Town's negative net position was improved at end of year due to the reclassification of the component unit to governmental activities.

Governmental activities revenues were \$76.7 million of which 76.1%, or \$58.4 million was generated by property taxes. This is an increase of 2.33% over prior year.

- Property tax revenues recorded for the 2021 fiscal year increased by \$1.2 million or 2.3 percent over prior year due to an increase in the budgeted collections rate.

- The adoption of the fiscal year 2021 budget included a separate tax rate for all flexible categories. For instance, the residential rate increased from \$23.21 in fiscal year 2020 to \$23.43; commercial rate increased from \$23.44 in fiscal year 2020 to \$23.90 and personal property went from \$23.44 in fiscal year 2020 to \$29.25 per thousand dollars of assessed valuation. The growth in the total assessed value of taxable property, **excluding** motor vehicles, was 0.43%. Total net assessed value of flexible taxable property increased by \$10,100,504 from \$2,364,917,647 to \$2,375,018,151.
- Motor vehicle values decreased by \$10,277,073 over the prior year, from \$82,771,126 to \$72,494,053 and assumed utilizing an exemption value of \$6,000 per vehicle. Motor vehicle values are assessed at a rate of \$22.88 per thousand dollars of assessed value. This rate has been frozen by the State since FY1998. The impact of the decreases in value for all taxable property is directly related to the adopted Governor's FY 2017-2018 Recommended State Budget which changes the assessment criteria for determining vehicle value prior to calculating the motor vehicle excise tax beginning in the 2017-2018 fiscal year. The budget article proposes to reduce assessment values from 100% of National Automobile Dealers Association (NADA) clean retail value to 70% - similar to the approach used by the State of Connecticut. The proposal does not change municipal vehicle exemption amounts or tax rates.
- Charges for services increase is attributed to an uptick in building permits and cruiser fees associated with road details as well as real estate conveyance taxes due to the low interest borrowing rate environment. Annual variances in several other functions were reported.
- Operating and capital grants and contributions increase is mainly attributed to the recognition of the State grant for pension on behalf of the school department. The funding policy, set forth in the RIGL 16-16-22, provides for actuarially determined periodic contributions to the plan. Under the plan, the State is required to contribute 40% of annual covered payroll. The State's share for June 30, 2021 was \$2,093,775. The Town received substantial federal grants from US Department of Homeland Security of \$331,863 and from US Department of Treasury of \$1,212,730 for Coronavirus Relief funds. The Town also received \$498,252 from Federal Emergency Management Agency.

Total expenses for **governmental activities** were \$73.7 million, a decrease of \$428,834 over the prior year. Three activities: public safety, general government, and education accounted for the majority of the expenses, as depicted in the following amounts and percentages: \$14.4 million (19.5 percent), \$4.8 million (6.5 percent), and \$47.6 million (64.5 percent), respectively. The Changes in Net Position table above is provided for the Town's government-wide activities for the years ended June 30, 2021 and 2020. Major expense factors included:

- The major reporting change made in the development of fiscal year 2021 was to account for the debt service into its own fund which resulted in what is perceived to be a decrease in spending in governmental activities.

Governmental Activities includes recognition of capital assets and accounting for increases in compensated absence liabilities for all employees who accrued sick and vacation accruals at year end.

- Public safety expenses within governmental activities have increased slightly mainly due to retirements, increases compensated balances, OPEB and retirement liabilities.
- The vast majority of the changes reported in education is associated with contractual increases, out of district tuition payments, required contractual services such as nursing and an increase in IDEA Part B expenses. Additional increases for pension changes and recognition of depreciation expense is shown as well.

Business-type activities. Net position in business-type activities increased by \$4.7 million resulting in a 22.7 percent increase in business-type net position.

The Sewer fund revenues exceeded expenses by \$448 thousand. A review of the school lunch program reports a positive change in net position of \$41 thousand for the fiscal year. The program will be monitored to ensure positive operations.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Town of East Greenwich'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 of East Greenwich'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 current fiscal year, the Town of East Greenwich's governmental funds reported combined ending fund balances of \$18.3 million, an increase of \$5.3 million. Of this \$5.3 million increase, approximately \$1.5 million was advanced for capital equipment and subsequently bonded in fiscal year 2021 and reimbursed by the issuance of the bonds. The ending fund balance of \$18.3 million is designated as follows: \$8.7 million or 47.6 percent is available for spending at the government's discretion (unassigned). Additionally, the Town reports a cumulative deficit of \$397 thousand in the 52 School Bond fund which will be reconciled in the current fiscal year and upon which a recommendation will be made to town administration. The remaining fund balance of \$9.6 million includes \$6.6 million committed to town and school special revenue, capital reserve and permanent trust funds. The remaining amount of \$3 million consists of non-spendable fund balance mainly attributed to health and dental reserves held on behalf of the school department self-insurance fund. Due to the exit of this program as of July 2020, the school department will receive these funds in December 2021 net of any incurred but not reported expenses throughout the year.

The General Fund is the chief operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The School Unrestricted Fund is used to report all financial transactions of the East Greenwich School Department but is considered a department of the Town since its major source of revenue is property tax dollars and is not a separate taxing authority. Therefore, the School Unrestricted Fund is reported within the Town Operating Fund. At the end of the current fiscal year, excluding the School Fund amount, the total General Fund balance was \$9.4 million which represents an increase of \$957 thousand over the prior year. 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 General Fund budgeted expenditures. Unassigned fund balance represents 13.7 percent of the 2022 FY Adopted General Fund Expenditure Budget, while total fund balance represents 14.1 percent of that same amount.

The fund balance of the Town of East Greenwich's General Fund, excluding the School Fund, increased as a result of the following positive factors:

- Management's decision to implement a conservative practice of hiring for vacant positions where possible and a spending freeze as a result of the Coronavirus pandemic. This decision continues to be in force as of the writing of this report.

- On a budgetary basis, the operating surplus in the General Fund was \$957 thousand. Revenues exceeded budget by \$1.5 million while expenditures were under budget by \$137 thousand. Other financing sources (uses) over budget decreased the surplus by \$695 thousand which allowed for the town to transfer funds to capital reserve projects outlined in the six-year capital improvement plan and to set money aside to convert the town's street lights to LED thus reducing future energy costs. The ROI for this project is estimated to be five years.
- The Town received Coronavirus Relief Funds (CRF) in the current fiscal year. These funds were passed through the State thus supplanting the loss of revenue from the State normally received for MV Phase Out and the PILOT programs. The Town received approximately \$500 thousand in excess CRF that exceeded the State shortfall. The Town recognized shortfalls in meals and beverage taxes as well as rescue revenue which are directly related to the impact of the pandemic and state/local policies on social distancing. Conversely, more people staying home resulted in an increase in building permits as well as a low rate environment lending itself to refinances and sales of homes.

Although reported in the General Fund, the school department maintains its own operating budget. Any excess funds remaining at year-end remain with the school department to be used at their discretion, per State Law. At the end of the fiscal year, the fund balance, committed for education programs was \$1.6 million. The total fund balance of the School Unrestricted Fund increased by \$982 thousand as compared to the June 30, 2020 fund balance. Key factors in this increase are as follows:

- Although the school district was in person learning for the school year, the district experienced full-time certified teachers opting to not return to the classroom and, as such, substitute teachers were hired. The vacant full-time positions generated savings in top earning salaries and benefits for the year.
- Although the operational costs for purchased services and supplies and materials are reporting a deficit at year end, much of those costs were reimbursed by federal emergency management funds and the revenue is reported in the miscellaneous revenue category of the report. The school district paid for certain allowable expenditures from federal funds available for COVID relief during the year.

The school fund has a total fund balance of \$3.7 million of which \$2.1 million is non-spendable. The remainder is committed to liquidate contracts and purchase orders of the prior period and \$365 thousand is committed to help finance the 2021-2022 fiscal year budget.

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

Total net position for the sewer fund increased by \$448 thousand. Unrestricted net position in the sewer fund at the end of the fiscal year totaled \$252 thousand, a decrease of \$70.9 thousand over prior year while net investment in capital assets was \$21.3 million, an increase of \$810 thousand, and restricted net position increased \$4.0 million, an increase of \$4.0 million. Much of the revenue generated in the sewer fund is to fund debt service associated with sewer and road assessments or non-debt funded capital improvements.

Important to note is the reclassification of reporting for sewer assessment debt. Consistent with GASB 6, S40, paragraph 121 special assessment revenue and receivables should be recognized on the accrual basis. Debt issued to finance capital projects that will be repaid wholly or in part from special assessments should report special assessment debt with governmental commitment in the statement of net position and either display it separately-on the face of the statement-or disclose it in the notes if combined with other liabilities on the statement. The Town has opted to include it within unrestricted net position. This reporting change has resulted in the significant increase in that category.

The school lunch program maintains a surplus position of \$113 thousand.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Town of East Greenwich's business-type activities.

Capital Asset and Debt Administration

Capital assets. The Town of East Greenwich's investment in capital assets for its governmental and business type activities as of June 30, 2021 amounts to \$119.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress. The 2021 fiscal year resulted in an increase in value of investment in capital assets of \$4.2 million. The increase was due to the reclassification of the component unit's, East Greenwich Land Trust, capital assets which were offset by the removal of assets under the capitalization threshold of \$10 thousand and the increase in depreciation expense as compared to the amount of capitalized assets recognized in the 2020 fiscal year, specifically, the amount of new capital assets was \$3.9 million for the governmental activities, however, the amount of accumulated depreciation expense was \$3.1 million in comparison to the prior year of new capital assets of \$2.4 million and depreciation expense of \$2.9 million. The 2021 fiscal year resulted in an increase in value of capital assets of \$63 thousand.

CAPITAL ASSETS (Net of accumulated depreciation) in 000s

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,844	\$ 6,844	\$ 15	\$ 15	\$ 6,859	\$ 6,859
Construction in progress	202	842	344	1,980	546	2,822
Infrastructure	1,158		20,972	21,782	22,130	21,782
Buildings and improvements	63,471	65,370	11,614	10,137	75,085	75,507
Land improvements	6,748	6,889			6,748	6,889
Equipment	1,727	1,326	2,776	2,896	4,503	4,222
Vehicles	3,568	2,384	290	332	3,858	2,716
Total	<u>\$ 83,718</u>	<u>\$ 83,655</u>	<u>\$ 36,011</u>	<u>\$ 37,142</u>	<u>\$ 119,729</u>	<u>\$ 120,797</u>

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

- Town and School-wide phone system upgrade accounted for \$152 thousand in equipment capital.
- Land improvements were completed at the East Greenwich High School tennis courts as well as playground improvements at Fry Brook Park. These land improvements accounted for \$230 thousand.
- Town-wide purchases of new vehicles and equipment included a new donated boat valued at \$136 thousand, a donated forklift with a value of \$75 thousand, a donated ladder truck valued at \$574 thousand, multiple public safety purchases such as new jaws of life, stretchers, defibrillator, new typhoon pumper, and additions to the town's fleet. The school department did procure five new utility vehicles as well. These purchases accounted for \$2.2 million during the fiscal year.
- Construction in progress of the Governmental Funds decreased by \$639 thousand completion of road rehabilitation, EGHS tennis courts, and outdoor fitness equipment at McHale Park.

- The School Department completed and capitalized the repaving the high school and sidewalks/curbing at Hanaford elementary as well as architect/engineering costs associated with the ongoing building improvements.
- The overall capital assets, net of accumulated depreciation decreased \$1.1 million. Building improvements for the waste water treatment facility increased by \$2.1 million which was offset by accumulated depreciation of \$1.6 million. Construction in progress also decreased by \$2.3 million at the same time because the improvements were completed and put into service. The proprietary fund did procure a UV probe and a new diesel pump which resulted in an increase in their capital equipment also offset by depreciation expense.

Additional information on the Town of East Greenwich's capital assets can be found in Note 6 to the Financial Statements.

Long-term debt. At the end of the current fiscal year, the Town of East Greenwich had total bonded debt outstanding of \$58.3 million. Of this amount, \$5.8 million comprises debt backed by the full faith and credit of the government. Based on GASB 88, Direct Placement Debt is generally conducted by an investment banker who acts as an agent in bringing together the seller and the buyer which have terms negotiated directly with the investor or lender and are not offered for public sale. The Town issues school bonds through RI Health and Education Building Corp who then becomes the purchaser of the Town bonds - "Borrower Bonds". These bonds are entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$15.5 million as of June 30, 2021. The Town issued \$3.485 million in capital equipment bonds and refunded \$29.65 million in school bonds within the fiscal year.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. At June 30, 2021, the Town had a debt limit of \$73.4 million. Of the Town's \$58.3 million in debt outstanding, \$14.6 million is subject to the Town's legal debt limit. A balance of \$58.8 million exists within the legal limit for additional bonds to be issued.

OUTSTANDING DEBT **General Obligation Bonds in 000s**

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
General Obligation Bonds	\$ 3,485	\$	\$ 2,310	\$ 2,610	\$ 5,795	\$ 2,610
Direct Placement Debt	<u>39,883</u>	<u>40,201</u>	<u>12,618</u>	<u>14,263</u>	<u>52,501</u>	<u>54,464</u>
Total	<u>\$ 43,368</u>	<u>\$ 40,201</u>	<u>\$ 14,928</u>	<u>\$ 16,873</u>	<u>\$ 58,296</u>	<u>\$ 57,074</u>

The Town's total bonded debt increased by \$1.2 million during the 2021 fiscal year. The Town issued \$3.485 million dollars in capital equipment bonds which was offset by the retirement of principal.

The Town of East Greenwich is one of only six Rhode Island communities that have a bond rating of Aa1 by Moody's Investors Service and AA+ by Standard and Poor's. The Moody's credit report cited the following factors for the affirmation:

- The Aa1 rating reflects the town's very strong credit position. Its Aa1 rating is higher than the median rating of Aa3 for cities nationwide. Key credit factors include a very strong wealth and income profile, strong tax base, a healthy financial position and moderate debt and pension liabilities.
- Median family income of town residents is a robust 205.6% of the US median level.

- Full value per capita of \$197 thousand is much stronger than that of other Moody's-rated cities nationwide
- Tax base of \$2.5 B is slightly larger than the US Median
- Although financial position of the town is sufficient but weak, current experienced management team who employ conservative budgeting and financial management, establish formal fiscal policies, and long-term planning for capital expenditures provides for positive outlook
- Moderate debt and pension burden are somewhat weak with respect to the assigned rating of Aa1.
- Net pension liability to operating revenues is 1.6x and roughly equivalent to the US Median

Additional information on the Town of East Greenwich's long-term debt can be found in Note 7 of the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- As of June 2021, the average labor force in East Greenwich was 6,715 with employment at 6,279 yielding an unemployment rate of 6.5 percent, a decrease of 4.4 percent from prior year of 10.9 percent. The state's unemployment rate was 5.8 percent and the federal unemployment rate was 6.1 percent.
- The final budget for 2022 was adopted in the amount of \$75.9 million which represents an increase of \$3.05 million, or 4.2 percent from the prior fiscal year. This is a modest increase based on the difficult economic environment in which the Town and the State of Rhode Island have been operating coupled with the Coronavirus pandemic.
- Current projections are anticipating the town is recovering from the impacts of COVID and is expected to be back to historical levels throughout fiscal year 2022.
- The Town is receiving \$3.9 million over the next two years from the federal American Rescue Plan Act and has begun planning investments in capital projects which are consistent with the Final Rule as issued by the Federal Government pertaining to mitigation and prevention of the spread of COVID-19, infrastructure investments related to broadband, sewer and public safety initiatives. The proposed plan will also address the Town's comprehensive plan and consider climate change resiliency projects as well as the Federal Highway Safe Streets initiative. This plan will have public engagement sessions when presented to the Town Council.
- Property tax revenues for the fiscal year 2022 reflect an increase in the Town's tax levy of \$2.02 million or 3.48 percent greater than the previous fiscal year. Due to the statistical revaluation, the residential property tax rate decreased from \$23.43 to \$21.01, commercial property tax rate decreased from \$23.90 to \$23.25, and personal property tax rate increased from \$29.25 to \$30.23 per thousand dollars of assessed value. A \$2,500 personal property tax rate exemption was approved which resulted in 127 small business having no tax liability. Total flexible taxable property increased by \$309 million from \$2.448 billion to \$2.684 billion due to the revaluation.

All of these factors were considered in preparing the Town of East Greenwich's budget for the 2022 fiscal year.

Requests for Information: This financial report is designed to provide a general overview of the Town of East Greenwich's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, PO Box 111, 125 Main Street, East Greenwich, Rhode Island, 02818.

TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 17,951,001	\$ 59,158	\$ 18,010,159
Cash with fiscal agent	214,593	160,245	374,838
Receivables, net of allowance for uncollectibles	3,910,472	2,172,733	6,083,205
Internal balances	1,360,108	(1,360,108)	-
Inventories		5,086	5,086
Prepaid items	2,325,738		2,325,738
Total current assets	<u>25,761,912</u>	<u>1,037,114</u>	<u>26,799,026</u>
Noncurrent assets:			
Sewer assessment receivable		3,790,638	3,790,638
Net pension asset	5,321,368		5,321,368
Capital assets not being depreciated	7,045,841	359,710	7,405,551
Capital assets, net of accumulated depreciation	76,671,711	35,650,909	112,322,620
Total noncurrent assets	<u>89,038,920</u>	<u>39,801,257</u>	<u>128,840,177</u>
Total assets	<u>114,800,832</u>	<u>40,838,371</u>	<u>155,639,203</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding		170,371	170,371
Deferred outflows of resources related to pensions	13,479,061		13,479,061
Deferred outflows of resources related to OPEB	5,421,387		5,421,387
Total deferred outflows of resources	<u>18,900,448</u>	<u>170,371</u>	<u>19,070,819</u>
LIABILITIES			
Current liabilities:			
Accounts payable	2,360,781	207,695	2,568,476
Accrued liabilities	3,388,670	85,017	3,473,687
Unearned revenue	137	13,173	13,310
Total current liabilities	<u>5,749,588</u>	<u>305,885</u>	<u>6,055,473</u>
Noncurrent liabilities:			
Due within one year	4,523,088	1,988,358	6,511,446
Due in more than one year	127,240,961	13,126,499	140,367,460
Total noncurrent liabilities	<u>131,764,049</u>	<u>15,114,857</u>	<u>146,878,906</u>
Total liabilities	<u>137,513,637</u>	<u>15,420,742</u>	<u>152,934,379</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	107,819		107,819
Deferred inflows of resources related to pensions	6,639,032		6,639,032
Deferred inflows of resources related to OPEB	7,335,331		7,335,331
Total deferred inflows of resources	<u>14,082,182</u>	<u>-</u>	<u>14,082,182</u>
NET POSITION			
Net investment in capital assets	40,247,735	21,267,199	61,514,934
Restricted for:			
Pensions	5,321,368		5,321,368
Education	276,728		276,728
Debt service		3,955,511	3,955,511
Trust purposes:			
Nonexpendable	350,020		350,020
Unrestricted	(64,090,390)	365,290	(63,725,100)
Total Net Position	<u>\$ (17,894,539)</u>	<u>\$ 25,588,000</u>	<u>\$ 7,693,461</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Function/Program Activities	Program Revenues				Net Revenue (Expense) and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 4,771,640	\$ 1,833,547	\$ 2,472,766	\$ 406,375	\$ (58,952)		\$ (58,952)
Public safety	14,399,244	1,273,440	2,296,947		(10,828,857)		(10,828,857)
Public works	4,336,085	210,383			(4,125,702)		(4,125,702)
Cultural and recreation	1,154,583	339,121	5,325		(810,137)		(810,137)
Health and welfare		8,956	900		9,856		9,856
Education	47,563,659	102,150	7,875,020	24,837	(39,561,652)		(39,561,652)
Interest and fiscal charges	1,466,160				(1,466,160)		(1,466,160)
Total governmental activities	<u>73,691,371</u>	<u>3,767,597</u>	<u>12,650,958</u>	<u>431,212</u>	<u>(56,841,604)</u>	<u>-</u>	<u>(56,841,604)</u>
Business-type activities:							
Sewer	3,889,339	4,315,537	21,585			447,783	447,783
School lunch	572,174	2,211	611,237			41,274	41,274
Total business-type activities	<u>4,461,513</u>	<u>4,317,748</u>	<u>632,822</u>	<u>-</u>	<u>-</u>	<u>489,057</u>	<u>489,057</u>
Total Primary Government	<u>\$ 78,152,884</u>	<u>\$ 8,085,345</u>	<u>\$ 13,283,780</u>	<u>\$ 431,212</u>	<u>(56,841,604)</u>	<u>489,057</u>	<u>(56,352,547)</u>
General revenues:							
Property taxes					58,424,152		58,424,152
Unrestricted investment earnings					77,307		77,307
Grants and contributions not restricted to a specific program					1,006,437		1,006,437
Miscellaneous					370,032		370,032
Total general revenues and transfers					<u>59,877,928</u>	<u>-</u>	<u>59,877,928</u>
Change in Net Position					3,036,324	489,057	3,525,381
Net Position at Beginning of Year, as Restated					<u>(20,930,863)</u>	<u>25,098,943</u>	<u>4,168,080</u>
Net Position at End of Year					<u>\$ (17,894,539)</u>	<u>\$ 25,588,000</u>	<u>\$ 7,693,461</u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and cash equivalents	\$ 17,219,721	\$ 731,280	\$ 17,951,001
Cash with fiscal agent	-	214,593	214,593
Receivables, net	3,583,398	327,074	3,910,472
Due from other funds	2,372,737	5,920,638	8,293,375
Prepaid items	<u>2,325,738</u>		<u>2,325,738</u>
Total Assets	<u>\$ 25,501,594</u>	<u>\$ 7,193,585</u>	<u>\$ 32,695,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 1,416,536	\$ 944,245	\$ 2,360,781
Accrued liabilities	3,101,585	97,574	3,199,159
Due to other funds	5,962,880	970,387	6,933,267
Unearned revenue		137	137
Total liabilities	<u>10,481,001</u>	<u>2,012,343</u>	<u>12,493,344</u>
Deferred inflows of resources:			
Unavailable revenue - property taxes	1,473,152		1,473,152
Unavailable revenue - other receivables	412,289		412,289
Total deferred inflows of resources	<u>1,885,441</u>	<u>-</u>	<u>1,885,441</u>
Fund balances:			
Nonspendable	2,325,738	350,020	2,675,758
Restricted		276,728	276,728
Committed	1,614,571	4,954,736	6,569,307
Assigned	71,177		71,177
Unassigned	9,123,666	(400,242)	8,723,424
Total fund balances	<u>13,135,152</u>	<u>5,181,242</u>	<u>18,316,394</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 25,501,594</u>	<u>\$ 7,193,585</u>	<u>\$ 32,695,179</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 18,316,394
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 156,091,762	
Less accumulated depreciation	<u>(72,374,210)</u>	
Net capital assets		83,717,552

Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property tax receivables greater than 60 days	1,473,152
Other receivables not received within 60 days	412,289
Net pension asset	5,321,368
Deferred outflows of resources related to pensions	13,479,061
Deferred outflows of resources related to OPEB	5,421,387

