

TOWN OF FOSTER RHODE ISLAND



ANNUAL COMPREHENSIVE
FINANCIAL REPORT
FOR FISCAL YEAR ENDED
JUNE 30, 2021

TOWN OF FOSTER, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2021

Prepared by: Town Finance Department
Kelli M. Russ, Treasurer/Finance Director

INTRODUCTORY SECTION

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TOWN OF FOSTER RHODE ISLAND

KELLI M. RUSS

TREASURER/FINANCE DIRECTOR

April 28, 2022

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

The Annual Comprehensive Financial Report of the Town of Foster, for the fiscal year ended June 30, 2021, is hereby submitted. This report was prepared by the Treasurer's Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain adequate understanding of the Town's financial affairs have been included.

The Annual Comprehensive Financial Report is presented in three sections: Introductory, Financial, and Statistical. The Introductory section includes this transmittal letter, the Town's organizational chart, and a list of principal officials. The Financial Section includes the Independent Auditor's Report, the Management Discussion and Analysis, the basic financial statements, required supplementary information, and other supplementary information. The Statistical Section includes selected financial and demographic information generally presented on a multi-year basis.

The Town of Foster is a Rhode Island municipal corporation, which provides the following services to its residents: general administrative services, public safety, public works, human services, building and zoning, planning, and education. The Town supports the operations of the Foster-Glocester Regional School District; support is based on the number of resident students attending the Regional Schools and is reported as an expenditure within the Town's General Fund.

GOVERNMENT PROFILE

The land area that is now the Town of Foster was founded in 1636 and considered part of Providence, Rhode Island; was later divided from Providence and included in the Town of Scituate, Rhode Island; and was separated from Scituate and incorporated as a Town on August 24, 1781. The Town of Foster is located at the southeastern corner of Providence County on the Rhode Island/Connecticut line. It is bounded by Killingly and Sterling, Connecticut on the west; Glocester, Rhode Island on the north; Coventry, Rhode Island on the south, and Scituate, Rhode Island on the east; and remains sparsely settled with a population density of only 89.8 persons per square mile. It is connected to the southeast corridor by a network of highways including Interstates 295 and 95, and Route 6. It currently occupies 52.21 square miles and serves a population of approximately 4,469.

The Town of Foster has numerous National Historical Districts. In addition to several buildings, the entire hamlets of Foster Center (the seat of Town Government), Hopkins Mills, Clayville, and Moosup Valley are entered in the National Register of Historic Places.

The Town operates under a Home Rule Charter adopted in 1976, providing for a Town Council form of government with five members, elected at-large for terms of two years, and headed by a Council President. All legislative powers of the Town are vested in the Town Council by Charter including all powers to enact, amend, or repeal ordinances relating to the Town's property, affairs, and government (which include the power to create offices, departments, or agencies of the Town; preserving the public peace, health, and safety; and establishing personnel policies) except such powers as are reserved by State Law to the annual Financial Town Meeting (which include the ordering of any tax, making appropriations, giving effect to any vote of the Financial Town Meeting authorizing the issuance of bonds, and transacting any other business pertaining to the financial affairs of the Town).

The Town Council is supported and advised by various Boards and Commissions (members of which are volunteers and are appointed by the Town Council at different intervals), some of which are: Planning Board, Zoning Board, Zoning Board of Review, Board of Canvassers, Recreation Committee, and the Juvenile Hearing Board.

COMPONENT UNIT

The Foster Land Trust (Land Trust) is presented as a component unit of the Town in the accompanying government-wide financial statements. Further information regarding the purpose of the Land Trust and the definition of a component unit is in Note 1 of the financial statements.

EDUCATION

The public school system of the Town consists of one elementary school, grades kindergarten through 5, maintained by the Foster School Department. Grades 6 through 12 are maintained by the Foster-Glocester Regional School District, of which the Town of Foster and the Town of Glocester are member communities.

The Foster-Glocester Regional School District was incorporated and its fiscal authority established by Acts of the General Assembly in 1958 and 1959. In fiscal year ending June 30, 2021, the Town of Foster paid \$5,204,146 to the Foster-Glocester Regional School District.

The general administration of the Foster School Department is directed by a 3-member School Committee whose members are elected at-large. As a result of a recent Charter Amendment, the two candidates who received the greatest number of votes in the November 2018 general election were designated Member one and two; each will serve a four-year term. The third Member elected will serve a two-year term. In 2020, there was an election for one four-year term for Member three. In every election held thereafter, one or two Committee positions will be open for election/reelection on an alternating schedule.

The three members of the Foster School Committee, along with the six School Committee members from the Town of Glocester, are ex-officio members of the Foster-Glocester School Committee. The School Committees determine and control all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committees appoint a Superintendent as their chief administrative agent and such other administrative officers as are considered necessary, and submit detailed budgets of expenditures and revenues to the voters at annual Financial Town Meetings. The Foster-Glocester Regional School District's Financial Town Meeting is held on the third Tuesday in March of each year and its budget is adopted at that meeting. The Town of Foster's Financial Town Meeting is held on the first Tuesday of the first week in May of each year and the budget for the Foster elementary school is adopted at that meeting. According to the Town Charter, once the school budgets have been approved, the School Committees determine the allocations of the amounts appropriated. The School Committees direct and control all policies affecting the administration, construction, maintenance, and operation of the public schools.

As previously noted, the Town of Foster's school system (grades kindergarten through 5) consists of one elementary school (Captain Isaac Paine). Grades 6 through 8 attend the Ponaganset Middle School and grades 9 through 12 attend Ponaganset High School. Both the middle and high schools are physically located in the Town of Glocester near the border between the Towns of Foster and Glocester. A new Ponaganset Middle School building was completed in August 2007. The Ponaganset High School South building was constructed in 1960 and the Ponaganset North building was constructed in 1965. Both the North and South buildings were renovated in 2010.

As of October at the beginning of each school year, the student enrollment in the Foster School System for the past ten years has been, and for the next five years is projected to be, as follows:

Actual Enrollment

School Year	Captain Isaac Paine School	Foster-Glocester Regional School	Total
2011-2012	283	412	695
2012-2013	275	400	675
2013-2014	287	356	643
2014-2015	285	350	635
2015-2016	278	357	635
2016-2017	271	356	627
2017-2018	279	374	653
2018-2019	277	375	652
2019-2020	