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(43,367,669)
Deferred amount in refunding	(107,819)
Deferred inflows of resources related to pensions	(6,639,032)
Deferred inflows of resources related to OPEB	(7,335,331)
Unamortized bond issue premium	(173,547)
Interest payable on bonds	(189,511)
Compensated absences	(1,781,570)
Net pension liability	(50,344,555)
Net OPEB liability	(27,659,729)
Total OPEB liability	(7,566,801)
Claims and judgments	<u>(870,178)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ (17,894,539)</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes, interest and lien fees	\$ 58,318,528	\$	\$ 58,318,528
Intergovernmental revenues	8,529,328	5,154,084	13,683,412
Fines, penalties and charges for services	2,019,187	570,974	2,590,161
Licenses and permits	1,018,860		1,018,860
Investment income	76,921	386	77,307
Other revenues	209,431	161,511	370,942
Total revenues	<u>70,172,255</u>	<u>5,886,955</u>	<u>76,059,210</u>
Expenditures:			
Current:			
General government	4,295,101	90,613	4,385,714
Public safety	12,875,746	187,776	13,063,522
Public works	3,573,080	18,924	3,592,004
Cultural and recreation	1,015,386	88,183	1,103,569
Education	42,969,840	1,472,717	44,442,557
Debt service:			
Principal retirement		3,373,833	3,373,833
Interest and other charges		1,509,917	1,509,917
Capital outlay	18,150	3,937,507	3,955,657
Total expenditures	<u>64,747,303</u>	<u>10,679,470</u>	<u>75,426,773</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,424,952</u>	<u>(4,792,515)</u>	<u>632,437</u>
Other Financing Sources (Uses):			
Issuance of general obligation bonds		3,485,000	3,485,000
Issuance of direct placement debt		620,359	620,359
Issuance of refunding bonds		29,655,000	29,655,000
Payment to refunded bond escrow agent	-	(29,369,339)	(29,369,339)
Transfers in from other funds		3,486,927	3,486,927
Transfers out to other funds	(3,486,927)		(3,486,927)
Total other financing sources (uses)	<u>(3,486,927)</u>	<u>7,877,947</u>	<u>4,391,020</u>
Net Change in Fund Balances	1,938,025	3,085,432	5,023,457
Fund Balances at Beginning of Year, as Restated	<u>11,197,127</u>	<u>2,095,810</u>	<u>13,292,937</u>
Fund Balances at End of Year	<u>\$ 13,135,152</u>	<u>\$ 5,181,242</u>	<u>\$ 18,316,394</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2021

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 5,023,457
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	3,124,371
Depreciation expense	(3,061,808)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property taxes collected after 60 days	105,624
Other receivables collected after 60 days	158,576
Change in net pension asset	295,192
Change in deferred outflows of resources related to pensions	519,528
Change in deferred outflows of resources related to OPEB	1,591,654

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Issuance of direct placement debt	(30,275,359)
Payment to bond escrow agent	29,369,339
Bond issuance	(3,485,000)
Principal payments	1,224,494
Deferral amount in refunding	(113,895)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in deferred inflows of resources related to pensions	(1,310,206)
Change in deferred inflows of resources related to OPEB	(7,193)
Amortization of bond premiums	2,337,391
Accrued interest	(36,476)
Amortization of deferred amount of refunding	6,076
Change in long-term compensated absences	(41,198)
Change in net pension liability	(266,633)
Change in net OPEB liability	(1,344,531)
Change in total OPEB liability	(468,174)
Change in claims and judgments	(308,905)

Change in Net Position of Governmental Activities (Exhibit II)	\$ <u>3,036,324</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds		
	Major	Nonmajor	
	Sewer	School Lunch	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$	\$ 59,158	59,158
Cash with fiscal agent	160,245		160,245
Accounts and other receivables, net	2,080,482	92,251	2,172,733
Due from other funds		42,242	42,242
Inventories		5,086	5,086
Total current assets	<u>2,240,727</u>	<u>198,737</u>	<u>2,439,464</u>
Noncurrent assets:			
Long-term sewer assessment receivables	3,790,638		3,790,638
Capital assets not being depreciated	359,710		359,710
Capital assets, net of accumulated depreciation	35,650,909		35,650,909
Total noncurrent assets	<u>39,801,257</u>	<u>-</u>	<u>39,801,257</u>
Total assets	<u>42,041,984</u>	<u>198,737</u>	<u>42,240,721</u>
Deferred outflows of resources:			
Deferred charge on refunding	170,371	-	170,371
Liabilities:			
Current liabilities:			
Accounts payable	134,924	72,771	207,695
Accrued liabilities	85,017		85,017
Due to other funds	1,402,350		1,402,350
Unearned revenue		13,173	13,173
Current portion of compensated absences	13,471		13,471
Current portion of long term debt	1,974,887		1,974,887
Total current liabilities	<u>3,610,649</u>	<u>85,944</u>	<u>3,696,593</u>
Noncurrent liabilities:			
Compensated absences	27,350		27,350
Long term debt after one year	13,099,149		13,099,149
Total noncurrent liabilities	<u>13,126,499</u>	<u>-</u>	<u>13,126,499</u>
Total liabilities	<u>16,737,148</u>	<u>85,944</u>	<u>16,823,092</u>
Net Position:			
Net investment in capital assets	21,267,199		21,267,199
Restricted for:			
Debt service	3,955,511		3,955,511
Unrestricted	252,497	112,793	365,290
Total Net Position	<u>\$ 25,475,207</u>	<u>\$ 112,793</u>	<u>25,588,000</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Major	Nonmajor	
	Sewer	School Lunch	Total
Operating Revenues:			
Charges for services	\$ 3,499,388	\$ 2,211	\$ 3,501,599
Sewer assessments and interest income	816,149		816,149
Total operating revenues	<u>4,315,537</u>	<u>2,211</u>	<u>4,317,748</u>
Operating Expenses:			
Salaries and benefits	686,385		686,385
Materials and supplies	140,195		140,195
Contract services	599,794		599,794
Repairs and maintenance	264,891		264,891
Utilities	193,585		193,585
Administrative expenses	95,459		95,459
Depreciation and amortization	1,608,168		1,608,168
School lunch operations		572,174	572,174
Total operating expenses	<u>3,588,477</u>	<u>572,174</u>	<u>4,160,651</u>
Operating Income (Loss)	<u>727,060</u>	<u>(569,963)</u>	<u>157,097</u>
Nonoperating Revenues (Expenses):			
Intergovernmental	21,585	611,237	632,822
Interest expense	(300,862)		(300,862)
Total nonoperating revenues (expenses)	<u>(279,277)</u>	<u>611,237</u>	<u>331,960</u>
Change in Net Position	447,783	41,274	489,057
Net Position at Beginning of Year, as Restated	<u>25,027,424</u>	<u>71,519</u>	<u>25,098,943</u>
Net Position at End of Year	<u>\$ 25,475,207</u>	<u>\$ 112,793</u>	<u>\$ 25,588,000</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds		
	Major Fund	Nonmajor	
	Sewer	School Lunch	Total
Cash Flows from Operating Activities:			
Receipts from customers and users	\$ 4,867,160	\$ (91,374)	\$ 4,775,786
Payments to suppliers for goods and services	(1,565,487)	(517,793)	(1,199,321)
Cash paid to employees	(681,528)		(1,565,487)
Net cash provided by (used in) operating activities	<u>2,620,145</u>	<u>(609,167)</u>	<u>2,010,978</u>
Cash Flows from Noncapital Financing Activities:			
Grants	21,585	611,237	632,822
Net cash provided (used in) by noncapital financing activities	<u>21,585</u>	<u>611,237</u>	<u>632,822</u>
Cash Flows from Capital and Related Financing Activities:			
Acquisition and construction of capital assets	(476,306)		(476,306)
Principal paid on bonds and notes payable	(1,944,915)		(1,944,915)
Interest paid on bonds	(413,265)		(413,265)
Net cash provided by (used in) capital and related financing activities	<u>(2,834,486)</u>	<u>-</u>	<u>(2,834,486)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(192,756)	2,070	(190,686)
Cash and Cash Equivalents at Beginning of Year	353,001	57,088	410,089
Cash and Cash Equivalents at End of Year	\$ <u>160,245</u>	\$ <u>59,158</u>	\$ <u>219,403</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:			
Operating income (loss)	\$ 727,060	\$ (569,963)	\$ 157,097
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	1,608,168		1,608,168
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	95,053	(92,251)	2,802
(Increase) decrease in due from other funds		(3,531)	(3,531)
(Increase) decrease in sewer assessment receivables	456,570		456,570
Increase (decrease) in accounts payable and accrued liabilities	77,977	57,912	135,889
Increase (decrease) in due to other funds	(352,015)		(352,015)
Increase (decrease) in unearned revenue		(1,334)	(1,334)
Increase (decrease) in compensated absences	7,332		7,332
Total adjustments	<u>1,893,085</u>	<u>(39,204)</u>	<u>1,853,881</u>
Net Cash Provided by (Used in) Operating Activities	\$ <u>2,620,145</u>	\$ <u>(609,167)</u>	\$ <u>2,010,978</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF NET POSITION - FIDUCIARY FUNDS
JUNE 30, 2021**

	OPEB Trust Fund
Assets:	
Investments:	
Mutual funds	\$ <u>4,186,000</u>
Total assets	<u>4,186,000</u>
Net Position:	
Restricted for OPEB benefits	\$ <u><u>4,186,000</u></u>

The accompanying notes are an integral part of the financial statements

**TOWN OF EAST GREENWICH, RHODE ISLAND
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	OPEB Trust Fund
Additions:	
Employer contributions	\$ 808,889
Net change in fair value of investments	907,505
Total additions	<u>1,716,394</u>
Deductions:	
Benefit payments	<u>808,889</u>
Change in Net Position	907,505
Net Position at Beginning of Year	<u>3,278,495</u>
Net Position at End of Year	<u>\$ 4,186,000</u>

The accompanying notes are an integral part of the financial statements

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Town of East Greenwich, Rhode Island (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town of East Greenwich is a municipal corporation governed by a Town Council/Town Manager form of government with an elected five member Town Council.

The Town of East Greenwich was incorporated in 1677. The Town operates under a Home Rule Charter, adopted in 1972. All legislative powers of the Town, except such powers as are reserved by the state law or vested in the financial Town Meeting by the Charter and by-laws enacted by the Town Council, are vested in the Town Council by the Charter, including the ordering of any tax, making appropriations and transacting of any other business pertaining to the financial affairs of the Town.

Accounting principles generally accepted in the United State of America require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and 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 or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the fiduciary component unit as detailed below.

Fiduciary Component Unit

The Town has established a postretirement health care benefits (OPEB) plan to provide retirement benefits and postretirement health care benefits primary to certain employees groups of the Town and their beneficiaries. The Town performs the duties of a governing board for the OPEB plan and is required to make contributions to the OPEB plan.

The financial statements of the fiduciary component units are reported as OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *Sewer Fund* is a proprietary (enterprise) fund is used to account for sewer use fees and the expenses associated with providing sewer services to town residents.

Additionally, the Town reports the following fund types:

The *OPEB Trust Fund* is used to account for funding of future other postemployment benefits such as health, dental and life insurance for the Town's retirees.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Functional expenses in the statement of activities include certain indirect expenses, such as employee benefits, pension and insurance. These expenses are allocated to governmental activity functions based on total salary expenses for each function.

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the government are reported at fair value (generally based on quoted market prices).

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Property Taxes Receivable

The Town is permitted by state law to levy property taxes. Taxes are recognized as revenue when they are collected. Taxes are levied each July on (a) 100% of the full and fair value of real and tangible personal property owned within the Town on the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered, reduced by the amount exempt under the Motor Vehicle Phase-Out Program.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Taxes levied during July are payable in quarterly installments on September 1, December 1, March 1 and June 1, or on September 1, if paid in one payment. Unpaid property taxes at June 30, 2021 include delinquent installments of the current and prior years. The Town does not record interest earned on delinquent taxes until payment is received.

The allowance for uncollectible accounts is based on that portion of current and delinquent taxes receivable, which is estimated to be doubtful of collection. This provision does not constitute an abandonment of claim or the cessation of collection effort.

The municipality holds an annual tax sale in May or June. This tax sale includes all property with a delinquent balance as of the December 1 quarterly installment for the current year. Subsequent to the tax sale, recorder's deeds are placed on sold properties.

F. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$10,000 and with a useful life of greater than five (5) years.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs that are essentially amounts spent in relation to capital assets and that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	15
Buildings	30-50
Building Improvements	10-40
Machinery and equipment	5-30
Vehicles	5-10
Infrastructure	20-50

H. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position and a deferred charge on refunding on the enterprise funds. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs and net difference between projected and actual earning on pension/OPEB investments. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), or in the case of the difference in projected and actual earnings on pension and OPEB plan investments, over a systematic and rational method over a closed five-year period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports deferred inflow of resources related to pensions and OPEB in the government-wide statement of net position. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

I. Compensated Absences

Unused vacation leave is paid upon an employee's termination. Sick leave not taken is paid only to police department employees up to 300 days of total accumulated sick leave at 50%, upon retirement. School department employees are paid compensated absences based on various employee agreements. Compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and a fund liability of the governmental fund that will pay it. In governmental funds compensated absence expenditures are only reported when matured. Amounts not expected to be liquidated with expendable available resources are reported as long-term debt in the government-wide financial statements. Long-term debt and other obligations financed by the proprietary funds are reported as liabilities in the appropriate funds. For proprietary fund types, accrued compensated absences are recorded as a liability within those funds using the full accrual basis.

J. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Bond issuance costs whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

K. Pensions

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

L. Postemployment Benefits Other than Pension (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of East Greenwich, Rhode Island, OPEB Trust Fund and additions to/deductions from OPEB Trust Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Trust Fund. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. Equity

Equity in the government-wide financial statements, proprietary funds and fiduciary fund financial statements, is defined as "net position" and is classified in the following categories:

Net Investment in Capital Assets

This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted

Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Unrestricted

This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance

This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance

This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance

This represents amounts constrained for a specific purpose imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Town Council is the highest level of decision-making authority and utilizes Town Ordinances as a formal procedure to commit fund balance.

Assigned Fund Balance

This represents amounts constrained for the intent to be used for a specific purpose by the Finance Director which has been delegated authority by the Town Council.

Unassigned Fund Balance

This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Fund Balance Policies

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

N. Accounting 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

O. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through February 22, 2022, the date the financial statements were available to be issued.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the East Greenwich Home Rule Charter, the Town has formally established budgetary accounting control for its General Fund. The General Fund is subject to an annual operating budget that is prepared by the administration of the Town Manager and submitted to the Town Council for approval. The annual operating budgets' appropriated amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The General Fund annual operating budget is prepared on the budgetary basis of accounting which is not in conformity with GAAP. The budget to actual presentation in required supplementary information is reflected on the budgetary basis.

Appropriations in addition to those contained in the annual operating budgets, except for the purpose of meeting a public emergency, are made upon the recommendation of the Town Manager with the Director of Finance's certification as to General Fund surplus to meet such appropriations and with Town Council's approval. Amendments to the operating budgets that do not result in additional appropriations may be made within departments by means of a transfer.

The budget of the School Unrestricted Fund is prepared annually and submitted to the School Committee for approval. The amount of the annual transfer from the Town's General Fund to the School Unrestricted Fund is ultimately determined through the adoption of the General Fund budget.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2021, expenditures exceeded appropriations for the following functions:

<u>Function</u>	<u>Expenditures in Excess of Appropriations</u>
General government	\$ 58,444
Public safety	149,527
Public works	9,999
Transfers to Other Funds	695,000

Excess expenditures over appropriations occurred primarily as a result of COVID-19 and the additional costs borne by the Town as a result of the pandemic, with exception of the general government where additional staffing was needed for the information technology department.

**TOWN OF EAST GREENWICH, RHODE ISLAND
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 JUNE 30, 2021**

C. Deficit Fund Equity and Accumulated Deficits

The following funds had fund deficits as of June 30, 2021:

<u>Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Fund Deficit</u>
EDC Fund	Special Revenue Fund	\$ 171
Education fund	Special Revenue Fund	3,391
52M Capital Fund	Capital Project Fund	396,680

The fund deficit for the EDC Fund is expected to be funded through additional support from the General Fund if needed. The fund deficit for the Education Fund is expected to be funded through external contributions. The funding of the deficit for the 52M Capital Fund is currently being deliberated by management of the Town with a resolution.

3. CASH AND INVESTMENTS

Pursuant to Section 35-10.1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 which is guaranteed by FDIC.

Rhode Island public law requires 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in a trust department or in custodial accounts at a Federal Reserve Bank or federal home loan bank.

State statutes and the Town investment policy as approved by Town Council authorize the Town to invest in financial institutions whose principal office is located in the state of Rhode Island or which has a deposit taking facility within the state. Investments are also permitted in any mutual, money market fund comprised of government-backed instruments or repurchase agreements.

A. Deposits

Substantially all of the Town’s cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10.1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 which is guaranteed by FDIC.

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the government’s deposits may not be returned. Deposits are limited by State Law and Town Policy and additionally may have more than fifty percent of the Town’s average monthly expenses invested in the same institution. The Town’s policy is also to require full collateralization of all Town investments and funds on deposit not otherwise insured. As such, the entire bank balance of the Town as of June 30, 2021 of \$18,999,276 was insured or collateralized.

B. Investments

As of June 30, 2021, the Town’s investments of \$4,186,000 are comprised entirely of mutual funds. The mutual funds were unrated.

TOWN OF EAST GREENWICH, RHODE ISLAND
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Interest Rate Risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates . The Town does not have an interest rate policy. The Town does not have any investments that are subject to interest rate risk for the fiscal year ended June 30, 2021. If applicable, information about the exposure of the Town’s debt type investments to this risk is reported using the segment time distribution model.

Credit Risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk exposure. Deposits are limited by State Law and Town Policy and the Town’s policy is also to require full collateralization of all Town investments and funds on deposit not otherwise insured. The Town did not have any debt type investments that were exposed to credit risk as of June 30, 2021.

Custodial Credit Risk

For an investment, this is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Deposits are limited by State Law and Town Policy and the Town’s policy is also to require full collateralization of all Town investments and funds on deposit not otherwise insured. At June 30, 2021, the Town did not have any uninsured and unregistered securities held by the counterparty, or by its trust department or agent that were not in the Town’s name.

Fair Value Disclosure

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2021:

	June 30, 2021	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by fair value level:				
Mutual Funds	\$ 4,186,000	\$ 4,186,000	\$ -	\$ -

Mutual funds classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

4. RECEIVABLES

Receivable as of year-end for the Town's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Sewer</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Receivables:				
Accounts	\$ 967,758	\$ 1,965,609	\$	\$ 2,933,367
Property taxes	2,432,094			2,432,094
Intergovernmental	1,763		327,074	328,837
Special assessments		3,955,511		3,955,511
Other	244,982		92,251	337,233
Gross receivables	<u>3,646,597</u>	<u>5,921,120</u>	<u>419,325</u>	<u>9,987,042</u>
Less allowance for uncollectibles	<u>(63,199)</u>	<u>(50,000)</u>		<u>(113,199)</u>
Net Total Receivables	<u>\$ 3,583,398</u>	<u>\$ 5,871,120</u>	<u>\$ 419,325</u>	<u>\$ 9,873,843</u>

5. INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS

A. Interfund Receivables and Payables

The composition of interfund balances as of June 30, 2021 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Sewer Fund	\$ 1,402,350
	Nonmajor Governmental Funds	970,387
Nonmajor Governmental Funds	General Fund	5,920,638
School Lunch Fund	General Fund	<u>42,242</u>
Total		<u>\$ 8,335,617</u>

The outstanding balances between funds result mainly from advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
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B. Interfund Transfers

The composition of interfund transfers for the year ended June 30, 2021 is as follows:

	<u>Transfers In</u> <u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>
Transfers out:	
General	\$ 3,486,927

During the year, transfers are used to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund.

6. CAPITAL ASSETS

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

	<u>Beginning</u> <u>Balance *</u>	<u>Adjustments/</u> <u>Increases</u>	<u>Adjustments/</u> <u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 6,843,533	\$	\$	\$ 6,843,533
Construction in progress	841,654	92,798	732,144	202,308
Total capital assets not being depreciated	<u>7,685,187</u>	<u>92,798</u>	<u>732,144</u>	<u>7,045,841</u>
Capital assets being depreciated:				
Infrastructure	36,472,762	1,183,096		37,655,858
Buildings and improvements	87,010,767			87,010,767
Land improvements	9,884,944	229,750		10,114,694
Office furniture and equipment	599,291	151,851	34,344	716,798
Motor vehicles	7,111,379	1,650,537		8,761,916
Machinery and equipment	4,388,170	548,483	150,765	4,785,888
Total capital assets being depreciated	<u>145,467,313</u>	<u>3,763,717</u>	<u>185,109</u>	<u>149,045,921</u>
Less accumulated depreciation for:				
Infrastructure	36,472,762	24,676		36,497,438
Buildings and improvements	21,640,399	1,900,745		23,541,144
Land improvements	2,996,270	370,070		3,366,340
Office furniture and equipment	490,969	50,853	34,344	507,478
Motor vehicles	4,727,214	466,901		5,194,115
Machinery and equipment	3,169,897	248,563	150,765	3,267,695
Total accumulated depreciation	<u>69,497,511</u>	<u>3,061,808</u>	<u>185,109</u>	<u>72,374,210</u>
Total capital assets being depreciated, net	<u>75,969,802</u>	<u>701,909</u>	<u>-</u>	<u>76,671,711</u>
Governmental Activities Capital Assets, Net	<u>\$ 83,654,989</u>	<u>\$ 794,707</u>	<u>\$ 732,144</u>	<u>\$ 83,717,552</u>

* Beginning balance includes capital assets of the East Greenwich Land Trust Fund that was reclassified from a component unit to a special revenue fund. (See note 13 for additional information).

TOWN OF EAST GREENWICH, RHODE ISLAND
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Depreciation expense was charged to the functions of the governmental activities of the primary government as follows:

Governmental activities:	
General government	\$ 100,320
Public safety	563,842
Public works	720,561
Cultural and recreation	91,947
Education	<u>1,585,138</u>
 Total	 <u>\$ 3,061,808</u>

Capital assets activity for the year ended June 30, 2021 for business-type activity was as follows:

	<u>Beginning Balance</u>	<u>Adjustments/ Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 15,372	\$	\$	\$ 15,372
Construction in progress	<u>1,979,526</u>	<u>344,338</u>	<u>1,979,526</u>	<u>344,338</u>
Total capital assets not being depreciated	<u>1,994,898</u>	<u>344,338</u>	<u>1,979,526</u>	<u>359,710</u>
Capital assets being depreciated:				
Building	20,826,147			20,826,147
Building improvements	1,176,208	2,056,225		3,232,433
Equipment and fixtures	3,718,210	55,269		3,773,479
Motor vehicles	544,067			544,067
Infrastructure	<u>32,376,713</u>			<u>32,376,713</u>
Total capital assets being depreciated	<u>58,641,345</u>	<u>2,111,494</u>	<u>-</u>	<u>60,752,839</u>
Less accumulated depreciation for:				
Building	11,754,285	449,762		12,204,047
Building improvements	109,393	132,947		242,340
Equipment and fixtures	822,554	174,813		997,367
Motor vehicles	212,318	41,616		253,934
Infrastructure	<u>10,595,212</u>	<u>809,030</u>		<u>11,404,242</u>
Total accumulated depreciation	<u>23,493,762</u>	<u>1,608,168</u>	<u>-</u>	<u>25,101,930</u>
Total capital assets being depreciated, net	<u>35,147,583</u>	<u>503,326</u>	<u>-</u>	<u>35,650,909</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,142,481</u>	<u>\$ 847,664</u>	<u>\$ 1,979,526</u>	<u>\$ 36,010,619</u>

Depreciation was charged to the following business-type activities of the primary government as follows:

Business-type activities:	
Sewer	<u>\$ 1,608,168</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
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JUNE 30, 2021**

7. LONG-TERM LIABILITIES

A. General Obligation Bonds

The government issues general obligation bonds (both privately and publicly placed) to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 10 to 30 years.

General obligation bonds outstanding at June 30, 2021 are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2021
Governmental activities:					
General obligation bonds:					
General obligation bond 2020	07/03/20	07/30/27	1.12%	\$ 3,485,000	\$ 3,485,000
Directly placed debt:					
Health and Education Building Corp	02/02/12	06/30/37	2.5% - 5.0%	35,640,000	1,225,000
Health and Education Building Corp	11/15/10	05/15/29	0.897%	10,635,000	4,726,669
Improvements to Briggs-Boesch - Private	07/10/14	07/01/25	2.09%	350,000	135,000
RI Infrastructure Water Road & Bridge	05/25/15	09/01/24	.023% - 1.73%	2,000,000	925,000
Road & Bridge Revolving Loan	05/30/17	09/01/36	1.76%	5,000,000	4,326,000
Health and Education Building Corp	10/22/20	05/15/37	1.99%	29,655,000	28,545,000
Total directly placed debt				<u>83,280,000</u>	<u>39,882,669</u>
Total governmental activities				<u>86,765,000</u>	<u>43,367,669</u>
Business Type Activities:					
General obligation bonds:					
Refunding Bond	09/08/16	10/01/28	2.75% - 4.0%	5,055,000	2,310,000
Directly placed debt:					
RI Infrastructure Bank	10/30/02	09/01/22	3.90%	11,100,000	1,425,164
RI Infrastructure Bank	12/21/06	09/01/27	1.27%	7,600,000	2,964,000
RI Infrastructure Bank	09/14/09	09/01/29	0.41% - 2.68%	2,900,000	1,484,000
RI Infrastructure Bank	06/02/16	09/01/35	0.31% - 2.24%	6,000,000	4,892,000
RI Infrastructure Bank	06/10/10	09/01/31	0.61% - 3.25%	3,000,000	1,853,000
Total directly placed debt				<u>30,600,000</u>	<u>12,618,164</u>
Total business-type activities				<u>35,655,000</u>	<u>14,928,164</u>
Total Outstanding				<u>\$ 122,420,000</u>	<u>\$ 58,295,833</u>

B. Legal Debt Margin

The Town's legal debt margin as set forth by State Statute is limited to three percent of total assessed value. In addition to the bonding authority granted under §45-12-2 of the Rhode Island General Laws, the Town of East Greenwich, Rhode Island, can authorize bond issues pursuant to a special act of the Rhode Island General Assembly. Bond issues authorized by a special act of the General Assembly are normally not subject to any legal debt limit but are subject to financial constraints such as the Town's ability and willingness to service the bonded debt.

TOWN OF EAST GREENWICH, RHODE ISLAND
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Of the Town's \$54,810,833 total bonds payable (including bonds payable for the sewer enterprise fund), approximately \$14,597,624 is subject to its legal debt limits. The \$54,810,833 outstanding does not exceed the Town's legal debt limit of \$73,425,366, which is 3% of the assessed value (\$2,447,512,204) of taxable property of the Town as of December 31, 2019. The total long-term debt bond obligations of the Town of \$54,810,833 represent approximately 2.12% of the assessed value of the taxable property of the Town at June 30, 2021 (assessment date December 31, 2019).

C. Authorized But Unissued Bond Authority

The Town has the following remaining authorized but unissued bond authority as of June 30, 2021:

<u>Purpose</u>	<u>Authority Amount</u>	<u>Issued</u>	<u>Authorized and Unissued</u>
School improvements	\$ 57,276,000	\$ 47,060,000	\$ 10,216,000
Public buildings	4,000,000	3,240,000	760,000
Sewer treatment system	4,500,000		4,500,000
Total	<u>\$ 65,776,000</u>	<u>\$ 50,300,000</u>	<u>\$ 15,476,000</u>

D. Changes in Long-Term Liabilities

Changes in the Town's long-term liabilities for the year ended June 30, 2021 are as follows:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Bonds payable:					
Direct placement debt	\$ 40,201,143	\$ 30,275,359	\$ 30,593,833	\$ 39,882,669	\$ 3,111,833
General obligation bonds	-	3,485,000		3,485,000	485,000
Issuance premium on debt	2,510,938		2,337,391	173,547	
Total bonds payable	<u>42,712,081</u>	<u>33,760,359</u>	<u>32,931,224</u>	<u>43,541,216</u>	<u>3,596,833</u>
Compensated absences	1,740,372	41,198	-	1,781,570	463,560
Net pension liability	50,077,922	266,633	-	50,344,555	
Net OPEB liability	26,315,198	1,344,531		27,659,729	
Total OPEB liability	7,098,627	468,174		7,566,801	136,428
Claims and judgments	561,273	310,000	1,095	870,178	326,267
Total Governmental Activities Long-Term Liabilities	<u>\$ 128,505,473</u>	<u>\$ 36,190,895</u>	<u>\$ 32,932,319</u>	<u>\$ 131,764,049</u>	<u>\$ 4,523,088</u>
Business-Type Activities:					
Bonds payable:					
General obligation bonds	\$ 2,610,000		\$ 300,000	\$ 2,310,000	\$ 295,000
Issuance premium on bonds	249,869		103,997	145,872	
Total bonds payable	<u>2,859,869</u>	<u>-</u>	<u>403,997</u>	<u>2,455,872</u>	<u>295,000</u>
Direct placement debt	14,263,079		1,644,915	12,618,164	1,679,887
Compensated absences	33,489	7,332		40,821	13,471
Total Business-Type Activities Long-Term Liabilities	<u>\$ 17,156,437</u>	<u>\$ 7,332</u>	<u>\$ 2,048,912</u>	<u>\$ 15,114,857</u>	<u>\$ 1,988,358</u>

*As restated

TOWN OF EAST GREENWICH, RHODE ISLAND
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For the governmental activities, compensated absences, net pension liability, net OPEB liability, total OPEB liability and claims and judgements are generally liquidated by the General Fund inclusive of the School Department.

The debt service requirements for the Town's publicly placed bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 485,000	36,316	\$ 295,000	\$ 109,354
2023	500,000	30,800	295,000	93,513
2024	500,000	25,200	295,000	76,113
2025	500,000	19,600	295,000	58,713
2026	500,000	14,000	290,000	42,863
2026-2029	<u>1,000,000</u>	<u>11,200</u>	<u>840,000</u>	<u>46,982</u>
Total	\$ <u>3,485,000</u>	<u>137,116</u>	\$ <u>2,310,000</u>	\$ <u>427,538</u>

The debt service requirements for the Town's direct placement bonds are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 3,111,833	\$ 1,336,188	\$ 1,679,887	\$ 268,198
2023	3,163,833	1,263,174	1,716,277	246,715
2024	3,172,833	1,241,252	1,016,000	224,150
2025	2,749,833	1,214,770	1,037,000	204,386
2026	2,501,833	1,192,128	1,060,000	187,479
2027-2031	11,776,504	3,819,977	4,094,000	633,723
2032-2036	11,036,000	1,078,039	2,015,000	186,426
2037-2041	<u>2,370,000</u>	<u>55,719</u>	-	-
Total	\$ <u>39,882,669</u>	\$ <u>11,201,247</u>	\$ <u>12,618,164</u>	\$ <u>1,951,077</u>

Directly Placed Debt

The Town has debt that is directly placed as separately identified above. These issuances are primarily through the Rhode Island Infrastructure Bank and the Rhode Island Health and Educational Building Corporation and with the exception of non-payment of scheduled debt service, do not contain any significant default related events, termination events with finance-related consequences or subjective acceleration clauses.

Directly Placed Refunding Bond

On October 22, 2020, the Town issued a directly placed refunding bonds, 2020 Series D for \$29,655,000. The 2020 Series D refunding bonds has an interest rate of 1.99%. The Series D bond proceeds were used to pay the principal and interest on the 2009 Series A General Obligation Bonds and 2012 Series A General Obligation Bonds. On November 30, 2020, the 2009 Series A bond was redeemed at 100% of the principal amount plus accrued interest. The remaining portion of the 2020 Series D bond will be applied to refund the 2012 Series A general obligation bond maturities in 2023 through 2037 which are redeemable on May 15, 2022. These proceeds of the 2020 Series A refunding bonds were deposited into a refunding escrow fund held by an escrow agent under a Refunding Escrow

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Agreement between the escrow agent and the Town. The escrow agent will use these funds to purchase obligations of the United States of America, the State of Rhode Island or its political subdivisions, or held in cash until the redemption date. The Town refunded the 2009 Series A and 2012 Series A bonds to reduce total debt service by \$4,551,540 over a seventeen-year period beginning in the fiscal year ended June 30, 2021. The refunding will result in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,891,873. At June 30, 2021, approximately \$25,520,000 of defeased debt was outstanding and related escrow balance was \$26,570,761.

8. FUND BALANCE

The components of fund balance for the governmental funds at June 30, 2021 are as follows:

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:			
Nonspendable for:			
Prepays	\$ 195,442	\$	\$ 195,442
Deposits held for health and dental benefits	2,130,296		2,130,296
Held in trust		350,020	350,020
Restricted for:			
Educational programs		276,728	276,728
Public works programs			-
Committed to:			
General government		253,957	253,957
Public safety		236,961	236,961
Public works		11,248	11,248
Cultural and recreation		2,609,937	2,609,937
Education	1,614,571	46,701	1,661,272
Capital improvements		1,584,384	1,584,384
Debt Service		211,548	211,548
Assigned for:			
General government	24,518		24,518
Public safety	24,733		24,733
Public works	7,359		7,359
Cultural and recreation	14,567		14,567
Unassigned	9,123,666	(400,242)	8,723,424
Total Fund Balances	<u>\$ 13,135,152</u>	<u>\$ 5,181,242</u>	<u>\$ 18,316,394</u>

Major encumbrances of \$71,77 are reported in the assigned fund balance of the General Fund and represent amounts expected to be honored upon performance by the vendor.

9. DEFINED BENEFIT PENSION PLANS

A. Municipal Employees' Retirement System of the State of Rhode Island - General, Police and Fire

General Information about the Pension Plan

Plan Description

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

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

Benefits Provided

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

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

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

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

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

General Employees

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

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

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

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

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

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

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% per year unless the member had 20 or more years of service as of June 30, 2012 in which case the benefit accrual is 2.0% per year for service after June 30, 2015. The benefit cannot exceed 75% of the member's FAC. Benefits are paid monthly.

Police and Fire Employees

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

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

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

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

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

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

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

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

Other Benefit Provisions

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

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

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

- A. The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.
- B. Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%.

TOWN OF EAST GREENWICH, RHODE ISLAND
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C. The COLA will be limited to the first \$25,000 of the member’s annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$25,000 for 2013, \$25,000 for 2014, \$25,168 for 2015, \$25,855 for 2016, and \$26,098 for 2017.

Employees Covered by Benefit Terms

The Town of East Greenwich has five separate reporting units within its MERS plan. The units are for Town Employees, Town Employees with COLA, Town Fire Non-Cert Employees, Police Employees, and Fire Employees.

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

	<u>Town Employees</u>	<u>Town Employees w/ COLA</u>	<u>Town Fire Non-Cert Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>
Retirees and Beneficiaries	44	60	1	31	34
Inactive, Nonretired Members	53	61		6	4
Active Members	14	159		32	35
Total	<u>111</u>	<u>280</u>	<u>1</u>	<u>69</u>	<u>73</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$1,977,348 in the year ended June 30, 2021 which was 15.12% of annual covered payroll.

**TOWN OF EAST GREENWICH, RHODE ISLAND
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Net Pension Liability (Asset)

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

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2020 measurement date (June 30, 2019 valuation rolled forward to June 30, 2020)	
Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25% ; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	A 2.1% COLA is assumed for all MERS units with the COLA provision.

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.

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Real Rate of Return
<i>GROWTH</i>		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Subtotal	<u>40.00%</u>	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Subtotal	<u>15.00%</u>	
<i>INCOME</i>		
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%
Subtotal	<u>12.00%</u>	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Subtotal	<u>10.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Subtotal	<u>15.00%</u>	
	<u><u>100.00%</u></u>	

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

Discount Rate

The discount rate used to measure the total pension liability of the plans was 7.0%. 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.

The following schedules present the changes in the Net Pension Liability (Asset) for the year:

	Municipal Employee's Retirement System - Town Employees		
	Total Pension Liability	Increase (Decrease)	
	Plan Fiduciary Net Position	Net Pension Asset	
Balances as of July 1, 2020	\$ 6,678,705	\$ 7,448,916	\$ (770,211)
Changes for the Year			
Service cost	133,210		133,210
Interest on the total pension liability	455,987		455,987
Difference between expected and actual experience	157,520		157,520
Changes in assumptions	(123,808)		(123,808)
Employer contributions		69,214	(69,214)
Employee contributions		45,891	(45,891)
Net investment income		275,745	(275,745)
Benefit payments, including employee refunds	(462,424)	(462,424)	-
Administrative expense		(7,597)	7,597
Other changes		183,300	(183,300)
Net changes	<u>160,485</u>	<u>104,129</u>	<u>56,356</u>
Balances as of June 30, 2021	<u>\$ 6,839,190</u>	<u>\$ 7,553,045</u>	<u>\$ (713,855)</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
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Municipal Employee's Retirement System - Town Employees with COLA

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2020	\$ 24,720,407	\$ 24,067,354	\$ 653,053
Changes for the Year			
Service cost	511,790		511,790
Interest on the total pension liability	1,708,024		1,708,024
Difference between expected and actual experience	(89,668)		(89,668)
Changes in assumptions	(228,516)		(228,516)
Employer contributions		266,097	(266,097)
Employee contributions		168,177	(168,177)
Net investment income		884,293	(884,293)
Benefit payments, including employee refunds	(1,151,922)	(1,151,922)	-
Administrative expense		(24,364)	24,364
Other changes		12,323	(12,323)
Net changes	<u>749,708</u>	<u>154,604</u>	<u>595,104</u>
Balances as of June 30, 2021	<u>\$ 25,470,115</u>	<u>\$ 24,221,958</u>	<u>\$ 1,248,157</u>

Municipal Employee's Retirement System - Town Fire Non-Cert Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2020	\$ 257,860	\$ 151,865	\$ 105,995
Changes for the Year			
Interest on the total pension liability	17,301		17,301
Difference between expected and actual experience	(3,398)		(3,398)
Changes in assumptions	(2,229)		(2,229)
Employer contributions		6,461	(6,461)
Employee contributions		462	(462)
Net investment income		5,200	(5,200)
Benefit payments, including employee refunds	(21,409)	(21,409)	-
Administrative expense		(143)	143
Net changes	<u>(9,735)</u>	<u>(9,429)</u>	<u>(306)</u>
Balances as of June 30, 2021	<u>\$ 248,125</u>	<u>\$ 142,436</u>	<u>\$ 105,689</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
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Municipal Employee's Retirement System - Police Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2020	\$ 23,954,863	\$ 16,445,110	\$ 7,509,753
Changes for the Year			
Service cost	486,024		486,024
Interest on the total pension liability	1,652,579		1,652,579
Difference between expected and actual experience	(757,949)		(757,949)
Changes in assumptions	(86,862)		(86,862)
Employer contributions		697,082	(697,082)
Employee contributions		229,905	(229,905)
Net investment income		612,929	(612,929)
Benefit payments, including employee refunds	(1,179,200)	(1,179,200)	-
Administrative expense		(16,888)	16,888
Other changes		-	-
Net changes	<u>114,592</u>	<u>343,828</u>	<u>(229,236)</u>
Balances as of June 30, 2021	\$ <u>24,069,455</u>	\$ <u>16,788,938</u>	\$ <u>7,280,517</u>

Municipal Employee's Retirement System - Fire Employees

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2020	\$ 23,292,493	\$ 14,884,661	\$ 8,407,832
Changes for the Year			
Service cost	550,730		550,730
Interest on the total pension liability	1,610,600		1,610,600
Difference between expected and actual experience	(503,525)		(503,525)
Changes in assumptions	62,617		62,617
Employer contributions		799,057	(799,057)
Employee contributions		263,803	(263,803)
Net investment income		562,414	(562,414)
Benefit payments, including employee refunds	(1,118,584)	(1,118,584)	-
Administrative expense		(15,496)	15,496
Other changes		29,392	(29,392)
Net changes	<u>601,838</u>	<u>520,586</u>	<u>81,252</u>
Balances as of June 30, 2021	\$ <u>23,894,331</u>	\$ <u>15,405,247</u>	\$ <u>8,489,084</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
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Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the employers calculated using the current discount rate, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Town Employees	\$ (90,560)	\$ (713,855)	\$ (1,465,977)
Town Employees with COLA	3,516,591	1,248,157	(1,489,644)
Town Fire Non-Cert Employees	128,707	105,689	77,908
Police Employees	9,432,497	7,280,517	4,683,309
Fire Employees	10,620,858	8,489,084	5,916,319

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2021, the employer recognized pension expense of \$2,668,405. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Town Employees	Town Employees w/ COLA	Town Fire Non-Cert Employees	Police Employees	Fire Employees	Total
Deferred outflows of resources:						
Difference between expected and actual experience	\$ 42,121	\$ 7,639	\$ 2,124	\$ -	\$ 502,861	\$ 554,745
Changes of assumptions	-	349,734	-	388,747	554,312	1,292,793
Net difference between projected and actual earnings on pension plan investments	136,694	429,238	3,986	286,683	249,636	1,106,237
Town contributions subsequent to measurement date	65,231	292,228	7,798	723,499	888,592	1,977,348
Total Deferred Outflows of Resources	\$ 244,046	\$ 1,078,839	\$ 13,908	\$ 1,398,929	\$ 2,195,401	\$ 4,931,123
Deferred inflows of resources:						
Difference between expected and actual experience	\$ -	\$ 668,284	\$ 1,572	\$ 911,796	\$ 600,042	\$ 2,181,694
Changes of assumptions	33,106	187,809	1,610	69,728	-	292,253
Total Deferred Inflows of Resources	\$ 33,106	\$ 856,093	\$ 3,182	\$ 981,524	\$ 600,042	\$ 2,473,947

Total of the Town contributions subsequent to measurement date of \$1,977,348 reported as deferred outflows of resources related to pensions above will be recognized as a reduction of the net pension liability in the subsequent period.

**TOWN OF EAST GREENWICH, RHODE ISLAND
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Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	<u>Town Employees</u>	<u>Town Employees w/ COLA</u>	<u>Town Fire Non-Cert Employees</u>	<u>Police Employees</u>	<u>Fire Employees</u>
2022	\$ (878)	\$ (128,416)	\$ (665)	\$ (95,935)	\$ 165,844
2023	43,098	75,703	1,830	3,340	262,180
2024	55,556	1,332	780	(128,924)	279,355
2025	47,933	16,683	983	(72,964)	47,818
2026	-	(34,784)	-	(11,611)	(48,430)
Thereafter	-	-	-	-	-
Total	\$ <u>145,709</u>	\$ <u>(69,482)</u>	\$ <u>2,928</u>	\$ <u>(306,094)</u>	\$ <u>706,767</u>

B. Employees' Retirement System of the State of Rhode Island - Teachers

Plan Description

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the town's school system must 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 report that includes financial statements and required supplementary information for the plans. The report may be obtained at <http://www.ersri.org>.

Eligibility and Plan Benefits

The 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.

TOWN OF EAST GREENWICH, RHODE ISLAND
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The plan also provides nonservice-connected disability benefits after five years of service and service-connected disability benefits with no minimum service requirement.

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, full-time teachers, principals, school nurses and certain other school officials were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the School 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 School; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the state and School, respectively. The School contributed \$2,841,329, \$2,829,429 and \$2,652,750 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2021, the School reported a liability of \$33,221,108 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the School as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the School were as follows:

School's proportionate share of the net pension liability	\$ 33,221,108
State's proportionate share of the net pension liability associated with the School	<u>24,684,097</u>
Total Net Pension Liability	<u>\$ 57,905,205</u>

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2020 the School's proportion was 1.04%.

TOWN OF EAST GREENWICH, RHODE ISLAND
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For the year ended June 30, 2021, the School recognized gross pension expense of \$6,001,193 and revenue of \$2,498,060 for support provided by the State. At June 30, 2021 the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Difference between expected and actual experience	\$ 324,814
Changes of assumption	1,483,043
Net difference between projected and actual earning on pension plan investments	1,108,902
Changes in proportionate share of employer contributions	1,791,966
Contributions subsequent to the measurement date	<u>2,841,329</u>
 Total Deferred Outflows of Resources	 \$ <u><u>7,550,054</u></u>
Deferred inflows of resources:	
Difference between expected and actual experience	\$ 647,429
Change of assumptions	774,162
Changes in proportionate share of employer contributions	<u>1,239,332</u>
 Total Deferred Inflows of Resources	 \$ <u><u>2,660,923</u></u>

The \$2,841,329 reported as deferred outflows of resources related to pensions resulting from the School 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:

<u>Year Ending June 30,</u>	
2022	\$ 294,817
2023	744,622
2024	699,018
2025	558,783
2026	(99,543)
Thereafter	<u>(149,895)</u>
 Total	 \$ <u><u>2,047,802</u></u>

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 RP-2014 mortality tables - for the improvement scale, update to the ultimate rates of the MP-2016 projection scale.

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

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Real Rate of Return
<i>GROWTH</i>		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Subtotal	40.00%	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Subtotal	15.00%	
<i>INCOME</i>		
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%
Subtotal	12.00%	
<i>STABILITY</i>		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Subtotal	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Subtotal	8.00%	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Subtotal	15.00%	
	100.00%	

**TOWN OF EAST GREENWICH, RHODE ISLAND
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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%. 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 net pension liability calculated using the current discount rate 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.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ 39,860,075	\$ 33,221,108	\$ 25,208,966

Pension Plan Fiduciary Net Position

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

C. Teachers’ Survivor Benefits

Plan Description

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

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

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Eligibility and Plan Benefits

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

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

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

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

Highest Annual Salary	Basic Monthly Spouse’s Benefit
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

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

Parent and 1 Child	Parent and 2 or more Children	One Child Alone	Two Children Alone	Three or more Children Alone	Dependent Parent
150%	175%	75%	150%	175%	100%

Contributions

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

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The East Greenwich School Department contributed \$29,210, \$28,932 and \$27,981 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2021 the East Greenwich School Department reported an asset of \$4,607,513 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020. The Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2020 the Department's proportion was 3.880%.

For the year ended June 30, 2021 the East Greenwich School Department recognized pension credit of \$184,463 - an increase in the net pension asset. At June 30, 2021 the East Greenwich School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Difference between expected and actual experience	\$ 395,173
Changes of assumption	310,886
Net difference between projected and actual earning on pension plan investments	224,847
Changes in proportionate share of employer contributions	37,768
Contributions subsequent to the measurement date	<u>29,210</u>
Total Deferred Outflows of Resources	<u>\$ 997,884</u>
Deferred inflows of resources:	
Difference between expected and actual experience	\$ 982,500
Change of assumptions	318,391
Changes in proportionate share of employer contributions	<u>203,271</u>
Total Deferred Inflows of Resources	<u>\$ 1,504,162</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
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The \$29,210 reported as deferred outflows of resources related to pensions resulting from the East Greenwich School Department contributions in fiscal year 2021 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2022	\$ (95,951)
2023	(2,195)
2024	21,239
2025	(72,511)
2026	(147,881)
Thereafter	<u>(238,189)</u>
Total	<u>\$ (535,488)</u>

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.

Cost of living adjustment - eligible survivors receive a yearly cost of living adjustment based on the annual social security adjustment - for valuation purposes, a 2.5% cost of living adjustment is assumed.

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

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

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected 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%
Subtotal	<u>40.00%</u>	
Private Equity		
Private Energy	11.25%	9.71%
Non-Core RE	2.25%	5.66%
OPP Private Credit	1.50%	9.71%
Subtotal	<u>15.00%</u>	
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%
Subtotal	<u>12.00%</u>	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Subtotal	<u>10.00%</u>	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Subtotal	<u>8.00%</u>	
Volatility Protection		
IG Fixed Income	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Subtotal	<u>15.00%</u>	
	<u>100.00%</u>	

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.

TOWN OF EAST GREENWICH, RHODE ISLAND
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Discount Rate

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

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) calculated using the current discount rate as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate.

1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
\$ (3,832,552)	\$ (4,607,513)	\$ (5,543,020)

Pension Plan Fiduciary Net Position

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

D. Aggregated Pension Information

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2021:

	Net Pension Asset	Deferred Outflows of Resources Related to Pensions	Net Pension Liability	Deferred Inflows of Resources Related to Pensions	Pension Expense (Income)
Municipal Employees' Retirement System					
Town Employees	\$ 713,855	\$ 244,046	\$	\$ 33,106	\$ 16,585
Town Employees w/ COLA		1,078,839	1,248,157	856,093	592,151
Town Fire Non-Cert Employees		13,908	105,689	3,182	4,176
Police Employees		1,398,929	7,280,517	981,524	895,549
Fire Employees		2,195,401	8,489,084	600,042	1,159,944
Employees' Retirement System		7,550,054	33,221,108	2,660,923	6,001,193
Teachers' Survivors Benefit Plan	4,607,513	997,884		1,504,162	(184,463)
	\$ 5,321,368	\$ 13,479,061	\$ 50,344,555	\$ 6,639,032	\$ 8,485,135

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E. Defined Contribution Plan

Plan Description

Certain employees participating in the ERS defined benefit plan, 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 1% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The East Greenwich School Department recognized expense associated with the defined contribution plan of \$508,232 for the year ended June 30, 2021.

Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Contribution rates are:

	<u>Employee Contribution</u>	<u>Employer Contribution</u>
ERS - Teachers - contribute to Social Security - less than 20 years of service at 7/1/2012	5%	1% to 1.5% depending on years of service
ERS - Teachers - do not contribute to Social Security - less than 20 years of service at 7/1/2012	7%	3% to 3.5% depending on years of service
ERS - Teachers - more than 20 years of service on July 1, 2012	No DC plan contributions (employee and employer) after July 1, 2015	

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at www.ersri.org.

10. OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLANS

A. The Town of East Greenwich OPEB Trust (the Trust)

Plan Description

The East Greenwich OPEB Trust Fund administers the Town's Other Post-Employment Benefits, a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) to the below listed employee groups of the Town. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a standalone financial report.

Each group is covered under a separate contract with the Town. The groups are:

- Police Department
- Fire Department
- Nat'l Education Association of RI (NEARI)
- Department of Public Works (DPW)
- Other groups including Non-Union, Town Council, Department Heads, and Non-Police Union (Other)

Seasonal employees and temporary police are excluded from the Plan.

The Trust Fund investments are managed by Vanguard Institutional Advisory Services (VIAS) and services are administered by Public Agency Retirement Services. All costs for management and administration are paid by the assets in the Trust Fund.

Benefits Provided

Police and Fire

Upon retirement, Police Officers and Fire Fighters receive fully covered medical coverage (single or family) under Blue Cross Blue Shield (or equivalent) until the retiree becomes Medicare eligible. At the time the retiree becomes eligible for Medicare they will become covered under the Group Plan 65 (single or single +1 coverage).

Dental coverage is only provided to Police or Fire retirees that were hired before 7/1/2019 with 20 years of service until age 65.

Life Insurance coverage of \$50,000 is provided only to police officers that retire with 20 or more years of service. Some current retirees have life insurance coverage at a lower rate, applicable at the time of retirement.

DPW, NEARI, and Other divisions

Upon retirement employees receive full coverage under the Group Plan 65 (single coverage only).

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Effective for all individuals retiring after July 1, 1993, the Town’s obligation to provide health care coverage for a retiree shall continue until the retiree or his/her spouse is enjoying accident and health coverage from another employer. If the coverage under the new employer provides coverage in an amount less than that provided by the Town plan, the Town shall pay to the accident and health care provider the additional premium required to provide medical benefits not less than provided by the Town plan. If the accidental and health care program under the new employer ceases to be provided at any time before the retiree becomes eligible for Medicare, the Town’s obligation to pay for medical coverage shall resume.

Eligibility

Police and Fire

Police Officers and Fire Fighters are participants in the Municipal Employee Retirement System (MERS) and are eligible for retirement at age 55 with 10 years of service or any time after attaining 20 years of service. Effective July 1, 2018, retirement age under MERS changed to age 50 and 25 years of service (or 27 years of service) for police officers and fire fighters that were not retirement eligible as of June 30, 2018. Employees hired after July 1, 2019 must be employed by the Town for 20 years to receive benefits.

DPW, NEARI and Other Divisions

Employees who retire after age 65 and after earning 10 or more years of credited service.

Certain employees under this group are participants in the MERS and are eligible for retirement at age 58 with 10 years of service. Effective July 1, 2012, retirement age under MERS changed to Social Security Normal Retirement Age and 5 years of service (early retirement as early as age 59) that were not retirement eligible as of June 30, 2012.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active employees	145
Retirees	<u>91</u>
Total	<u><u>236</u></u>

Contributions

DPW, NEARI and Other Divisions

If an employee retires prior to age 65, the retiree is partially covered under the Blue Cross Blue Shield Plan (single coverage only) with the Town contributing 3.3% of the premium per year of service at retirement. Retirees contribute the remaining amount of the required premium which is not funded by the Town.

Police and Fire

Employee contributions are not required for Police Officers and Fire Fighters upon retirement.

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Investments

Investment Policy

The Trust's policy in regard to the allocation of invested assets is established and may be amended by the VIAS discretionary investment management agreement approved and signed by the Town's plan administrator and any other investment policy established by the Town. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short term time span.

Rate of Return

For the year ended June 30, 2021 the annual money-weighted rate of return on investments, net of investment expense, was 27.68%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

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

Total OPEB liability	\$	31,845,729
Plan fiduciary net position		<u>4,186,000</u>
Town's Net OPEB Liability	\$	<u><u>27,659,729</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability		13.1%

The Town's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation	1.95% per year
Projected Salary Increases	3.00%
Investment Rate of Return	6.00%
Healthcare Cost Trend Rate	5.20% per year graded down by the getzen model to an ultimate rate of 4.04% per year. Dental is a flat 4.0%.

Mortality rates were based on 2010 Public sector Retirement Plans Mortality table for total Teacher, total Public Safety and total General employee populations with MP-2021.

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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 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. The target allocation and best of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Vanguard Growth Strategy	100.0%	6.0%

Discount Rate

The discount rate used to measure the total OPEB liability for the Town's OPEB Plan was 1.95%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plans fiduciary net position was projected to be available to make projected future benefit payments of current plan members for four years. These payments were discounted using the long-term expected rate of return of 7.00%. Future benefits payments beyond four years were discounted using the tax-exempt general obligation municipal bonds rated AA or better rate at June 30, 2021, which was 1.92%. The tax-exempt general obligation municipal bonds rate was set using the Fidelity General Obligation AA – 20 Years Index. The long-term expected rate of 7.00% was blended with the index rate of 1.92% for tax exempt general obligation municipal bonds rated AA or better at June 30, 2021, to arrive at a discount rate of 1.95% used to determine the Town's Plan total OPEB liability.

Changes in the Net OPEB Liability

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balances as of July 1, 2020	\$ 29,593,693	\$ 3,278,495	\$ 26,315,198
Changes for the Year			
Service cost	868,234		868,234
Interest on the total OPEB liability	722,567		722,567
Changes in assumptions	2,168,004		2,168,004
Difference between expected and actual experience	(697,880)		(697,880)
Employer contributions		808,889	(808,889)
Net investment income		907,505	(907,505)
Benefit payments	(808,889)	(808,889)	-
Net changes	<u>2,252,036</u>	<u>907,505</u>	<u>1,344,531</u>
Balances as of June 30, 2021	<u>\$ 31,845,729</u>	<u>\$ 4,186,000</u>	<u>\$ 27,659,729</u>

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Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	<u>1% Decrease (.95%)</u>	<u>Current Discount (1.95%)</u>	<u>1% Increase (2.95%)</u>
Net OPEB Liability	\$ 32,293,047	\$ 27,659,729	\$ 23,898,988

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease (4.20% Decreasing to 3.04%, Dental is a flat 3.0%)</u>	<u>Healthcare Cost Trend Rates (5.20% Decreasing to 4.04%, Dental is a flat 4.0%)</u>	<u>1% Increase (6.20% Decreasing to 5.04%, Dental is a flat 5.0%)</u>
Net OPEB Liability	\$ 24,730,221	\$ 27,659,729	\$ 31,168,828

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 \$731,254. 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>
Difference between expected and actual experience	\$	\$ (4,176,666)
Changes of assumptions	4,458,935	(1,989,112)
Net difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>(527,189)</u>
Total	<u>\$ 4,458,935</u>	<u>\$ (6,692,967)</u>

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2022	\$ (636,265)
2023	(629,963)
2024	(630,874)
2025	(646,183)
2026	(40,047)
Thereafter	<u>349,300</u>
Total	<u>\$ (2,234,032)</u>

B. The Town of East Greenwich School Department Postretirement Health Insurance Program

Plan Description

The Town of East Greenwich School Department administers the School Department Postretirement Health Insurance Program (the Program), a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) to members of the East Greenwich School Department. Benefit provisions are established through negotiations between the School Department and the various unions representing the employees. The Program is not administered through a trust and there are no assets being accumulated for the Program in a trust or trust-like arrangement. The Program does not issue a standalone financial report.

Benefits Provided

Eligible retirees receive full medical and dental insurance coverage for two (2) years following retirement. The eligible retiree may elect individual or family coverage.

Eligible retirees are covered under their life insurance policy for an additional two (2) years following retirement. The base amount for life insurance is \$30,000 for teachers and \$60,000 for administrators.

Eligibility

Members of the East Greenwich School Department are eligible for postretirement health and life insurance coverage after attaining twenty (20) years of service with the School Department. Certain administrative members require only five (5) years of service with the School Department to become eligible.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Members of the East Greenwich School Department are generally members in the Employee Retirement System of Rhode Island ("ERSRI"). ERSRI members that were vested (10 years of service under ERSRI) by July 1, 2005 are eligible for retirement at any age with 28 years of service or at age 60 with 10 years of service. ERSRI members that were not vested by July 1, 2005 are eligible for retirement at age 59 with 29 years of service or age 65 with 10 years of service will full pension benefits or age 55 with 20 years of service and reduced pension benefits. For ERSRI members with less than 5 years of service as of July 1, 2012, retirement age is a members Social Security Normal Retirement Age and 5 years of service.

Current paraprofessionals and custodians are excluded from the program. There is one grandfathered retiree currently receiving medical and dental benefits.

Employees Covered by Benefit Terms

At June 30, 2021, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active employees	237
Retirees	<u>6</u>
Total	<u><u>243</u></u>

Contributions

The retiree contribution rate is 18% for the rate charged to active members for individual or family coverage as applicable (20% for administrative members). A retiree may elect the buyback amount in lieu of medical and dental coverage. As of July 1, 2018, the buyback amount is \$4,375 per year.

Total OPEB Liability of the Town

The Town's total OPEB liability was measured as of June 30, 2021.

Actuarial Assumptions

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

Inflation	1.92% per year
Projected Salary Increases	3.00%
Investment Rate of Return	6.00%
Healthcare Cost Trend Rate	5.20% per year graded down by the getzen model to an ultimate rate of 4.04% per year. Dental is a flat 4.0%.

Mortality rates were based on 2010 Public sector Retirement Plans Mortality table for total Teacher, total Public Safety and total General employee populations with MP-2021.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Discount Rate

The discount rate used to measure the total OPEB liability for the School Department Postretirement Health Insurance Program was 1.92%. The discount rate is based on the tax-exempt general obligation municipal bonds rated AA or better rate at June 30, 2021, which was 1.92%. The tax-exempt general obligation municipal bonds rate was set using the Fidelity General Obligation AA – 20 Years Index.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances as of July 1, 2020	\$ <u>7,098,627</u>
Changes for the Year	
Service cost	443,025
Interest on the total OPEB liability	170,348
Changes in benefits	(191,055)
Changes in assumptions	263,914
Difference between expected and actual experience	(81,630)
Benefit payments	<u>(136,428)</u>
Net changes	<u>468,174</u>
Balances as of June 30, 2021	\$ <u><u>7,566,801</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB 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:

	1% Decrease (0.92%)	Current Discount (1.92%)	1% Increase (2.92%)
Total OPEB Liability	\$ 8,038,252	\$ 7,566,801	\$ 7,111,359

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (4.20% Decreasing to 3.04%)	Healthcare Cost Trend Rates (5.20% Decreasing to 4.04%)	1% Increase (6.20% Decreasing to 5.04%)
Total OPEB Liability	\$ 6,794,410	\$ 7,566,801	\$ 8,480,478

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 \$442,309. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 215,704	\$ (465,174)
Changes of assumptions	746,748	(177,190)
Total	<u>\$ 962,452</u>	<u>\$ (642,364)</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 Ending June 30,	Net Deferred Outflow (Inflow) of Resources
2022	\$ 19,991
2023	19,991
2024	19,991
2025	19,991
2026	19,991
Thereafter	<u>220,133</u>
Total	<u>\$ 320,088</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021**

C. Aggregated OPEB Information

The Town recognized the following amounts related to OPEB plans as of and for the year ended June 30, 2021:

	Deferred Outflows of Resources Related to OPEB	Deferred Inflows of Resources Related to OPEB	OPEB Expense
	<u> </u>	<u> </u>	<u> </u>
Town Postretirement Health Insurance Plan	\$ 4,458,935	\$ 6,692,967	\$ 731,254
School Department Health Insurance Program	<u>962,452</u>	<u>642,364</u>	<u>442,309</u>
	<u>\$ 5,421,387</u>	<u>\$ 7,335,331</u>	<u>\$ 1,173,563</u>

11. LITIGATION, CLAIMS, JUDGMENTS AND SETTLEMENTS

During the ordinary course of its operations, the Town is a party to various claims, other legal actions and complaints. These various legal actions include disputes in property valuations and torts for which the Town has been named as a defendant. In the opinion of the Town’s management and legal counsel, they do not anticipate any of them to have a material financial impact or at this time their legal counsel has been unable to assess liability, if any, on the part of the Town.

12. RISK MANAGEMENT

Health Insurance

The School Department participates in a multi-employer cost reimbursement healthcare self-insurance risk pool managed by WB Community Health (WBCH). The School Department pays WBCH monthly premiums based upon "working rates" that are periodically adjusted to reflect changes in actual costs. Funds on deposit with WBCH are made available to pay claims, claim reserves and administrative costs.

Liabilities of the fund are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for IBNR claims. The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, including retroactive assessments for hospital costs and other settlements occurring after the end of the fiscal year and not determinable at the end of the fiscal year. An excess coverage insurance policy covers individual claims exceeding \$125,000.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Changes in the deposit balances for the past two years are as follows:

	<u>Year Ended</u> <u>June 30, 2021</u>	<u>Year Ended</u> <u>June 30, 2020</u>
Beginning cumulative surplus	\$ 1,720,098	\$ 2,016,699
Premium deposits and rebates	470,606	4,222,761
Incurred claims (including IBNR)	270,135	(4,684,825)
Administrative fees	<u>(330,543)</u>	<u>165,463</u>
Ending Cash Deposit Balance	<u>\$ 2,130,296</u>	<u>\$ 1,720,098</u>

The ending cash deposit balance as of June 30, 2021 is included within prepaid items of the General Fund.

The School Department is a member of a Health Pool Trust. The relationship between members and the Trust is not a joint venture, but rather is a public entity risk pool with the members being participants in the pool.

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. Settled claims resulting from these risks have not exceeded the Town's coverage in any of the past three fiscal years and there have been no significant reductions in insurance coverage from the prior year.

13. PRIOR PERIOD RECLASSIFICATION, ADJUSTMENTS AND RESTATEMENTS

The Town previously reported the activities of the Pupil Activities Agency Fund and Performance Bonds Agency Fund as fiduciary funds. As a result of the implementation of GASB No. 84, *Fiduciary Activities*, as of July 1, 2020, the Town made the following changes: the activities of the Pupil Activities Fund is reported as a special revenue fund and the Performance Bonds Fund is now reported as a capital projects fund.

The Town previously reported the East Greenwich Land Trust (the Trust) as a discretely presented component unit. As a result of actions made by the Town Council, the Town as of July 1, 2020, classifies the Trust as a special revenue fund.

The Town previously reported the Sewer Fund enterprise fund reported deferred inflows related to special assessments when assessments must be used during a particular period or specifies when use may first begin. As these transactions are deemed an exchange transactions and revenue should be recognized in the year the assessment was made.

TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

Accordingly, the Town restated beginning balances of assets, liabilities, fund balance and net position as follows:

	Restatements to Net Position			
	Governmental Activities	Business-Type Activities	Sewer Fund	Component Unit
Net position at June 30, 2020, as previously reported	\$ (26,371,440)	\$ 20,851,735	\$ 20,780,216	\$ 5,168,832
Adjustments:				
Reclassification of component unit to special revenue	5,168,832			(5,168,832)
Student Activities reported as a Special revenue fund	271,745			
Deferred inflows for sewer assessments		4,247,208	4,247,208	
Net Position at July 1, 2020, as Restated	<u>\$ (20,930,863)</u>	<u>\$ 25,098,943</u>	<u>\$ 25,027,424</u>	<u>\$ -</u>

Restatements to Fund Balance	
	Nonmajor Governmental Funds
Fund balance at June 30, 2020, as previously reported	\$ 1,797,012
Adjustments:	
Reclassification of component unit to special revenue	27,053
Student Activities now reported as a special revenue fund	<u>271,745</u>
Fund Balance at July 1, 2020, as Restated	<u>\$ 2,095,810</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
Revenues:				
Property tax revenues	\$ 58,533,301	\$ 58,533,301	\$ 58,318,527	\$ (214,774)
Intergovernmental revenues	4,851,713	4,851,713	5,634,516	(429,927)
Licenses, fees, tuition and rent	990,675	990,675	1,779,663	788,988
Other local revenues	1,904,769	1,904,769	2,271,070	366,301
Total revenues	<u>66,280,458</u>	<u>66,280,458</u>	<u>68,003,775</u>	<u>510,587</u>
Use of fund balance	<u>586,525</u>	<u>586,525</u>	<u>586,525</u>	<u>-</u>
Total Revenues and Use of Fund Balance	<u>66,866,983</u>	<u>66,866,983</u>	<u>68,590,300</u>	<u>510,587</u>
Expenditures:				
Current:				
General government	2,938,949	2,938,949	2,997,393	(58,444)
Public safety	12,726,217	12,726,217	12,875,744	(149,527)
Public works	3,579,180	3,563,080	3,573,079	(9,999)
Community parks and recreation	1,015,042	997,542	953,979	43,563
Senior and Human Services	379,524	413,124	348,885	64,239
Education	42,159,811	42,159,811	40,801,364	1,358,447
Misc.	740,101	740,101	492,147	247,954
Total expenditures	<u>63,538,824</u>	<u>63,538,824</u>	<u>62,042,591</u>	<u>1,496,233</u>
Excess of Revenues over Expenditures	<u>3,328,159</u>	<u>3,328,159</u>	<u>6,547,709</u>	<u>3,219,550</u>
Other Financing Uses:				
Transfers out	<u>(3,328,159)</u>	<u>(3,328,159)</u>	<u>(4,023,159)</u>	<u>(695,000)</u>
Total Other Financing Uses	<u>(3,328,159)</u>	<u>(3,328,159)</u>	<u>(4,023,159)</u>	<u>(695,000)</u>
Excess of Revenues and Other Sources	<u>\$ -</u>	<u>\$ -</u>	<u>2,524,550</u>	<u>\$ 2,524,550</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Use of fund balance is not a GAAP revenue			<u>(586,525)</u>	
Total Net Change in Fund Balance - GAAP basis			<u>\$ 1,938,025</u>	

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - TOWN EMPLOYEES
LAST SEVEN FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015
A. Total pension liability							
Service cost	\$ 133,210	\$ 111,102	\$ 120,085	\$ 103,137	\$ 105,287	\$ 103,703	\$ 99,292
Interest on the total pension liability	455,987	442,965	452,499	464,122	471,552	471,823	470,293
Changes of benefit terms						115,576	
Difference between expected and actual experience	157,520	103,827	(208,304)	(133,067)	(141,746)	(187,642)	
Changes of assumptions	(123,808)			350,998			(51,335)
Benefit payments, including refunds of employee contributions	(462,424)	(503,408)	(488,582)	(546,798)	(519,351)	(496,385)	(503,723)
Net change in total pension liability	160,485	154,486	(124,302)	238,392	(84,258)	7,075	14,527
Total pension liability - beginning	6,678,705	6,524,219	6,648,521	6,410,129	6,494,387	6,487,312	6,472,785
Total pension liability - ending (a)	\$ 6,839,190	\$ 6,678,705	\$ 6,524,219	\$ 6,648,521	\$ 6,410,129	\$ 6,494,387	\$ 6,487,312
B. Plan fiduciary net position							
Contributions - employer	\$ 69,214	\$ 57,052	\$ 57,949	\$ 65,206	\$ 59,728	\$ 78,349	\$ 59,487
Contributions - employee	45,891	42,791	45,568	42,978	39,342	22,842	19,825
Net investment income (loss)	275,745	465,261	553,595	763,822	13,936	171,162	1,032,284
Benefit payments, including refunds of employee contributions	(462,424)	(503,408)	(488,582)	(546,798)	(519,351)	(496,385)	(503,723)
Pension plan administrative expense	(7,597)	(7,273)	(7,370)	(7,216)	(22,741)	(6,879)	(6,464)
Other	183,300	(3,732)	44,537	(18)		(215,978)	(189,935)
Net change in plan fiduciary net position	104,129	50,691	205,697	317,974	(429,086)	(446,889)	411,474
Plan fiduciary net position - beginning	7,448,916	7,398,225	7,192,528	6,874,554	7,303,640	7,750,529	7,339,055
Plan fiduciary net position - ending (b)	7,553,045	7,448,916	7,398,225	7,192,528	6,874,554	7,303,640	7,750,529
C. Net pension liability asset - ending (a) - (b)	\$ (713,855)	\$ (770,211)	\$ (874,006)	\$ (544,007)	\$ (464,425)	\$ (809,253)	\$ (1,263,217)
D. Plan fiduciary net position as a percentage of the total pension liability	110.44%	111.53%	113.40%	108.18%	107.25%	112.46%	119.47%
E. Covered payroll	\$ 1,534,681	\$ 1,251,154	\$ 1,308,111	\$ 1,268,599	\$ 1,158,274	\$ 1,142,107	\$ 1,093,519
F. Net pension asset as a percentage of covered payroll	-46.51%	-61.56%	-66.81%	-42.88%	-40.10%	-70.86%	-115.52%

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

Note: Measurement date of the net pension liability is one year prior to report date

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF TOWN CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - TOWN EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 65,231	\$ 69,214	\$ 57,052	\$ 57,949	\$ 65,206	\$ 59,728	\$ 78,349
Contributions in relation to the actuarially determined contribution	<u>65,231</u>	<u>69,214</u>	<u>57,052</u>	<u>57,949</u>	<u>65,206</u>	<u>59,728</u>	<u>78,349</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 1,268,948	\$ 1,534,681	\$ 1,251,154	\$ 1,308,111	\$ 1,268,599	\$ 1,158,274	\$ 1,142,107
Contributions as a percentage of covered payroll	5.14%	4.51%	4.56%	4.43%	5.14%	5.16%	6.86%

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

Notes to Schedule:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY (ASSET) AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - TOWN EMPLOYEES WITH COLA
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
A. Total pension liability							
Service cost	\$ 511,790	\$ 516,154	\$ 550,204	\$ 551,263	\$ 530,518	\$ 519,936	\$ 532,162
Interest on the total pension liability	1,708,024	1,669,049	1,613,891	1,580,018	1,511,717	1,400,259	1,330,029
Changes of benefit terms	-	-	-	-	-	319,194	-
Difference between expected and actual experience	(89,668)	(514,167)	(328,885)	(146,524)	(228,251)	100,087	-
Changes of assumptions	(228,516)	-	-	990,834	-	-	(64,708)
Benefit payments, including refunds of employee contributions	<u>(1,151,922)</u>	<u>(1,072,204)</u>	<u>(988,226)</u>	<u>(984,562)</u>	<u>(842,771)</u>	<u>(874,547)</u>	<u>(835,413)</u>
Net change in total pension liability	749,708	598,832	846,984	1,991,029	971,213	1,464,929	962,070
Total pension liability - beginning	<u>24,720,407</u>	<u>24,121,575</u>	<u>23,274,591</u>	<u>21,283,562</u>	<u>20,312,349</u>	<u>18,847,420</u>	<u>17,885,350</u>
Total pension liability - ending (a)	<u>\$ 25,470,115</u>	<u>\$ 24,720,407</u>	<u>\$ 24,121,575</u>	<u>\$ 23,274,591</u>	<u>\$ 21,283,562</u>	<u>\$ 20,312,349</u>	<u>\$ 18,847,420</u>
B. Plan fiduciary net position							
Contributions - employer	\$ 266,097	\$ 264,876	\$ 265,658	\$ 305,983	\$ 312,577	\$ 392,668	\$ 322,223
Contributions - employee	168,177	172,225	190,667	186,912	188,573	114,931	113,285
Net investment income (loss)	884,293	1,503,252	1,738,621	2,426,006	(17,348)	496,830	2,795,391
Benefit payments, including refunds of employee contributions	(1,151,922)	(1,072,204)	(988,226)	(984,562)	(842,771)	(874,547)	(835,413)
Pension plan administrative expense	(24,364)	(23,499)	(23,145)	(22,920)	(9,336)	(16,732)	(17,505)
Other	<u>12,323</u>	<u>(12,180)</u>	<u>(793,177)</u>	<u>100,104</u>	<u>1,050</u>	<u>98,895</u>	<u>2,356</u>
Net change in plan fiduciary net position	154,604	832,470	390,398	2,011,523	(367,255)	212,045	2,380,337
Plan fiduciary net position - beginning	<u>24,067,354</u>	<u>23,234,884</u>	<u>22,844,486</u>	<u>20,832,963</u>	<u>21,200,218</u>	<u>20,988,173</u>	<u>18,607,836</u>
Plan fiduciary net position - ending (b)	<u>24,221,958</u>	<u>24,067,354</u>	<u>23,234,884</u>	<u>22,844,486</u>	<u>20,832,963</u>	<u>21,200,218</u>	<u>20,988,173</u>
C. Net pension liability (asset) - ending (a) - (b)	<u>\$ 1,248,157</u>	<u>\$ 653,053</u>	<u>\$ 886,691</u>	<u>\$ 430,105</u>	<u>\$ 450,599</u>	<u>\$ (887,869)</u>	<u>\$ (2,140,753)</u>
D. Plan fiduciary net position as a percentage of the total pension liability	95.10%	97.36%	96.32%	98.15%	97.88%	104.37%	111.36%
E. Covered payroll	\$ 5,896,202	\$ 5,811,747	\$ 5,993,504	\$ 5,998,511	\$ 5,836,278	\$ 5,726,172	\$ 5,526,086
F. Net pension liability (asset) as a percentage of covered payroll	21.17%	11.24%	14.79%	7.17%	7.72%	-15.51%	-38.74%

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

Note: Measurement date of the net pension liability is one year prior to report date

**TOWN OF EAST GREENWICH, RHODE ISLAND
 SCHEDULE OF TOWN CONTRIBUTIONS
 MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - TOWN EMPLOYEES WITH COLA
 LAST SEVEN FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 292,228	\$ 266,097	\$ 264,876	\$ 265,658	\$ 305,983	\$ 312,577	\$ 392,668
Contributions in relation to the actuarially determined contribution	<u>292,228</u>	<u>266,097</u>	<u>264,876</u>	<u>265,658</u>	<u>305,983</u>	<u>312,577</u>	<u>392,668</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 5,675,041	\$ 5,896,202	\$ 5,811,747	\$ 5,993,504	\$ 5,998,511	\$ 5,836,278	\$ 5,726,172
Contributions as a percentage of covered payroll	5.15%	4.51%	4.56%	4.43%	5.10%	5.36%	6.86%

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

Notes to Schedule:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - TOWN FIRE NON-CERT EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
A. Total pension liability							
Service cost	\$ -	\$ -	\$ 2,863	\$ -	\$ 815	\$ 3,849	\$ 3,139
Interest on the total pension liability	17,301	28,590	28,565	26,099	25,013	25,448	25,307
Changes of benefit terms	-	-	-	-	-	5,514	-
Difference between expected and actual experience	(3,398)	(168,450)	(8,232)	38,950	-	-	-
Changes of assumptions	(2,229)	-	-	15,205	10,839	(17,586)	(5,663)
Benefit payments, including refunds of employee contributions	(21,409)	(21,409)	(21,409)	(21,804)	(21,752)	(21,252)	(21,263)
Net change in total pension liability	(9,735)	(161,269)	1,787	58,450	14,915	(4,027)	1,520
Total pension liability - beginning	257,860	419,129	417,342	358,892	343,977	348,004	346,484
Total pension liability - ending (a)	<u>\$ 248,125</u>	<u>\$ 257,860</u>	<u>\$ 419,129</u>	<u>\$ 417,342</u>	<u>\$ 358,892</u>	<u>\$ 343,977</u>	<u>\$ 348,004</u>
B. Plan fiduciary net position							
Contributions - employer	\$ 6,461	\$ -	\$ 2,868	\$ -	\$ 929	\$ 7,766	\$ 4,970
Contributions - employee	462	-	571	-	207	987	747
Net investment income (loss)	5,200	9,485	12,267	33,181	(105)	7,556	43,637
Benefit payments, including refunds of employee contributions	(21,409)	(21,409)	(21,409)	(21,804)	(21,752)	(21,252)	(21,263)
Pension plan administrative expense	(143)	(148)	(163)	(313)	(281)	(303)	(273)
Other	-	-	(142,643)	(2)	-	(1)	1
Net change in plan fiduciary net position	(9,429)	(12,072)	(148,509)	11,062	(21,002)	(5,247)	27,819
Plan fiduciary net position - beginning	151,865	163,937	312,446	301,384	322,386	327,633	299,814
Plan fiduciary net position - ending (b)	<u>142,436</u>	<u>151,865</u>	<u>163,937</u>	<u>312,446</u>	<u>301,384</u>	<u>322,386</u>	<u>327,633</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 105,689</u>	<u>\$ 105,995</u>	<u>\$ 255,192</u>	<u>\$ 104,896</u>	<u>\$ 57,508</u>	<u>\$ 21,591</u>	<u>\$ 20,371</u>
D. Plan fiduciary net position as a percentage of the total pension liability	57.40%	58.89%	39.11%	74.87%	83.98%	93.72%	94.15%
E. Covered payroll	\$ 23,108	\$ -	\$ 28,542	\$ -	\$ 10,334	\$ 49,341	\$ 37,371
F. Net pension liability as a percentage of covered payroll	457.37%	N/A	894.09%	N/A	556.49%	43.76%	54.51%

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

Note: Measurement date of the net pension liability is one year prior to report date

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF TOWN CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - TOWN FIRE NON-CERT EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 7,798	\$ 6,461	\$ -	\$ 2,868	\$ -	\$ 929	\$ 7,766
Contributions in relation to the actuarially determined contribution	<u>7,798</u>	<u>6,461</u>	<u>-</u>	<u>2,868</u>	<u>-</u>	<u>929</u>	<u>7,766</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 39,360	\$ 23,108	\$ -	\$ 28,542	\$ -	\$ 10,334	\$ 49,341
Contributions as a percentage of covered payroll	19.81%	27.96%	N/A	10.05%	N/A	8.99%	15.74%

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

Notes to Schedule:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - POLICE EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
A. Total pension liability							
Service cost	\$ 486,024	\$ 510,357	\$ 527,840	\$ 453,432	\$ 427,351	\$ 390,013	\$ 372,758
Interest on the total pension liability	1,652,579	1,598,440	1,561,693	1,520,628	1,466,942	1,374,698	1,334,421
Changes of benefit terms	-	-	-	-	-	520,782	-
Difference between expected and actual experience	(757,949)	(150,336)	(403,981)	(37,646)	(43,323)	51,859	-
Changes of assumptions	(86,862)	-	-	1,201,903	-	-	(96,981)
Benefit payments, including refunds of employee contributions	(1,179,200)	(1,166,550)	(1,137,148)	(1,144,199)	(1,152,174)	(1,100,046)	(1,063,538)
Net change in total pension liability	114,592	791,911	548,404	1,994,118	698,796	1,237,306	546,660
Total pension liability - beginning	23,954,863	23,162,952	22,614,548	20,620,430	19,921,634	18,684,328	18,137,668
Total pension liability - ending (a)	<u>\$ 24,069,455</u>	<u>\$ 23,954,863</u>	<u>\$ 23,162,952</u>	<u>\$ 22,614,548</u>	<u>\$ 20,620,430</u>	<u>\$ 19,921,634</u>	<u>\$ 18,684,328</u>
B. Plan fiduciary net position							
Contributions - employer	\$ 697,082	\$ 693,687	\$ 696,413	\$ 680,149	\$ 641,008	\$ 565,061	\$ 410,654
Contributions - employee	229,905	240,278	248,627	236,164	228,603	173,534	164,093
Net investment income (loss)	612,929	1,027,165	1,177,373	1,567,970	(4,665)	321,983	1,838,387
Benefit payments, including refunds of employee contributions	(1,179,200)	(1,166,550)	(1,137,148)	(1,144,199)	(1,152,174)	(1,100,046)	(1,063,538)
Pension plan administrative expense	(16,888)	(16,057)	(15,674)	(14,814)	(12,549)	(11,067)	(11,512)
Other	-	(67,797)	-	(33)	(2)	(12,993)	1
Net change in plan fiduciary net position	343,828	710,726	969,591	1,325,237	(299,779)	(63,528)	1,338,085
Plan fiduciary net position - beginning	16,445,110	15,734,384	14,764,793	13,439,556	13,739,335	13,802,863	12,464,778
Plan fiduciary net position - ending (b)	16,788,938	16,445,110	15,734,384	14,764,793	13,439,556	13,739,335	13,802,863
C. Net pension liability - ending (a) - (b)	<u>\$ 7,280,517</u>	<u>\$ 7,509,753</u>	<u>\$ 7,428,568</u>	<u>\$ 7,849,755</u>	<u>\$ 7,180,874</u>	<u>\$ 6,182,299</u>	<u>\$ 4,881,465</u>
D. Plan fiduciary net position as a percentage of the total pension liability	69.75%	68.65%	67.93%	65.29%	65.18%	68.97%	73.87%
E. Covered payroll	\$ 2,299,074	\$ 2,402,808	\$ 2,486,294	\$ 2,361,623	\$ 2,292,658	\$ 2,169,150	\$ 2,084,775
F. Net pension liability as a percentage of covered payroll	316.67%	312.54%	298.78%	332.39%	313.21%	285.01%	234.15%

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

Note: Measurement date of the net pension liability is one year prior to report date

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF TOWN CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - POLICE EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 723,499	\$ 697,082	\$ 693,687	\$ 696,413	\$ 680,149	\$ 641,008	\$ 565,061
Contributions in relation to the actuarially determined contribution	<u>723,499</u>	<u>697,082</u>	<u>693,687</u>	<u>696,413</u>	<u>680,149</u>	<u>641,008</u>	<u>565,061</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>
Covered payroll	\$ 2,318,192	\$ 2,299,074	\$ 2,402,808	\$ 2,486,294	\$ 2,361,623	\$ 2,292,658	\$ 2,169,150
Contributions as a percentage of covered payroll	31.21%	30.32%	28.87%	28.01%	28.80%	27.96%	26.05%

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

Notes to Schedule:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - FIRE EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
A. Total pension liability							
Service cost	\$ 550,730	\$ 524,081	\$ 534,564	\$ 494,010	\$ 453,527	\$ 408,699	\$ 391,401
Interest on the total pension liability	1,610,600	1,562,397	1,456,481	1,394,410	1,339,670	1,239,901	1,206,908
Changes of benefit terms	-	-	-	-	-	557,617	-
Difference between expected and actual experience	(503,525)	(278,571)	640,190	268,706	23,103	151,465	-
Changes of assumptions	62,617	-	-	1,159,532	-	-	(111,133)
Benefit payments, including refunds of employee contributions	(1,118,584)	(1,146,649)	(1,079,187)	(1,165,198)	(1,048,145)	(1,051,556)	(1,060,261)
Net change in total pension liability	601,838	661,258	1,552,048	2,151,460	768,155	1,306,126	426,915
Total pension liability - beginning	<u>23,292,493</u>	<u>22,631,235</u>	<u>21,079,187</u>	<u>18,927,727</u>	<u>18,159,572</u>	<u>16,853,446</u>	<u>16,426,531</u>
Total pension liability - ending (a)	<u>\$ 23,894,331</u>	<u>\$ 23,292,493</u>	<u>\$ 22,631,235</u>	<u>\$ 21,079,187</u>	<u>\$ 18,927,727</u>	<u>\$ 18,159,572</u>	<u>\$ 16,853,446</u>
B. Plan fiduciary net position							
Contributions - employer	\$ 799,057	\$ 769,371	\$ 738,829	\$ 767,306	\$ 666,079	\$ 623,185	\$ 455,828
Contributions - employee	263,803	256,817	260,379	268,892	255,969	195,953	184,574
Net investment income (loss)	562,414	929,699	1,054,324	1,409,229	(3,814)	260,782	1,477,703
Benefit payments, including refunds of employee contributions	(1,118,584)	(1,146,649)	(1,079,187)	(1,165,198)	(1,048,145)	(1,051,556)	(1,060,261)
Pension plan administrative expense	(15,496)	(14,533)	(14,036)	(13,314)	(10,261)	(10,467)	(9,253)
Other	29,392	(1)	(140,356)	1,014,368	1,096	15,104	2,462
Net change in plan fiduciary net position	520,586	794,704	819,953	2,281,283	(139,076)	33,001	1,051,053
Plan fiduciary net position - beginning	<u>14,884,661</u>	<u>14,089,957</u>	<u>13,270,004</u>	<u>10,988,721</u>	<u>11,127,797</u>	<u>11,094,796</u>	<u>10,043,743</u>
Plan fiduciary net position - ending (b)	<u>15,405,247</u>	<u>14,884,661</u>	<u>14,089,957</u>	<u>13,270,004</u>	<u>10,988,721</u>	<u>11,127,797</u>	<u>11,094,796</u>
C. Net pension liability - ending (a) - (b)	<u>\$ 8,489,084</u>	<u>\$ 8,407,832</u>	<u>\$ 8,541,278</u>	<u>\$ 7,809,183</u>	<u>\$ 7,939,006</u>	<u>\$ 7,031,775</u>	<u>\$ 5,758,650</u>
D. Plan fiduciary net position as a percentage of the total pension liability	64.47%	63.90%	62.26%	62.95%	58.06%	61.28%	65.83%
E. Covered payroll	\$ 2,633,810	\$ 2,598,755	\$ 2,598,755	\$ 2,668,882	\$ 2,515,401	\$ 2,385,864	\$ 2,296,956
F. Net pension liability as a percentage of covered payroll	322.31%	323.53%	328.67%	292.60%	315.62%	294.73%	250.71%

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

Note: Measurement date of the net pension liability is one year prior to report date

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF TOWN CONTRIBUTIONS
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN - FIRE EMPLOYEES
LAST SEVEN FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 888,592	\$ 799,057	\$ 769,371	\$ 738,829	\$ 767,306	\$ 666,079	\$ 623,185
Contributions in relation to the actuarially determined contribution	<u>888,592</u>	<u>799,057</u>	<u>769,371</u>	<u>738,829</u>	<u>767,306</u>	<u>666,079</u>	<u>623,185</u>
Contribution deficiency (excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 2,746,806	\$ 2,633,810	\$ 2,598,755	\$ 2,598,755	\$ 2,668,882	\$ 2,515,401	\$ 2,385,864
Contributions as a percentage of covered payroll	32.35%	30.34%	29.61%	28.43%	28.75%	26.48%	26.12%

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

Notes to Schedule:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
LAST SEVEN FISCAL YEARS*

	<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	1.040%	1.047%	1.038%	0.951%	1.034%	0.969%	0.982%
Town's proportionate share of the net pension liability	\$ 33,221,108	\$ 33,401,289	\$ 32,976,770	\$ 30,002,460	\$ 30,861,308	\$ 26,682,681	\$ 23,910,166
State's proportionate share of the net pension liability associated with the school district	<u>24,684,097</u>	<u>25,021,024</u>	<u>24,598,302</u>	<u>22,674,651</u>	<u>21,135,464</u>	<u>18,228,770</u>	<u>16,396,302</u>
Total	<u>\$ 57,905,205</u>	<u>\$ 58,422,313</u>	<u>\$ 57,575,072</u>	<u>\$ 52,677,111</u>	<u>\$ 51,996,772</u>	<u>\$ 44,911,451</u>	<u>\$ 40,306,468</u>
Town's covered payroll	\$ 19,250,469	\$ 19,031,733	\$ 18,269,242	\$ 18,297,483	\$ 17,784,726	\$ 16,931,742	\$ 16,995,774
Town's proportionate share of the net pension liability as a percentage of its covered payroll	172.57%	175.50%	180.50%	163.97%	173.53%	157.59%	140.68%
Plan fiduciary net position as a percentage of the total pension liability	54.60%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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

Notes to Schedule:

- 1) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2) There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2020 measurement date compared to the June 30, 2019 measurement date.

**TOWN OF EAST GREENWICH, RHODE ISLAND
 SCHEDULE OF TOWN CONTRIBUTIONS
 EMPLOYEES' RETIREMENT SYSTEM - TEACHERS
 LAST SEVEN FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,841,329	\$ 2,829,429	\$ 2,652,750	\$ 2,533,100	\$ 2,248,280	\$ 2,347,911	\$ 2,125,947
Contributions in relation to the actuarially determined contribution	<u>2,841,329</u>	<u>2,829,429</u>	<u>2,652,750</u>	<u>2,533,100</u>	<u>2,248,280</u>	<u>2,347,911</u>	<u>2,125,947</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 19,598,065	\$ 19,250,469	\$ 19,031,733	\$ 18,269,242	\$ 18,297,483	\$ 17,784,726	\$ 16,931,742
Contributions as a percentage of covered payroll	14.50%	14.70%	13.94%	13.87%	12.29%	13.20%	12.56%

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

Notes to Schedule:

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION ASSET AND RELATED RATIOS
TEACHERS' SURVIVORS BENEFIT PLAN
LAST SEVEN FISCAL YEARS*

	<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 asset	3.880%	3.789%	3.789%	3.724%	3.692%	3.643%	3.665%
Town's proportionate share of the net pension asset	\$ 4,607,513	\$ 3,381,097	\$ 3,381,097	\$ 3,080,730	\$ 3,676,575	\$ 3,401,345	\$ 4,556,589
Town's covered payroll	\$ 19,250,469	\$ 19,031,733	\$ 18,269,242	\$ 18,297,483	\$ 17,784,726	\$ 16,931,742	\$ 16,995,774
Town's proportionate share of the net pension asset as a percentage of its covered payroll	23.93%	17.77%	18.51%	16.84%	20.67%	20.09%	26.81%
Plan fiduciary net position as a percentage of the total pension asset	150.20%	137.40%	137.40%	136.10%	153.30%	146.60%	173.30%

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

Notes to Schedule:

- 1) The amounts presented for each fiscal year were determined as of the June 30 measurement date prior to the fiscal year end.
- 2) There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2020 measurement date compared to the June 30, 2019 measurement date.

**TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF TOWN CONTRIBUTIONS
TEACHERS' SURVIVORS BENEFIT PLAN
LAST SEVEN FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 29,210	\$ 28,932	\$ 27,981	\$ 28,193	\$ 21,967	\$ 22,545	\$ 21,984
Contributions in relation to the actuarially determined contribution	<u>29,210</u>	<u>28,932</u>	<u>27,981</u>	<u>28,193</u>	<u>21,967</u>	<u>22,545</u>	<u>21,984</u>
Contribution Deficiency (Excess)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Covered payroll	\$ 19,598,065	\$ 19,250,469	\$ 19,031,733	\$ 18,269,242	\$ 18,297,483	\$ 17,784,726	\$ 16,931,742
Contributions as a percentage of covered payroll	0.15%	0.15%	0.15%	0.15%	0.12%	0.13%	0.13%

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

Notes to Schedule:

- 1) Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35
- 2) The employee and employer contribution rates were applied to the first \$11,500 of member salary beginning in fiscal 2018. In fiscal 2017 and prior the rate was applied to salary up to \$9,600.
- 3) Covered employee payroll is the full amount of employee payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY AND RELATED RATIOS
OPEB TRUST FUND
LAST FIVE FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service Cost	\$ 868,234	\$ 745,430	\$ 1,027,630	\$ 1,370,374	\$ 1,601,706
Interest on the total OPEB liability	722,567	837,959	1,306,953	1,278,417	1,114,524
Changes of benefit terms			(8,326,565)		
Changes of assumptions	2,168,004	2,222,788	1,418,989	(412,741)	(3,884,069)
Differences between expected and actual experience	(697,880)	(85,981)	(4,072,148)	(1,433,610)	(221,518)
Benefit payments	(808,889)	(945,461)	(842,034)	(813,708)	(809,496)
Net change in total OPEB liability	<u>2,252,036</u>	<u>2,774,735</u>	<u>(9,487,175)</u>	<u>(11,268)</u>	<u>(2,198,853)</u>
Total OPEB liability - beginning	<u>29,593,693</u>	<u>26,818,958</u>	<u>36,306,133</u>	<u>36,317,401</u>	<u>38,516,254</u>
Total OPEB liability - ending	<u>\$ 31,845,729</u>	<u>\$ 29,593,693</u>	<u>\$ 26,818,958</u>	<u>\$ 36,306,133</u>	<u>\$ 36,317,401</u>
Plan Fiduciary Net Position					
Contributions - employer	\$ 808,889	\$ 945,461	\$ 842,034	\$ 1,163,708	\$ 1,159,496
Net investment income	907,505	142,944	200,869	198,547	257,366
Benefit payments	(808,889)	(945,461)	(842,034)	(813,708)	(809,496)
Net change in plan fiduciary net position	<u>907,505</u>	<u>142,944</u>	<u>200,869</u>	<u>548,547</u>	<u>607,366</u>
Plan fiduciary net position - beginning	<u>3,278,495</u>	<u>3,135,551</u>	<u>2,934,682</u>	<u>2,386,135</u>	<u>1,778,769</u>
Plan fiduciary net position - ending (b)	<u>4,186,000</u>	<u>3,278,495</u>	<u>3,135,551</u>	<u>2,934,682</u>	<u>2,386,135</u>
Net OPEB Liability - Ending	<u>\$ 27,659,729</u>	<u>\$ 26,315,198</u>	<u>\$ 23,683,407</u>	<u>\$ 33,371,451</u>	<u>\$ 33,931,266</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.14%	11.08%	11.69%	8.08%	6.57%
Covered-Employee Payroll	\$ 8,581,072	\$ 9,082,000	\$ 8,817,473	\$ 8,967,689	\$ 8,706,494
Net OPEB Liability as a Percentage of Covered-Employee Payroll	322.33%	289.75%	268.60%	372.13%	389.72%

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
 SCHEDULE OF TOWN CONTRIBUTIONS
 OPEB TRUST FUND
 LAST TEN FISCAL YEARS**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Actuarially determined contribution (1)	\$ 2,123,836	\$ 1,983,602	\$ 2,876,338	\$ 3,231,475	\$ 3,459,107	\$ 2,989,260	\$ 2,989,260	\$ 3,494,835	\$ 3,440,443	\$ 1,861,270
Contributions in relation to the actuarially determined contribution	<u>808,889</u>	<u>945,461</u>	<u>842,034</u>	<u>1,163,708</u>	<u>1,159,496</u>	<u>2,357,354</u>	<u>688,884</u>	<u>859,359</u>	<u>1,121,081</u>	<u>445,638</u>
Contribution Deficiency (Excess)	\$ <u>1,314,947</u>	\$ <u>1,038,141</u>	\$ <u>2,034,304</u>	\$ <u>2,067,767</u>	\$ <u>2,299,611</u>	\$ <u>631,906</u>	\$ <u>2,300,376</u>	\$ <u>2,635,476</u>	\$ <u>2,319,362</u>	\$ <u>1,415,632</u>
Covered-employee payroll	\$ 8,581,072	\$ 9,082,000	\$ 8,817,473	\$ 8,967,689	\$ 8,706,494	\$ 8,066,200	\$ 8,066,200	\$ 7,743,713	\$ 7,743,713	\$ 7,229,161
Contributions as a percentage of covered-employee payroll	9.43%	10.41%	9.55%	12.98%	13.32%	29.23%	8.54%	11.10%	14.48%	6.16%

(1) Actuarially Determined Contributions prior to fiscal year ending June 30, 2016 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45

Notes to Schedule:

Valuation date: July 1, 2020
 Measurement date: June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method: Entry Age Actuarial Cost Method
 Discount rate: 1.95%
 Payroll: Level percentage of payroll, closed
 Asset valuation method: Market value of assets
 Salary Increases: 3.00%
 Investment rate of return: 6.00%
 Healthcare trend rates: Initial 5.2% graded down by the getzen model to an ultimate rate of 4.04%, dental is a flat 4.0%
 Disability/Termination/Retirement rates: Experience-based table of rates that are specific to the type of eligibility conditions.
 Mortality: 2010 Public sector Retirement Plans Mortality table for total Teacher, total Public Safety and total General employee populations with MP-2020.

**TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF INVESTMENT RETURNS
OPEB TRUST FUND
LAST FIVE FISCAL YEARS***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	27.68%	4.56%	6.84%	7.75%	13.17%

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

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF CHANGES IN THE TOWN'S TOTAL OPEB LIABILITY AND RELATED RATIOS
SCHOOL DEPARTMENT POSTRETIREMENT HEALTH INSURANCE PROGRAM
LAST FIVE FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service Cost	\$ 443,025	\$ 405,177	\$ 395,440	\$ 336,306	\$ 374,253
Interest on the total OPEB liability	170,348	197,909	195,826	183,389	149,147
Changes of benefit terms	(191,055)	-			
Changes of assumptions	263,914	341,886	255,264	(1,838)	(256,079)
Differences between expected and actual experience	(81,630)	(205,994)	267,298	(157,436)	(139,963)
Benefit payments	<u>(136,428)</u>	<u>(157,343)</u>	<u>(147,234)</u>	<u>(97,002)</u>	<u>(35,416)</u>
Net change in total OPEB liability	468,174	581,635	966,594	263,419	91,942
Total OPEB liability - beginning	<u>7,098,627</u>	<u>6,516,992</u>	<u>5,550,398</u>	<u>5,286,979</u>	<u>5,195,037</u>
Total OPEB liability - ending	<u>\$ 7,566,801</u>	<u>\$ 7,098,627</u>	<u>\$ 6,516,992</u>	<u>\$ 5,550,398</u>	<u>\$ 5,286,979</u>
Covered-Employee Payroll	\$ 18,078,338	\$ 19,741,000	\$ 19,166,260	\$ 17,232,811	\$ 16,730,884
Total OPEB Liability as a Percentage of Covered-Employee Payroll	41.86%	35.96%	34.00%	32.21%	31.60%

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

Notes to Schedule:

1) No assets are accumulated in a trust that meets the criteria of GASBS No. 75, paragraph 4 to pay related benefits

TOWN OF EAST GREENWICH, RHODE ISLAND
COMBINING BALANCE SHEET - GENERAL FUND
JUNE 30, 2021

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
ASSETS				
Cash and cash equivalents	\$ 17,219,721	\$	\$	\$ 17,219,721
Accounts and other receivable, net	3,133,984	449,414		3,583,398
Due from other funds	2,106,575	4,692,797	(4,426,635)	2,372,737
Prepaid items	195,442	2,130,296		2,325,738
Total Assets	<u>\$ 22,655,722</u>	<u>\$ 7,272,507</u>	<u>\$ (4,426,635)</u>	<u>\$ 25,501,594</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 576,517	\$ 840,019	\$	\$ 1,416,536
Accrued liabilities	569,667	2,531,918		3,101,585
Due to other funds	10,233,812	155,703	(4,426,635)	5,962,880
Total liabilities	<u>11,379,996</u>	<u>3,527,640</u>	<u>(4,426,635)</u>	<u>10,481,001</u>
Deferred inflows of resources:				
Unavailable revenue - property taxes	1,473,152			1,473,152
Unavailable revenue - other receivables	412,289			412,289
Total deferred inflows of resources	<u>1,885,441</u>	<u>-</u>	<u>-</u>	<u>1,885,441</u>
Fund balances:				
Nonspendable	195,442	2,130,296		2,325,738
Committed		1,614,571		1,614,571
Assigned	71,177			71,177
Unassigned	9,123,666			9,123,666
Total fund balances	<u>9,390,285</u>	<u>3,744,867</u>	<u>-</u>	<u>13,135,152</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 22,655,722</u>	<u>\$ 7,272,507</u>	<u>\$ (4,426,635)</u>	<u>\$ 25,501,594</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>School Unrestricted Fund</u>	<u>Eliminations</u>	<u>Total General Fund</u>
Revenues:				
Property taxes, interest and lien fees	\$ 58,318,528	\$	\$	\$ 58,318,528
Intergovernmental revenues	2,225,240	6,304,088		8,529,328
Fines, penalties and charges for services	1,973,146	46,041		2,019,187
Licenses and permits	1,018,860			1,018,860
Investment income	24,321	52,600		76,921
Other revenues	102,079	107,352		209,431
Total revenues	<u>63,662,174</u>	<u>6,510,081</u>	<u>-</u>	<u>70,172,255</u>
Expenditures:				
Current:				
General government	4,295,101			4,295,101
Public safety	12,875,746			12,875,746
Public works	3,573,080			3,573,080
Cultural and recreation	1,015,386			1,015,386
Education		42,969,840		42,969,840
Capital outlay	18,150			18,150
Total expenditures	<u>21,777,463</u>	<u>42,969,840</u>	<u>-</u>	<u>64,747,303</u>
Excess (Deficiency) of Revenues over Expenditures	<u>41,884,711</u>	<u>(36,459,759)</u>	<u>-</u>	<u>5,424,952</u>
Other Financing Sources (Uses):				
Transfers in from other funds		37,441,266	(37,441,266)	-
Transfers out to other funds	(40,928,193)		37,441,266	(3,486,927)
Total other financing sources (uses)	<u>(40,928,193)</u>	<u>37,441,266</u>	<u>-</u>	<u>(3,486,927)</u>
Net Change in Fund Balances	956,518	981,507	-	1,938,025
Fund Balances at Beginning of Year	<u>8,433,767</u>	<u>2,763,360</u>	<u>-</u>	<u>11,197,127</u>
Fund Balances at End of Year	<u>\$ 9,390,285</u>	<u>\$ 3,744,867</u>	<u>\$ -</u>	<u>\$ 13,135,152</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Revenues and Use of Fund Balance:				
Property taxes:				
Current taxes	\$ 56,777,346	\$ 56,777,346	\$ 56,413,941	\$ (363,405)
Prior taxes	950,000	950,000	1,408,575	458,575
Total taxes current and prior	<u>57,727,346</u>	<u>57,727,346</u>	<u>57,822,516</u>	<u>95,170</u>
Interest on taxes	160,000	160,000	196,415	36,415
Payment in lieu of taxes (State Aid)	645,955	645,955	299,596	(346,359)
Total property taxes	<u>58,533,301</u>	<u>58,533,301</u>	<u>58,318,527</u>	<u>(214,774)</u>
State aid - Town:				
Telephone tax	165,037	165,037	162,821	(2,216)
Meals and beverage tax	700,000	700,000	617,172	(82,828)
State motor vehicle phase-out	567,875	567,875	224,385	(343,490)
Hotel tax	1,500	1,500	2,049	549
Total state aid - Town	<u>1,434,412</u>	<u>1,434,412</u>	<u>1,006,427</u>	<u>(427,985)</u>
Federal aid - Town:				
Coronavirus Relief Fund	-	-	1,212,730	1,212,730
Licenses, fees and rents:				
Business licenses and fees	411,525	411,525	892,898	481,373
Nonbusiness licenses and fees	54,150	54,150	108,831	54,681
Real Estate conveyance fees	450,000	450,000	731,893	281,893
Total licenses, fees and rents	<u>915,675</u>	<u>915,675</u>	<u>1,733,622</u>	<u>817,947</u>
Investment income - short term	<u>65,000</u>	<u>65,000</u>	<u>24,321</u>	<u>(40,679)</u>
Revenues and Use of Fund Balance:				
Departmental revenues:				
Police department revenue	165,000	165,000	403,585	238,585
Fire Rescue Revenue	800,000	800,000	645,402	(154,598)
Community services revenue	44,350	44,350	42,907	(1,443)
Senior Programs	10,000	10,000	6,169	(3,831)
Planning department	13,000	13,000	17,886	4,886
Cell Tower Revenue	132,000	132,000	143,489	11,489
Copy charges	5,000	5,000	1,778	(3,222)
Miscellaneous - Town	30,700	30,700	105,327	74,627
Total departmental revenues	<u>1,200,050</u>	<u>1,200,050</u>	<u>1,366,543</u>	<u>166,493</u>
Total revenues and use of fund balance	<u>62,148,438</u>	<u>62,148,438</u>	<u>63,662,170</u>	<u>1,513,732</u>

**TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES) -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Expenditures:				
General government:				
Town council	9,300	9,300	9,300	-
Town manager's office	300,722	300,722	308,624	(7,902)
Town clerk	320,628	322,498	324,787	(2,289)
Legal	290,000	290,000	350,584	(60,584)
Probate	5,500	5,500	5,500	-
Board of canvassers	30,000	28,130	27,446	684
Finance department	869,271	869,271	775,712	93,559
Information technology	719,183	719,183	824,732	(105,549)
Town bldg outside services	65,570	65,570	58,619	6,951
Planning department	328,775	328,775	312,089	16,686
Total general government	<u>2,938,949</u>	<u>2,938,949</u>	<u>2,997,393</u>	<u>(58,444)</u>
Public safety:				
Police department	5,732,461	5,732,461	5,675,322	57,139
Fire department	6,993,756	6,993,756	7,200,422	(206,666)
Total public safety	<u>12,726,217</u>	<u>12,726,217</u>	<u>12,875,744</u>	<u>(149,527)</u>
Public works	<u>3,579,180</u>	<u>3,563,080</u>	<u>3,573,079</u>	<u>(9,999)</u>
Community parks & recreation	<u>1,015,042</u>	<u>997,542</u>	<u>953,979</u>	<u>43,563</u>
Senior & Human Services	<u>379,524</u>	<u>413,124</u>	<u>348,885</u>	<u>64,239</u>
Capital improvements/projects	<u>100,000</u>	<u>100,000</u>	<u>18,150</u>	<u>81,850</u>
Miscellaneous:				
Property Insurance	300,000	300,000	357,970	(57,970)
Unemployment insurance	25,000	25,000	26,553	(1,553)
Workers' compensation	70,000	70,000	68,305	1,695
Contingency	224,601	224,601	669	223,932
Outside services	20,500	20,500	20,500	-
Total miscellaneous	<u>640,101</u>	<u>640,101</u>	<u>473,997</u>	<u>166,104</u>
Total expenditures	<u>21,379,013</u>	<u>21,379,013</u>	<u>21,241,227</u>	<u>137,786</u>
Excess of Revenues over Expenditures	<u>40,769,425</u>	<u>40,769,425</u>	<u>42,420,943</u>	<u>1,651,518</u>
Other Financing Sources (Uses):				
Tax Transfer to School	(37,441,266)	(37,441,266)	(37,441,266)	-
Tax Transfer EG Free Library	(536,232)	(536,232)	(536,232)	-
Tax Transfer to Debt Service	(2,791,927)	(2,791,927)	(2,791,927)	-
Misc. Tax Dollar Transfers			(50,000)	(50,000)
Transfers to Other Funds			(645,000)	(645,000)
Total other financing sources (uses)	<u>(40,769,425)</u>	<u>(40,769,425)</u>	<u>(41,464,425)</u>	<u>(695,000)</u>
Excess of Revenues, Other Sources and Uses of Fund Balance over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 956,518</u>	<u>\$ 956,518</u>
Total Net Change in Fund Balance - GAAP basis			<u>\$ 956,518</u>	

TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - SCHOOL UNRESTRICTED FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
Revenues and Designated Fund Balance:				
State aid	\$ 3,417,301	\$ 3,417,301	\$ 3,415,359	\$ (1,942)
Tuition	75,000	75,000	46,041	(28,959)
Medicaid funds	385,000	385,000	219,150	(165,850)
Miscellaneous	254,719	254,719	661,055	406,336
Total revenues	<u>4,132,020</u>	<u>4,132,020</u>	<u>4,341,605</u>	<u>209,585</u>
Use of fund balance	<u>586,525</u>	<u>586,525</u>	<u>586,525</u>	<u>-</u>
Total Revenues and Use of Fund Balance	<u>4,718,545</u>	<u>4,718,545</u>	<u>4,928,130</u>	<u>209,585</u>
Expenditures:				
Salaries	24,754,321	24,772,593	24,104,901	667,692
Employee benefits	9,016,531	9,015,559	8,027,619	987,940
Purchased services	6,718,710	6,692,668	6,838,833	(146,165)
Supplies and materials	1,363,436	1,336,450	1,556,485	(220,035)
Capital outlay	306,813	342,541	273,526	69,015
Total expenditures	<u>42,159,811</u>	<u>42,159,811</u>	<u>40,801,364</u>	<u>1,358,447</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(37,441,266)</u>	<u>(37,441,266)</u>	<u>(35,873,234)</u>	<u>1,568,032</u>
Other Financing Sources:				
Transfers in	<u>37,441,266</u>	<u>37,441,266</u>	<u>37,441,266</u>	<u>-</u>
Excess of Revenues, Other Sources and Uses of Fund Balance over Expenditures and Other Financing Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,568,032</u>	<u>\$ 1,568,032</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Use of fund balance is not a GAAP revenue			<u>(586,525)</u>	
Total Net Change in Fund Balance - GAAP basis			<u>\$ 981,507</u>	

TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds								
	Recreation Development	Impact Fees	Planning Reserve Fund	EMA Funds	Fire Plan Review	Recreation Activities	Smoke Detector	Municipal Recycling Program	Project Accounts Fund
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash with fiscal agent									
Receivables, net				17,361					
Due from other funds	<u>298,854</u>	<u>1,629,487</u>	<u>135,825</u>	<u>22,893</u>	<u>177,250</u>	<u>358,589</u>	<u>24,949</u>	<u>18,815</u>	<u>341,570</u>
Total Assets	<u>\$ 298,854</u>	<u>\$ 1,629,487</u>	<u>\$ 135,825</u>	<u>\$ 40,254</u>	<u>\$ 177,250</u>	<u>\$ 358,589</u>	<u>\$ 24,949</u>	<u>\$ 18,815</u>	<u>\$ 341,570</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$ 9,978	\$ 3,509	\$ 4,563	\$ 929	\$ 6,052	\$	\$ 10,974	\$ 343
Accrued liabilities						2,778			
Due to other funds									
Unearned revenue									
Total liabilities	<u>-</u>	<u>9,978</u>	<u>3,509</u>	<u>4,563</u>	<u>929</u>	<u>8,830</u>	<u>-</u>	<u>10,974</u>	<u>343</u>
Fund Balances:									
Nonspendable									
Restricted									
Committed	298,854	1,619,509	132,316	35,691	176,321	349,759	24,949	7,841	341,227
Unassigned									
Total fund balances	<u>298,854</u>	<u>1,619,509</u>	<u>132,316</u>	<u>35,691</u>	<u>176,321</u>	<u>349,759</u>	<u>24,949</u>	<u>7,841</u>	<u>341,227</u>
Total Liabilities and Fund Balances	<u>\$ 298,854</u>	<u>\$ 1,629,487</u>	<u>\$ 135,825</u>	<u>\$ 40,254</u>	<u>\$ 177,250</u>	<u>\$ 358,589</u>	<u>\$ 24,949</u>	<u>\$ 18,815</u>	<u>\$ 341,570</u>

(Continued on next page)

**TOWN OF EAST GREENWICH, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds									
	Land Trust Fund	Title I	Title II	Title III	RTTT Instructional	EDC	NEA Foundation	CARES ACT	IDEA Preschool	IDEA Part B
ASSETS										
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash with fiscal agent										
Receivables, net		21,583	36,083						6,000	245,507
Due from other funds	34,949		65,475	3	1,226		542			
Total Assets	\$ 34,949	\$ 21,583	\$ 101,558	\$ 3	\$ 1,226	\$ -	\$ 542	\$ -	\$ 6,000	\$ 245,507
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable	\$ 694	\$	\$ 600	\$	\$	\$	\$	\$	\$ 568	\$ 15,932
Accrued liabilities		597	1,792							92,407
Due to other funds		20,986	99,166			34			5,432	137,153
Unearned revenue						137				
Total liabilities	694	21,583	101,558	-	-	171	-	-	6,000	245,492
Fund Balances:										
Nonspendable										
Restricted				3	1,226					15
Committed	34,255						542			
Unassigned						(171)				
Total fund balances	34,255	-	-	3	1,226	(171)	542	-	-	15
Total Liabilities and Fund Balances	\$ 34,949	\$ 21,583	\$ 101,558	\$ 3	\$ 1,226	\$ -	\$ 542	\$ -	\$ 6,000	\$ 245,507

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Special Revenue Funds								
	RI Full Day Kindergarten	Gen. Youth Foundation	Strategic Support	RI State Council on Arts	RI Foundation	English Language Learners	Legislative Tech	Champlin Grant	Education Foundation
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash with fiscal agent									
Receivables, net									
Due from other funds	2	123	41,977	800	166	2		8	
Total Assets	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>	<u>\$ 800</u>	<u>\$ 166</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accrued liabilities									
Due to other funds									3,391
Unearned revenue									
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,391</u>
Fund Balances:									
Nonspendable									
Restricted								8	
Committed	2	123	41,977	800	166	2			
Unassigned									(3,391)
Total fund balances	<u>2</u>	<u>123</u>	<u>41,977</u>	<u>800</u>	<u>166</u>	<u>2</u>	<u>-</u>	<u>8</u>	<u>(3,391)</u>
Total Liabilities and Fund Balances	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>	<u>\$ 800</u>	<u>\$ 166</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ -</u>

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**TOWN OF EAST GREENWICH, RHODE ISLAND
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds								
	Wendy's Corporation	Healthier U.S. Schools Challenge	New England Dairy & Food Council	IDEA SSS Grant	School Climate Transformation	RI Office of Library Services	School Building Authority COVID 19 Projects	Wireless Classroom	Pupil Activities
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$	\$	\$	\$	\$	\$ 275,476
Cash with fiscal agent									
Receivables, net						540			
Due from other funds	2,015	1,000	6			48	68		
Total Assets	\$ <u>2,015</u>	\$ <u>1,000</u>	\$ <u>6</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>588</u>	\$ <u>-</u>	\$ <u>68</u>	\$ <u>275,476</u>
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$	\$	\$	\$	\$	\$
Accrued liabilities									
Due to other funds									
Unearned revenue									
Total liabilities	-	-	-	-	-	-	-	-	-
Fund Balances:									
Nonspendable									
Restricted									275,476
Committed	2,015	1,000	6			588	68		
Unassigned									
Total fund balances	2,015	1,000	6	-	-	588	-	68	275,476
Total Liabilities and Fund Balances	\$ <u>2,015</u>	\$ <u>1,000</u>	\$ <u>6</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>588</u>	\$ <u>-</u>	\$ <u>68</u>	\$ <u>275,476</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Capital Projects Funds								
	Revaluation Fund	\$5 Million Asphalt	School Bond 52m Capital Fund	School Capital Reserve Fund	Fire Station Capital Reserve Fund	Capital Equipment Replacement Fund	Public Works Improvement Fund	Technology Improvement Fund	Town Hall Improvement Fund
ASSETS									
Cash and cash equivalents	\$	\$ -	\$	\$	\$	\$	\$	\$	\$
Cash with fiscal agent		214,593							
Receivables, net									
Due from other funds	87,386			164,092	45,000	278,000	201,451	295,493	275,000
Total Assets	\$ 87,386	\$ 214,593	\$ -	\$ 164,092	\$ 45,000	\$ 278,000	\$ 201,451	\$ 295,493	\$ 275,000
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 866	\$	\$	\$ 1,451	\$	\$
Accrued liabilities									
Due to other funds		211,186	396,680						
Unearned revenue									
Total liabilities	-	211,186	396,680	866	-	-	1,451	-	-
Fund Balances:									
Nonspendable									
Restricted									
Committed	87,386	3,407		163,226	45,000	278,000	200,000	295,493	275,000
Unassigned			(396,680)						
Total fund balances	87,386	3,407	(396,680)	163,226	45,000	278,000	200,000	295,493	275,000
Total Liabilities and Fund Balances	\$ 87,386	\$ 214,593	\$ -	\$ 164,092	\$ 45,000	\$ 278,000	\$ 201,451	\$ 295,493	\$ 275,000

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING BALANCE SHEET (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021

	Capital Projects Funds				Debt Service Fund	Permanent Funds		Total	
	Park Improvements	Swift Community Center Improvements	Police Building Improvements	Performance Bond Fund	Bond Fund	Debt Service Fund	Nonexpendable Trust Fund		Rose Trust Fund
ASSETS									
Cash and cash equivalents	\$	\$	\$	\$ 168,176	\$	\$	\$ 24,134	\$ 263,494	\$ 731,280
Cash with fiscal agent						-			214,593
Receivables, net									327,074
Due from other funds	100,000	13,549	12,000	686,552	235,174	211,548	158,751		5,920,638
Total Assets	\$ 100,000	\$ 13,549	\$ 12,000	\$ 854,728	\$ 235,174	\$ 211,548	\$ 182,885	\$ 263,494	\$ 7,193,585
LIABILITIES AND FUND BALANCES									
Liabilities:									
Accounts payable	\$	\$	\$	\$ 854,728	\$ 33,058	\$	\$	\$	\$ 944,245
Accrued liabilities									97,574
Due to other funds								96,359	970,387
Unearned revenue									137
Total liabilities	-	-	-	854,728	33,058	-	-	96,359	2,012,343
Fund Balances:									
Nonspendable							182,885	167,135	350,020
Restricted									276,728
Committed	100,000	13,549	12,000		202,116	211,548			4,954,736
Unassigned									(400,242)
Total fund balances	100,000	13,549	12,000	-	202,116	211,548	182,885	167,135	5,181,242
Total Liabilities and Fund Balances	\$ 100,000	\$ 13,549	\$ 12,000	\$ 854,728	\$ 235,174	\$ 211,548	\$ 182,885	\$ 263,494	\$ 7,193,585

**TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Special Revenue Funds</u>								
	<u>Recreation Development</u>	<u>Impact Fees</u>	<u>Planning Reserve Fund</u>	<u>EMA Funds</u>	<u>Fire Plan Review</u>	<u>Recreation Activities</u>	<u>Smoke Detector</u>	<u>Municipal Recycling Program</u>	<u>Project Accounts Fund</u>
Revenues:									
Intergovernmental revenues	\$		\$	\$ 658,208	\$ 82,534	\$ 190,077	\$ 10,990		\$ 72,905
Fines, penalties and charges for services	9,110	224,434							70
Investment income (loss)									
Other revenue									900
Total revenues	<u>9,110</u>	<u>224,434</u>	<u>-</u>	<u>658,208</u>	<u>82,534</u>	<u>190,077</u>	<u>10,990</u>	<u>-</u>	<u>73,875</u>
Expenditures:									
General government			6,211						5,900
Public safety				174,546	2,847				10,383
Public works							18,924		
Cultural and recreation						83,528			4,655
Health and welfare									
Education		9,978							
Debt service									
Principal retirement									
Interest and other charges									
Capital outlay		59,800		479,858					39,760
Total expenditures	<u>-</u>	<u>69,778</u>	<u>6,211</u>	<u>654,404</u>	<u>2,847</u>	<u>83,528</u>	<u>-</u>	<u>18,924</u>	<u>60,698</u>
Excess (Deficiency) of Revenues over Expenditures	<u>9,110</u>	<u>154,656</u>	<u>(6,211)</u>	<u>3,804</u>	<u>79,687</u>	<u>106,549</u>	<u>10,990</u>	<u>(18,924)</u>	<u>13,177</u>
Other Financing Sources (Uses):									
Issuance of general obligation bonds									
Issuance of direct placement debt									
Issuance of refunding bonds									
Payment to escrow agent									
Transfers in			25,000						
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	9,110	154,656	18,789	3,804	79,687	106,549	10,990	(18,924)	13,177
Fund Balances at Beginning of Year, as restated	<u>289,744</u>	<u>1,464,853</u>	<u>113,527</u>	<u>31,887</u>	<u>96,634</u>	<u>243,210</u>	<u>13,959</u>	<u>26,765</u>	<u>328,050</u>
Fund Balances at End of Year	<u>\$ 298,854</u>	<u>\$ 1,619,509</u>	<u>\$ 132,316</u>	<u>\$ 35,691</u>	<u>\$ 176,321</u>	<u>\$ 349,759</u>	<u>\$ 24,949</u>	<u>\$ 7,841</u>	<u>\$ 341,227</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds									
	Land Trust Fund	Title I	Title II	Title III	RTTT Instructional	EDC	NEA Foundation	CARES ACT	IDEA Preschool	IDEA Part B
Revenues:										
Intergovernmental revenues	\$	\$ 84,437	\$ 95,013	\$ 3,550	\$	\$	\$	\$ 187,848	\$ 6,000	\$ 570,838
Fines, penalties and charges for services	53,759									
Investment income (loss)										
Other revenue	118									
Total revenues	<u>53,877</u>	<u>84,437</u>	<u>95,013</u>	<u>3,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,848</u>	<u>6,000</u>	<u>570,838</u>
Expenditures:										
General government	8,488									
Public safety										
Public works										
Cultural and recreation										
Health and welfare										
Education		84,437	95,013	3,550				187,848	6,000	570,838
Debt service										
Principal retirement	35,000									
Interest and other charges	3,187									
Capital outlay										
Total expenditures	<u>46,675</u>	<u>84,437</u>	<u>95,013</u>	<u>3,550</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,848</u>	<u>6,000</u>	<u>570,838</u>
Excess (Deficiency) of Revenues over Expenditures	<u>7,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses):										
Issuance of general obligation bonds										
Issuance of direct placement debt										
Issuance of refunding bonds										
Payment to escrow agent										
Transfers in										
Transfers out										
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	7,202	-	-	-	-	-	-	-	-	-
Fund Balances at Beginning of Year, as restated	<u>27,053</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>1,226</u>	<u>(171)</u>	<u>542</u>	<u>-</u>	<u>-</u>	<u>15</u>
Fund Balances at End of Year	<u>\$ 34,255</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3</u>	<u>\$ 1,226</u>	<u>\$ (171)</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	RI Full Day Kindergarten	Gen. Youth Foundation	Strategic Support	RI State Council on Arts	RI Foundation	English Language Learners	Legislative Tech	Champlin Grant	Education Foundation
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	100	\$	\$	\$
Fines, penalties and charges for services									
Investment income (loss)									
Other revenue									
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:									
General government									
Public safety									
Public works									
Cultural and recreation									
Health and welfare									
Education					452	100			3,447
Debt service									
Principal retirement									
Interest and other charges									
Capital outlay									
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>452</u>	<u>100</u>	<u>-</u>	<u>-</u>	<u>3,447</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,447)</u>
Other Financing Sources (Uses):									
Issuance of general obligation bonds									
Issuance of direct placement debt									
Issuance of refunding bonds									
Payment to escrow agent									
Transfers in									
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	(452)	-	-	-	(3,447)
Fund Balances at Beginning of Year, as restated	<u>2</u>	<u>123</u>	<u>41,977</u>	<u>800</u>	<u>618</u>	<u>2</u>	<u>-</u>	<u>8</u>	<u>56</u>
Fund Balances at End of Year	<u>\$ 2</u>	<u>\$ 123</u>	<u>\$ 41,977</u>	<u>\$ 800</u>	<u>\$ 166</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ (3,391)</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds								
	Wendy's Corporation	Healthier U.S. Schools Challenge	New England Dairy & Food Council	IDEA SSS Grant	School Climate Transformation	RI Office of Library Services	School Building Authority COVID 19 Projects	Wireless Classroom	Pupil Activities
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	\$ 700	\$ 24,837	\$	\$ 218,161
Fines, penalties and charges for services									15
Investment income (loss)									
Other revenue									
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>700</u>	<u>24,837</u>	<u>-</u>	<u>218,176</u>
Expenditures:									
General government									
Public safety									
Public works									
Cultural and recreation									
Health and welfare									
Education						706	24,837	213,665	214,445
Debt service									
Principal retirement									
Interest and other charges									
Capital outlay									
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>706</u>	<u>24,837</u>	<u>213,665</u>	<u>214,445</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6)</u>	<u>-</u>	<u>(213,665)</u>	<u>3,731</u>
Other Financing Sources (Uses):									
Issuance of general obligation bonds									
Issuance of direct placement debt									
Issuance of refunding bonds									
Payment to escrow agent									
Transfers in									
Transfers out									
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-	-	-	(6)	-	(213,665)	3,731
Fund Balances at Beginning of Year, as restated	2,015	1,000	6	-	-	594	-	213,733	271,745
Fund Balances at End of Year	<u>\$ 2,015</u>	<u>\$ 1,000</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 588</u>	<u>\$ -</u>	<u>\$ 68</u>	<u>\$ 275,476</u>

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TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

	pecial Revenue Fun		Capital Projects Funds						
	Revaluation Fund	\$5 Million Asphalt	School Bond 52m Capital Fund	School Capital Reserve Fund	Fire Station Capital Reserve Fund	Capital Equipment Replacement Fund	Public Works Improvement Fund	Technology Improvement Fund	Town Hall Improvement Fund
Revenues:									
Intergovernmental revenues	\$ 50,400	\$	\$	\$ 355,975	\$	\$ 872,163	\$	\$	\$
Fines, penalties and charges for services									
Investment income (loss)									
Other revenue						15,000		145,493	
Total revenues	<u>50,400</u>	<u>-</u>	<u>-</u>	<u>355,975</u>	<u>-</u>	<u>887,163</u>	<u>-</u>	<u>145,493</u>	<u>-</u>
Expenditures:									
General government	70,014								
Public safety									
Public works									
Cultural and recreation									
Health and welfare									
Education				57,401					
Debt service									
Principal retirement									
Interest and other charges									
Capital outlay		616,952		154,622		872,163			
Total expenditures	<u>70,014</u>	<u>616,952</u>	<u>-</u>	<u>212,023</u>	<u>-</u>	<u>872,163</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(19,614)</u>	<u>(616,952)</u>	<u>-</u>	<u>143,952</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>145,493</u>	<u>-</u>
Other Financing Sources (Uses):									
Issuance of general obligation bonds									
Issuance of direct placement debt		620,359							
Issuance of refunding bonds									
Payment to escrow agent									
Transfers in	50,000				45,000	143,000	100,000	80,000	175,000
Transfers out									
Total other financing sources (uses)	<u>50,000</u>	<u>620,359</u>	<u>-</u>	<u>-</u>	<u>45,000</u>	<u>143,000</u>	<u>100,000</u>	<u>80,000</u>	<u>175,000</u>
Net Change in Fund Balances	30,386	3,407	-	143,952	45,000	158,000	100,000	225,493	175,000
Fund Balances at Beginning of Year, as restated	57,000	-	(396,680)	19,274	-	120,000	100,000	70,000	100,000
Fund Balances at End of Year	<u>\$ 87,386</u>	<u>\$ 3,407</u>	<u>\$ (396,680)</u>	<u>\$ 163,226</u>	<u>\$ 45,000</u>	<u>\$ 278,000</u>	<u>\$ 200,000</u>	<u>\$ 295,493</u>	<u>\$ 275,000</u>

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**TOWN OF EAST GREENWICH, RHODE ISLAND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE (CONTINUED)
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021**

	Capital Project Funds				Debt Service Fund	Permanent Funds		Total	
	Park Improvements	Swift Community Center Improvements	Police Building Improvements	Performance Bond Fund	Bond Fund	Debt Service Fund	Nonexpendable Trust Fund		Rose Trust Fund
Revenues:									
Intergovernmental revenues	\$	\$	\$	\$	\$	1,952,949	\$	\$	5,154,084
Fines, penalties and charges for services									570,974
Investment income (loss)						203	2	166	386
Other revenue									161,511
Total revenues	-	-	-	-	-	1,953,152	2	166	5,886,955
Expenditures:									
General government									90,613
Public safety									187,776
Public works									18,924
Cultural and recreation									88,183
Health and welfare									
Education									1,472,717
Debt service									
Principal retirement						3,338,833			3,373,833
Interest and other charges						26,371			1,509,917
Capital outlay		1,451				1,712,901			3,937,507
Total expenditures	-	1,451	-	-	1,739,272	4,819,192	-	-	10,679,470
Excess (Deficiency) of Revenues over Expenditures	-	(1,451)	-	-	(1,739,272)	(2,866,040)	2	166	(4,792,515)
Other Financing Sources (Uses):									
Issuance of general obligation bonds					3,485,000				3,485,000
Issuance of direct placement debt									620,359
Issuance of refunding bonds						29,655,000			29,655,000
Payment to escrow agent						(29,369,339)			(29,369,339)
Transfers in	50,000	15,000	12,000			2,791,927			3,486,927
Transfers out									
Total other financing sources (uses)	50,000	15,000	12,000	-	3,485,000	3,077,588	-	-	7,877,947
Net Change in Fund Balances	50,000	13,549	12,000	-	1,745,728	211,548	2	166	3,085,432
Fund Balances at Beginning of Year, as restated	50,000	-	-	-	(1,543,612)	-	182,883	166,969	2,095,810
Fund Balances at End of Year	\$ 100,000	\$ 13,549	\$ 12,000	\$ -	\$ 202,116	\$ 211,548	\$ 182,885	\$ 167,135	\$ 5,181,242

**TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF PROPERTY TAXES RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Year</u>	<u>Property Taxes Receivable July 1, 2020</u>	<u>Current Year Assessment</u>	<u>Additions and Adjustments</u>	<u>Abatements</u>	<u>Amount to be Collected</u>	<u>Collections Net of Refunds</u>	<u>Property Taxes Receivable June 30, 2021</u>
2020	\$	\$ 57,933,778	\$ 75,837	\$ 40,724	\$ 57,968,891	\$ 56,368,508	\$ 1,600,383
2019	1,205,332			2,709	1,202,623	1,114,516	88,107
2018	143,547			2,250	141,297	28,336	112,961
2017	117,970			2,034	115,936	19,558	96,378
2016	139,529			1,849	137,680	23,607	114,073
2015	114,231			277	113,954	14,395	99,559
2014	99,700			-	99,700	17,153	82,547
2013	107,843			2,878	104,965	14,928	90,037
2012	92,744			-	92,744	12,000	80,744
2011	59,866			10,481	49,385	661	48,724
2010	34,760			28,079	6,681	3,479	3,202
2009 and prior	21,362			3,199	18,163	2,784	15,379
Subtotal	2,136,884	\$ <u>57,933,778</u>	\$ <u>75,837</u>	\$ <u>94,480</u>	\$ <u>60,052,019</u>	\$ <u>57,619,925</u>	2,432,094
Less: estimated allowance for uncollectable accounts	<u>90,933</u>						<u>63,199</u>
Net property taxes receivable	\$ <u>2,045,951</u>						\$ <u>2,368,895</u>

(Continued on next page)

TOWN OF EAST GREENWICH, RHODE ISLAND
 SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021

Collections

Year	July - August 2020 Collections Subject to 60-Day FY20 Accrual	September - June 2021 Collections	Total FY2021 Collections	July - August 2021 Collections Subject to 60-Day FY21 Accrual
2020	\$	\$ 56,368,508	\$ 56,368,508	\$ 880,956
2019	657,848	456,668	1,114,516	8,145
2018	9,259	19,077	28,336	3,015
2017	8,328	11,230	19,558	1,459
2016	4,311	19,296	23,607	1,574
2015	3,634	10,761	14,395	(6,394)
2014	3,015	14,138	17,153	51
2013	3,191	11,737	14,928	1,429
2012	2,131	9,869	12,000	5,466
2011	1,393	(732)	661	
2010		3,479	3,479	
2009 and prior		2,784	2,784	
Total	\$ 693,110	\$ 56,926,815	\$ 57,619,925	\$ 895,701

(Continued on next page)

**TOWN OF EAST GREENWICH, RHODE ISLAND
 SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2021**

Schedule of Net Assessed Property Value by Category		
Assessed December 31, 2019		
Description of Property	Valuations	Levy
Real property	\$ 2,001,267,205	\$ 46,889,691
Commercial/Mixed Use	370,079,600	8,844,902
Motor vehicle	131,131,870	3,000,297
Tangible property	<u>84,438,966</u>	<u>2,469,840</u>
Total	2,586,917,641	61,204,730
Exemptions and adjustments	<u>139,405,437</u>	<u>3,270,952</u>
Net Assessed Value	<u>\$ 2,447,512,204</u>	<u>\$ 57,933,778</u>

Reconciliation of Current Year Property Tax Revenue	
Current year collections	\$ 57,619,925
Revenue received 60 days subsequent to fiscal year ending June 30, 2021	<u>895,701</u>
Subtotal	<u>58,515,626</u>
Prior year revenue received in current year (2020 60 day rule)	<u>(693,110)</u>
Current Year Property Tax Revenue	<u>\$ 57,822,516</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 East Greenwich
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	\$ 56,393,771	\$ -
Last Year's Levy Tax Collection	1,291,697	-
Prior Years Property Tax Collection	116,878	-
Interest & Penalty	216,585	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	1,707,738	-
Fines and Forfeitures	-	-
Investment Income	24,524	-
Departmental	158,595	-
Rescue Run Revenue	645,302	-
Police & Fire Detail	352,655	-
Other Local Non-Property Tax Revenues	235,878	-
Tuition	-	46,041
Impact Aid	-	-
Medicaid	-	219,150
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	469,628
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	560,805	759,837
COVID - ESSER	-	69,829
COVID - CRF	1,212,730	118,019
COVID - CDBG	-	-
COVID - FEMA	658,208	498,252
COVID - Other	-	-
COVID - ARPA	-	-
MV Excise Tax Reimbursement	84,112	-
State PILOT Program	299,596	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	162,821	-
Meals & Beverage Tax / Hotel Tax	619,221	-
LEA Aid	-	3,415,359
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	1,392,145	-
State Food Service Revenue	-	115,925
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	25,637
Motor Vehicle Phase Out	140,273	-
Other Revenue	-	383,188
Local Appropriation for Education	-	37,441,266
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 66,273,534</u>	<u>\$ 43,562,132</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	70,014	-
Financing Sources: Debt Proceeds	29,655,000	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ 29,725,014</u>	<u>\$ -</u>

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

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT					
Compensation- Group A	\$ 466,763	\$ 484,790	\$ 203,932	\$ 243,786	\$ 218,156	\$ -	\$ 1,212,587	\$ 559,460	\$ 2,714,646
Compensation - Group B	-	-	-	-	-	-	-	-	333,020
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	6,620	-	-	-	-	134,589	4,568	276,985
Overtime - Group B	-	-	-	-	-	-	-	-	63,476
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	86,152	108,761	50,661	25,885	47,914	-	282,889	124,435	409,610
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	104,053
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	3,889	4,843	2,222	1,048	1,998	-	13,853	5,855	18,460
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	5,624
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	31,842	36,300	15,479	18,364	16,346	-	103,084	42,736	240,150
Life Insurance	1,020	1,264	584	290	630	-	4,831	2,143	14,181
State Defined Contribution- Group A	4,762	4,998	2,299	2,031	2,685	-	8,263	4,381	2,682
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	379	504	569	198	907	-	82,997	26,911	62,856
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	21,813	23,211	9,587	10,091	11,223	-	57,553	25,678	724,198
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	17,096
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	351,844	39,048	21,618	34,157	23,425	-	31,221	8,497	44,892
Materials/Supplies	138,617	4,394	2,358	18,180	136	-	29,190	43,816	82,420
Software Licenses	-	-	-	242,047	-	-	-	-	-
Capital Outlays	6,280	20,487	-	136,258	2,389	-	15,127	13,173	26,652
Insurance	384,523	-	-	-	-	-	-	-	-
Maintenance	19,375	-	7,563	-	-	-	69,137	1,579	15,398
Vehicle Operations	-	-	6,542	-	-	-	151,294	31,631	40,302
Utilities	33,686	-	20,734	92,582	-	-	38,586	49,216	78,088
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	274,077	-	-
Revaluation	-	70,014	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	76,986	-	-
Trash Removal & Recycling	-	-	-	-	-	-	746,722	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	20,500	-	-	-	-	-	-	-	-
Other Operation Expenditures	32,869	30,640	7,092	-	2,273	536,232	7,375	14,863	43,222
Tipping Fees	-	-	-	-	-	-	239,813	-	-
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	\$ 1,604,313	\$ 835,873	\$ 351,240	\$ 824,918	\$ 328,082	\$ 536,232	\$ 3,580,175	\$ 958,942	\$ 5,318,011

Town of East Greenwich
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	\$ 3,298,318	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,402,440	\$ 19,323,571
Compensation - Group B	-	-	-	-	-	-	333,020	1,648,346
Compensation - Group C	-	-	-	-	-	-	-	3,592,803
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	760,343	-	-	-	-	-	1,183,105	-
Overtime - Group B	-	-	-	-	-	-	63,476	-
Overtime - Group C	-	-	-	-	-	-	-	32,527
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	643,500	-	-	-	-	-	1,779,807	1,956,663
Active Medical Insurance- Group B	-	-	-	-	-	-	104,053	211,672
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,135,993
Active Dental insurance- Group A	36,100	-	-	-	-	-	88,268	138,184
Active Dental Insurance- Group B	-	-	-	-	-	-	5,624	10,725
Active Dental Insurance- Group C	-	-	-	-	-	-	-	68,514
Payroll Taxes	291,845	-	-	-	-	-	796,145	611,247
Life Insurance	10,318	-	-	-	-	-	35,261	31,179
State Defined Contribution- Group A	406	-	-	-	-	-	32,507	485,927
State Defined Contribution - Group B	-	-	-	-	-	-	-	38,329
State Defined Contribution - Group C	-	-	-	-	-	-	-	24,543
Other Benefits- Group A	47,408	-	-	-	-	-	222,729	279,316
Other Benefits- Group B	-	-	-	-	-	-	-	1,828
Other Benefits- Group C	-	-	-	-	-	-	-	1,613
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	928,628	-	-	-	-	-	1,811,984	2,751,178
State Defined Benefit Pension - Group B	-	-	-	-	-	-	17,096	207,762
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	158,874
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	104,764	-	-	-	-	-	659,465	6,138,843
Materials/Supplies	45,239	-	-	-	-	-	364,350	896,341
Software Licenses	-	-	-	-	-	-	242,047	78,719
Capital Outlays	503,908	-	-	-	-	-	724,274	311,011
Insurance	-	-	-	-	-	-	384,523	198,693
Maintenance	122,663	-	-	-	-	-	235,715	894,868
Vehicle Operations	80,168	-	-	-	-	-	309,937	3,705
Utilities	36,841	-	-	-	-	-	349,732	866,928
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	274,077	-
Revaluation	-	-	-	-	-	-	70,014	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	76,986	-
Trash Removal & Recycling	-	-	-	-	-	-	746,722	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	20,500	-
Other Operation Expenditures	384,463	-	-	-	-	-	1,059,029	516,859
Tipping Fees	-	-	-	-	-	-	239,813	-
Local Appropriation for Education	-	-	-	37,441,266	-	-	37,441,266	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	448,000	-	448,000	-
Municipal Debt- Interest	-	-	-	-	141,332	-	141,332	-
School Debt- Principal	-	-	-	-	2,890,833	-	2,890,833	-
School Debt- Interest	-	-	-	-	1,338,527	-	1,338,527	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	128,652
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	7,776
OPEB Contribution- Total	-	-	-	-	-	869,682	869,682	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 7,294,911	\$ -	\$ -	\$ 37,441,266	\$ 4,818,693	\$ 869,682	\$ 64,762,339	\$ 42,753,190

Financing Uses: Transfer to Capital Funds	\$ 620,000	\$ -
Financing Uses: Transfer to Other Funds	75,000	-
Financing Uses: Payment to Bond Escrow Agent	29,369,339	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 30,064,339	\$ -
Net Change in Fund Balance¹	1,171,870	808,942
Fund Balance1- beginning of year	\$8,465,654	\$3,097,427
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	271,745
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	8,465,654	3,369,172
Rounding	-	-
Fund Balance¹ - end of year	\$ 9,637,524	\$ 4,178,114

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

Town of East Greenwich
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						\$ 8,465,654	-	\$ 8,465,654	
<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>\$ 8,465,654</u>	<u>-</u>	<u>\$ 8,465,654</u>	
General Fund	\$ 63,662,174	\$ -	\$ 21,777,463	\$ 40,928,193	\$ 956,518	\$ 8,433,767	\$ -	\$ 8,433,767	\$ 9,390,285
Federal / State Grants	658,208	-	654,404	-	3,804	31,887	-	31,887	35,691
Debt Service	1,953,152	32,446,927	4,819,192	29,369,339	211,548	-	-	-	211,548
Totals per audited financial statements	<u>\$ 66,273,534</u>	<u>\$ 32,446,927</u>	<u>\$ 27,251,059</u>	<u>\$ 70,297,532</u>	<u>\$ 1,171,870</u>	<u>\$ 8,465,654</u>	<u>\$ -</u>	<u>\$ 8,465,654</u>	<u>\$ 9,637,524</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 37,441,266	\$ (37,441,266)	\$ -	-	-	-	-
Eliminate transfer between general fund and debt service	-	(2,791,927)	-	(2,791,927)	-	-	-	-	-
Eliminate Reval transfer not reflected in financial statements	-	70,014	70,014	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 66,273,534</u>	<u>\$ 29,725,014</u>	<u>\$ 64,762,339</u>	<u>\$ 30,064,339</u>	<u>\$ 1,171,870</u>	<u>\$ 8,465,654</u>	<u>\$ -</u>	<u>\$ 8,465,654</u>	<u>\$ 9,637,524</u>

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

Town of East Greenwich
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						\$ 3,097,427	271,745	\$ 3,369,172	
<i>Adjustments made for student activity accounts for fiscal 2020</i>							-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 3,097,427</u>	<u>271,745</u>	<u>\$ 3,369,172</u>	
School Unrestricted Fund	\$ 6,510,081	\$ 37,441,266	\$ 42,969,840	\$ -	\$ 981,507	\$ 2,763,360	\$ -	\$ 2,763,360	\$ 3,744,867
Special revenue funds	973,323	-	1,190,893	-	(217,570)	262,548	-	262,548	44,978
School food service	613,448	-	572,174	-	41,274	71,519	-	71,519	112,793
Student Activity Accounts	218,176	-	214,445	-	3,731	-	271,745	271,745	275,476
Totals per audited financial statements	<u>\$ 8,315,028</u>	<u>\$ 37,441,266</u>	<u>\$ 44,947,352</u>	<u>\$ -</u>	<u>\$ 808,942</u>	<u>\$ 3,097,427</u>	<u>\$ 271,745</u>	<u>\$ 3,369,172</u>	<u>\$ 4,178,114</u>
Reconciliation from financial statements to MTP2									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 37,441,266	\$ (37,441,266)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions on financial statements	(2,093,775)	-	(2,093,775)	-	-	-	-	-	-
State contribution on behalf of transportation	(74,702)	-	(74,702)	-	-	-	-	-	-
Commodities included in audit but not MTP or UCOA	(25,685)	-	(25,685)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 43,562,132</u>	<u>\$ -</u>	<u>\$ 42,753,190</u>	<u>\$ -</u>	<u>\$ 808,942</u>	<u>\$ 3,097,427</u>	<u>\$ 271,745</u>	<u>\$ 3,369,172</u>	<u>\$ 4,178,114</u>
Reconciliation from MTP2 to UCOA									
Appropriation of Fund Balance not reflected in MTP but in UCOA	\$ 586,525		\$ -						
Miscellaneous variance between MTP2 & UCOA	-		(1)						
Totals per UCOA Validated Totals Report 2/18/22	<u>\$ 44,148,657</u>		<u>\$ 42,753,189</u>						

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

**TOWN OF EAST GREENWICH, RHODE ISLAND
 NOTES TO SUPPLEMENTARY INFORMATION - ANNUAL SUPPLEMENTAL TRANSPARENCY
 REPORT (MTP2)
 JUNE 30, 2021**

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

The State reporting requires expenditures to be reported by departments, as defined by the State. Some of the departmental groupings are not consistent with the departments reflected in the 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 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

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO SUPPLEMENTARY INFORMATION - ANNUAL SUPPLEMENTAL TRANSPARENCY
REPORT (MTP2)
JUNE 30, 2021**

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/>.

**TOWN OF EAST GREENWICH, RHODE ISLAND
NET POSITION BY COMPONENT
LAST TEN YEARS**

	Fiscal Year Ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Governmental activities:										
Net investment in capital assets	\$ 40,247,735	\$ 35,801,129	\$ 37,392,111	\$ 35,340,922	\$ 35,160,076	\$ 34,519,152	\$ 32,593,083	\$ 30,022,563	\$ 26,815,085	\$ 19,739,145
Restricted	5,948,116	5,376,028	4,603,808	2,041,699	1,349,714	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838
Unrestricted	<u>(64,090,390)</u>	<u>(67,548,597)</u>	<u>(62,668,263)</u>	<u>(68,626,000)</u>	<u>(63,472,667)</u>	<u>(33,241,321)</u>	<u>(30,331,477)</u>	<u>(814,090)</u>	<u>3,172,839</u>	<u>7,926,272</u>
Total governmental activities net position	<u>(17,894,539)</u>	<u>(26,371,440)</u>	<u>(20,672,344)</u>	<u>(31,243,379)</u>	<u>(26,962,877)</u>	<u>3,267,752</u>	<u>4,433,476</u>	<u>32,631,750</u>	<u>33,589,186</u>	<u>31,199,255</u>
Business-type activities:										
Net investment in capital assets	21,267,199	20,456,792	19,529,965	18,577,595	17,185,132	17,005,110	15,315,035	14,492,633	13,385,888	11,088,505
Restricted	3,955,511									
Unrestricted	<u>365,290</u>	<u>394,943</u>	<u>466,722</u>	<u>7,879,795</u>	<u>8,219,446</u>	<u>7,602,117</u>	<u>9,258,013</u>	<u>10,428,707</u>	<u>11,765,571</u>	<u>13,837,395</u>
Total business-type activities net position	<u>25,588,000</u>	<u>20,851,735</u>	<u>19,996,687</u>	<u>26,457,390</u>	<u>25,404,578</u>	<u>24,607,227</u>	<u>24,573,048</u>	<u>24,921,340</u>	<u>25,151,459</u>	<u>24,925,900</u>
Primary government:										
Net investment in capital assets	61,514,934	56,257,921	56,922,076	53,918,517	52,345,208	51,524,262	47,908,118	44,515,196	40,200,973	30,827,650
Restricted	9,903,627	5,376,028	4,603,808	2,041,699	1,349,714	1,989,921	2,171,870	3,423,277	3,601,262	3,533,838
Unrestricted	<u>(63,725,100)</u>	<u>(67,153,654)</u>	<u>(59,598,077)</u>	<u>(60,746,205)</u>	<u>(55,253,221)</u>	<u>(25,639,204)</u>	<u>(21,073,464)</u>	<u>9,614,617</u>	<u>14,938,410</u>	<u>21,763,667</u>
Total Primary Government Net Position	<u>\$ 7,693,461</u>	<u>\$ (5,519,705)</u>	<u>\$ 1,927,807</u>	<u>\$ (4,785,989)</u>	<u>\$ (1,558,299)</u>	<u>\$ 27,874,979</u>	<u>\$ 29,006,524</u>	<u>\$ 57,553,090</u>	<u>\$ 58,740,645</u>	<u>\$ 56,125,155</u>

TOWN OF EAST GREENWICH, RHODE ISLAND
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Expenses										
Governmental activities:										
General government	\$ 4,771,640	\$ 5,485,190	\$ 7,307,072	\$ 11,763,874	\$ 10,702,032	\$ 11,213,803	\$ 7,475,179	\$ 10,271,135	\$ 6,583,467	\$ 6,566,960
Public safety	14,399,244	13,446,234	2,979,410	10,186,989	8,531,144	7,993,445	7,808,939	7,720,518	9,108,219	3,335,498
Public works	4,336,085	4,780,707	3,224,593	5,026,382	5,430,220	5,159,473	5,104,794	4,922,694	4,564,079	4,640,995
Cultural and recreation	1,154,583	1,475,284	1,473,433	1,209,398	1,191,525	1,193,977	1,181,525	1,131,540	1,088,186	1,099,426
Health and welfare	-	79	182,302	415,403	608,099	2,151,048	840,519	850,902	1,059,193	1,265,371
Education	47,563,659	47,119,090	45,036,690	43,186,223	43,256,485	40,190,736	34,118,786	37,299,099	35,797,956	34,883,882
Interest and fiscal charges	1,466,160	1,821,026	2,174,319	2,205,020	2,085,391	2,438,141	2,386,485	2,817,502	2,996,339	1,591,216
Total governmental activities	<u>73,691,371</u>	<u>74,127,610</u>	<u>62,377,819</u>	<u>73,993,289</u>	<u>71,804,896</u>	<u>70,340,623</u>	<u>58,916,227</u>	<u>65,013,390</u>	<u>61,197,439</u>	<u>53,383,348</u>
Business-type activities:										
Sewer	3,889,339	3,306,350	3,497,211	3,272,843	3,177,273	3,121,804	3,042,941	2,924,541	2,803,715	2,924,500
School lunch	572,174	543,560								
Total business-type activities	<u>4,461,513</u>	<u>3,849,910</u>	<u>3,497,211</u>	<u>3,272,843</u>	<u>3,177,273</u>	<u>3,121,804</u>	<u>3,042,941</u>	<u>2,924,541</u>	<u>2,803,715</u>	<u>2,924,500</u>
Total Primary Government Expense	<u>\$ 78,152,884</u>	<u>\$ 77,977,520</u>	<u>\$ 65,875,030</u>	<u>\$ 77,266,132</u>	<u>\$ 74,982,169</u>	<u>\$ 73,462,427</u>	<u>\$ 61,959,168</u>	<u>\$ 67,937,931</u>	<u>\$ 64,001,154</u>	<u>\$ 56,307,848</u>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,833,547	\$ 1,226,895	\$ 711,553	\$ 663,369	\$ 719,852	\$ 728,482	\$ 516,808	\$ 637,795	\$ 599,535	\$ 558,686
Public safety	1,273,440	981,353	183,351	193,811	189,259	162,802	174,093	188,623	183,267	230,525
Public works	210,383	199,158							364,783	408,144
Cultural and recreation	339,121	205,307								225,631
Health and welfare	8,956	9,292	386,868	1,276,615	1,220,636	1,319,959	1,376,819	257,000	295,249	87,357
Education	102,150	95,353	464,446	426,208	423,511	411,451	507,125	451,902	531,743	530,824
Operating grants and contributions										
General government	2,472,766	2,110,470	237	1,187	4,950		393,555	549,711	125,068	216,590
Public safety	2,296,947	15,025	125,143	168,019	190,621	164,414	220,069	154,635	413,494	128,961
Public works										
Cultural and recreation	5,325	78,462								11,074
Health and welfare	900	1,295	603,697	308,929	809,069	385,624	251,285	257,735	350,910	179,415
Education	7,875,020	6,451,395	8,472,805	7,763,792	7,790,736	7,835,647	5,586,856	6,663,785	2,538,795	1,246,325
Capital grants and contributions										
General government	406,375	99,650							19,552	294,326
Total governmental activities program revenues	<u>16,849,767</u>	<u>11,473,655</u>	<u>10,948,100</u>	<u>10,801,930</u>	<u>11,348,634</u>	<u>11,008,379</u>	<u>9,026,610</u>	<u>9,161,186</u>	<u>5,422,396</u>	<u>4,117,858</u>
Business-type activities:										
Charges for services:										
Sewer	4,315,537	4,132,879	4,483,500	4,325,655	3,974,624	3,155,983	2,694,649	2,941,661	2,549,636	2,408,772
School lunch	2,211	332,434								
Operating grants and contributions										
School lunch ¹	611,237	182,586								
Total business-type activities program revenues	<u>4,950,570</u>	<u>4,647,899</u>	<u>4,483,500</u>	<u>4,325,655</u>	<u>3,974,624</u>	<u>3,155,983</u>	<u>2,694,649</u>	<u>2,941,661</u>	<u>2,549,636</u>	<u>2,408,772</u>
Total Primary Government Program Revenues	<u>\$ 21,165,304</u>	<u>\$ 15,606,534</u>	<u>\$ 15,431,600</u>	<u>\$ 15,127,585</u>	<u>\$ 15,323,258</u>	<u>\$ 14,164,362</u>	<u>\$ 11,721,259</u>	<u>\$ 12,102,847</u>	<u>\$ 7,972,032</u>	<u>\$ 6,526,630</u>

(Continued on next page)

TOWN OF EAST GREENWICH, RHODE ISLAND
CHANGES IN NET POSITION, LAST TEN FISCAL YEARS (CONTINUED)
GOVERNMENTAL ACTIVITIES
(Accrual Basis of Accounting)

	For the Fiscal Year Ended June 30,									
	2021	2020	2018	2017	2016	2015	2014	2013	2012	2011
Net Revenue (Expense)										
Governmental activities	\$ (56,841,604)	\$ (62,653,955)	\$ (51,429,719)	\$ (63,191,359)	\$ (60,456,262)	\$ (59,332,244)	\$ (49,889,617)	\$ (55,852,204)	\$ (55,775,043)	\$ (49,265,490)
Business-type activities	489,057	797,989	986,289	1,052,812	797,351	34,179	(348,292)	17,120	(254,079)	(515,728)
Total Primary Government Net Expense	\$ <u>(56,352,547)</u>	\$ <u>(61,855,966)</u>	\$ <u>(50,443,430)</u>	\$ <u>(62,138,547)</u>	\$ <u>(59,658,911)</u>	\$ <u>(59,298,065)</u>	\$ <u>(50,237,909)</u>	\$ <u>(55,835,084)</u>	\$ <u>(56,029,122)</u>	\$ <u>(49,781,218)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	\$ 58,424,152	\$ 57,092,878	\$ 55,946,990	\$ 56,046,626	\$ 57,076,518	\$ 55,387,746	\$ 53,092,082	\$ 52,039,380	\$ 50,001,198	\$ 43,986,640
Unrestricted investment earnings	77,307	113,753	53,363	65,908	34,795	9,489	9,719	27,917	13,369	768
Grants and contributions not restricted to specific program	1,006,437	1,385,837								
Miscellaneous	370,032	282,070	4,126,097	2,798,323	2,751,118	2,457,607	2,786,915	3,611,275	7,074,596	5,987,879
Transfers	-	43,000	(100,059)		1,762	62,395	62,403	62,403		
Total governmental activities	<u>59,877,928</u>	<u>58,917,538</u>	<u>60,026,391</u>	<u>58,910,857</u>	<u>59,864,193</u>	<u>57,917,237</u>	<u>55,951,119</u>	<u>55,740,975</u>	<u>57,089,163</u>	<u>49,975,287</u>
Business-type activities:										
Unrestricted investment earnings									479,638	525,438
Grants and contributions not restricted to a specific program	-									
Transfers	-	(43,000)	100,059							
Total business type activities	<u>-</u>	<u>(43,000)</u>	<u>100,059</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>479,638</u>	<u>525,438</u>
Total Primary Government	\$ <u>59,877,928</u>	\$ <u>58,874,538</u>	\$ <u>60,126,450</u>	\$ <u>58,910,857</u>	\$ <u>59,864,193</u>	\$ <u>57,917,237</u>	\$ <u>55,951,119</u>	\$ <u>55,740,975</u>	\$ <u>57,568,801</u>	\$ <u>50,500,725</u>
Change in Net Position										
Governmental activities	\$ 3,036,324	\$ (3,736,417)	\$ 8,596,672	\$ (4,280,502)	\$ (592,069)	\$ (1,415,007)	\$ 6,061,502	\$ (111,229)	\$ 1,314,120	\$ 709,797
Business-type activities	489,057	754,989	1,086,348	1,052,812	797,351	34,179	(348,292)	17,120	225,559	9,710
Total Primary Government	\$ <u>3,525,381</u>	\$ <u>(2,981,428)</u>	\$ <u>9,683,020</u>	\$ <u>(3,227,690)</u>	\$ <u>205,282</u>	\$ <u>(1,380,828)</u>	\$ <u>5,713,210</u>	\$ <u>(94,109)</u>	\$ <u>1,539,679</u>	\$ <u>719,507</u>

* As restated

- 1) Effective for the year ended June 30, 2021, the student activities began being reported as a special revenue fund for governmental activity. Prior to that date, it is included as an agency fund.
- 2) Effective for the year ended June 30, 2021, the East Greenwich Land Trust began being reported as a special revenue fund for governmental activity. Prior to that date, it is included as a discretely presented component unit.
- 3) Effective for the year ended June 30, 2021, the Sewer fund began recording exchange transaction revenue for its sewer assessment activity using full accrual. Prior to that date, modified accrual was used.

TOWN OF EAST GREENWICH, RHODE ISLAND
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	For the Fiscal Year Ended June 30,									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Revenues:										
Property taxes, interest and lien fees	\$ 58,318,528	\$ 57,956,263	\$ 55,783,356	\$ 56,012,926	\$ 57,038,288	\$ 55,468,067	\$ 52,855,272	\$ 51,893,705	\$ 50,068,123	\$ 43,760,296
Intergovernmental revenues	13,683,412	9,356,393	8,521,140	6,905,614	7,767,445	6,888,695	5,729,112	7,328,248	7,047,875	5,691,886
Fines, penalties and charges for services	2,590,161	2,019,989	1,306,004	2,136,509	2,113,333	2,074,701	2,027,141	1,529,948	1,110,840	1,114,239
Licenses and permits	1,018,860	816,268								
Investment income	77,307	113,753	66,400	76,285	98,110	131,276	142,000	27,917	13,369	744
Other revenues	370,942	283,146	5,000,779	4,301,970	3,886,519	4,246,536	3,800,160	3,644,372	4,196,947	3,292,605
Total revenues	76,059,210	70,545,812	70,677,679	69,433,304	70,903,695	68,809,275	64,553,685	64,424,190	62,437,154	53,859,770
Expenditures:										
Current:										
General government	4,385,714	4,536,183	8,357,313	10,957,406	8,597,472	9,650,248	7,750,894	7,199,628	4,758,224	5,781,072
Public safety	13,063,522	12,125,586	8,347,296	9,539,281	7,989,933	7,450,535	7,231,582	7,169,986	8,498,052	3,036,577
Public works	3,592,004	4,225,030	3,787,079	3,789,028	3,692,554	3,548,831	3,474,684	3,340,690	2,983,305	3,039,703
Cultural and recreation	1,103,569	1,313,716	1,416,814	1,320,444	1,131,951	1,135,224	1,123,735	1,128,003	1,056,659	1,122,500
Health and welfare	-	79	182,302	248,257	608,099	590,583	677,986	850,902	1,034,193	925,505
Education	44,442,557	42,539,805	42,344,620	40,849,881	41,187,480	39,003,994	36,495,426	36,808,755	35,262,082	34,883,882
Debt service:										
Principal retirement	3,373,833	2,607,833	3,596,833	3,332,833	4,295,833	4,221,833	4,190,833	4,160,833	3,780,834	36,640,833
Interest and other charges	1,509,917	2,114,678	2,172,887	2,214,440	2,289,912	2,453,325	2,547,470	2,679,075	3,132,137	2,529,712
Capital outlay	3,955,657	2,297,157	3,194,617	2,152,130	1,674,115	2,085,678	1,445,369	229,924	4,041,601	7,946,552
Other expenditures					6,768	1,560,465		1,815,421	8,204	6,961
Total expenditures	75,426,773	71,760,067	73,399,761	74,403,700	71,474,117	71,700,716	64,937,979	65,383,217	64,555,291	95,913,297
Excess of revenues over (under) expenditures	632,437	(1,214,255)	(2,722,082)	(4,970,396)	(570,422)	(2,891,441)	(384,294)	(959,027)	(2,118,137)	(42,053,527)
Other Financing Sources (Uses):										
Issuance of general obligation bonds	3,485,000									
Issuance of direct placement debt	620,359	606,444								3,609,699
Issuance of refunding bonds	29,655,000		2,079,386	1,636,311	562,112	1,475,388	20,000			36,640,000
Payment to refunding debt escrow	(29,369,339)									
Transfers in	3,486,927	593,270		605,804	154,075	33,276,182	32,485,772		322,904	239,321
Transfers out	(3,486,927)	(550,270)		(605,804)	(154,075)	(33,276,182)	(32,485,772)	(48,599)	(322,904)	(239,321)
Total other financing sources (uses)	4,391,020	649,444	2,079,386	1,636,311	562,112	1,475,388	20,000	(48,599)	-	40,249,699
Net Change in Fund Balances	\$ 5,023,457	\$ (564,811)	\$ (642,696)	\$ (3,334,085)	\$ (8,310)	\$ (1,416,053)	\$ (364,294)	\$ (1,007,626)	\$ (2,118,137)	\$ (1,803,828)
Debt Service as a Percentage of Noncapital Expenditures (1)	5.47%	3.30%	8.22%	7.68%	9.41%	9.58%	10.61%	10.48%	11.42%	43.01%

Notes:

(1) The percentage calculation uses the capital outlay figure from the reconciliation in Exhibit 4. This differs from the Capital Improvements figure due to capitalizable items included within other functional categories of current

TABLE 4

**TOWN OF EAST GREENWICH, RHODE ISLAND
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Amount to be Collected	Current Year Tax Collections	Percentage of Levy Collected	Collections in Subsequent Years	Total Collections to Date	
					Amount	Percentage of Levy
2021	\$ 57,968,891	\$ 56,368,508	97.24%	\$ -	\$ 56,368,508	97.239%
2020	56,836,566	55,631,105	97.88%	1,114,516	56,745,621	99.840%
2019	55,940,328	54,557,775	97.53%	1,267,342	55,825,117	99.794%
2018	56,128,625	54,865,975	97.75%	1,164,238	56,030,213	99.825%
2017	57,063,288	55,903,738	97.97%	1,043,628	56,947,366	99.797%
2016	55,464,423	54,254,999	97.82%	1,109,588	55,364,587	99.820%
2015	53,345,988	51,904,778	97.30%	1,358,663	53,263,441	99.845%
2014	51,851,944	50,684,913	97.75%	1,074,116	51,759,029	99.821%
2013	45,381,128	44,112,086	97.20%	1,188,298	45,300,384	99.822%
2012	44,015,852	42,802,430	97.24%	1,154,217	43,956,647	99.865%

Source: Town of East Greenwich Tax Collector

**TOWN OF EAST GREENWICH, RHODE ISLAND
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year ended June 30									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Debt limit	\$ 73,425,366	\$ 73,430,663	\$ 73,035,072	\$ 71,313,503	\$ 73,515,232	\$ 70,339,512	\$ 68,850,237	\$ 67,923,165	\$ 67,213,371	\$ 74,668,500
Total net debt applicable to the limit	14,597,624	12,191,609	16,401,674	18,592,395	21,069,742	22,581,019	18,622,629	20,485,131	22,354,841	24,182,120
Legal debt margin	\$ 58,827,742	\$ 61,239,054	\$ 56,633,398	\$ 52,721,108	\$ 52,445,490	\$ 47,758,493	\$ 50,227,608	\$ 47,438,034	\$ 44,858,530	\$ 50,486,380
Total net debt applicable to the limit as a percentage of debt limit	19.88%	16.60%	22.46%	26.07%	28.66%	32.10%	27.05%	30.16%	33.26%	32.39%

Single Audit Section



Independent Auditors' Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance

To the Members of the Town Council
Town of East Greenwich, Rhode Island

Report on Compliance for Each Major Federal Program

We have audited the Town of East Greenwich, Rhode Island's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Town of East Greenwich, Rhode Island's major federal program for the year ended June 30, 2021. The Town of East Greenwich, Rhode Island's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for the Town of East Greenwich, Rhode Island's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of East Greenwich, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town of East Greenwich, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of East Greenwich, Rhode Island, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town of East Greenwich, Rhode Island, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of East Greenwich, Rhode Island's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of East Greenwich, Rhode Island's internal control over compliance.

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

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

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



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 22, 2022

**TOWN OF EAST GREENWICH, RHODE ISLAND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
United States Department of Agriculture				
<i>Passed Through the State of Rhode Island Department of Education:</i>				
Child Nutrition Cluster:				
National School Lunch Program	10.555		\$ 495,312	
School Breakfast Program	10.553		115,925	
			<u>-</u>	\$ <u>611,237</u>
United States Environmental Protection Agency				
<i>Direct:</i>				
Clean Water State Revolving Fund Cluster:				
Capitalization Grants for Clean Water State Revolving Funds	66.458			<u>21,585</u>
United States Department of Education				
<i>Passed Through the State of Rhode Island Department of Education:</i>				
Special Education Cluster (IDEA):				
Special Education Preschool Grants	84.173	2725-13502-801		6,000
Special Education Grants to States	84.027	2725-13202-801		<u>570,838</u>
				576,838
Title I Grants to Local Educational Agencies	84.010	2725-11702-801		84,437
Improving Teacher Quality State Grants	84.367	2725-16402-801		95,013
English Language Acquisition State Grants	84.365	2725-16502-801		3,550
COVID-19 ESSER I	84.425D			<u>69,829</u>
Total United States Department of Education			<u>-</u>	<u>829,667</u>
United States Department of the Treasury				
<i>Passed Through the State of Rhode Island Department of Treasury:</i>				
COVID-19 Supplemental Impact Education Aid	21.019			83,732
COVID-19 Substitute Teacher Pool and Recruitment	21.019			34,287
COVID-19 Coronavirus Relief Funds	21.019			<u>1,212,730</u>
Total United States Department of Treasury				<u>1,330,749</u>
United States Department of Transportation				
<i>Passed Through the Rhode Island Department of Transportation:</i>				
State and Community Highway Safety	20.600			<u>39,255</u>
United States Department of Justice				
<i>Passed Through the State of Rhode Island Department of Justice:</i>				
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program / Grants To Units Of Local Government	16.084			<u>7,830</u>
United States Department of Homeland Security				
<i>Passed Through the State of Rhode Island Emergency Management:</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036			571,803
Emergency Management Performance Grants	97.042			6,083
Assistance to Firefighters Grant	97.044			300,134
Homeland Security Grant Program	97.067			<u>25,646</u>
Total United States Department of Treasury				<u>903,666</u>
Total Federal Awards			\$ <u>-</u>	\$ <u>3,743,989</u>

The accompanying notes are an integral part of this schedule

**TOWN OF EAST GREENWICH, RHODE ISLAND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of East Greenwich, Rhode Island, under programs of the federal government for the year ended June 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Because the Schedule presents only a selected portion of the operations of the Town of East Greenwich, Rhode Island, it is not intended to, and does not, present the financial position, changes in fund balance, changes in net position or cash flows of the Town of East Greenwich, Rhode Island.

Basis of Accounting

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, with exception of assistance listing 21.019, which follows criteria determined by the Department of Treasury for allowability of costs. Under these principles certain types of expenditures are not allowable or are limited as to reimbursement.

2. INDIRECT COST RECOVERY

The Town of East Greenwich, Rhode Island, has elected to use the 10% de minimis indirect cost rate provided under Section 200.414 of the Uniform Guidance when applicable.

3. NONCASH AWARDS

Donated commodities in the amount of \$25,684 are included in the Department of Agriculture's National School Lunch Program, Assistance Listing #10.555. The amount represents the market value of commodities received.



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

To the Members of the Town Council
Town of East Greenwich, 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 East Greenwich, 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 East Greenwich, Rhode Island's basic financial statements, and have issued our report thereon dated February 22, 2022.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of East Greenwich, 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 East Greenwich, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of East Greenwich, Rhode Island's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as items 2021-001 that we consider to be material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of East Greenwich, 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*.

The Town of East Greenwich, Rhode Island's Response to Findings

The Town of East Greenwich, Rhode Island's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of East Greenwich, Rhode Island's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 Town of East Greenwich, Rhode Island'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 Town of East Greenwich, Rhode Island's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP

West Hartford, Connecticut
February 22, 2022

**TOWN OF EAST GREENWICH, RHODE ISLAND
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021**

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major programs:

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

Type of auditors' report issued on compliance for major programs: Unmodified

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

Major programs:

Assistance Listing #	Name of Federal Program or Cluster
21.019	COVID 19 - Coronavirus Relief Funds

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? X yes no

II. FINANCIAL STATEMENT FINDINGS

Finding No. 2021-001

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Condition and Context: Management identified the following errors in the previously reported financial statements:

The unapportioned sewer assessment accounts receivable balances at June 30, 2020 were reported as deferred inflows of resources and should have been recognized as revenue under the accrual basis of accounting. This resulted in the overstatement of deferred inflows of resources and the understatement of revenues and net position at June 30, 2020 totaling \$4,247,208 (net).

Criteria or specific requirement: Internal controls should be in place to provide reasonable assurance that financial statements are prepared in accordance with U.S. GAAP.

Effect: The identified errors required the restatement of the beginning net positions reported in the business-type activities and sewer enterprise fund for the amounts identified above.

Cause: Internal controls were not in place to ensure the balances reported in the prior year financial statements were properly supported and reported in accordance with U.S. GAAP.

Recommendation: We recommend management evaluate the current financial reporting processes and controls to ensure that controls are in place to present the external financial statements in accordance with U.S. GAAP.

Views of Responsible Officials: Management identified and corrected the error as of June 30, 2021.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.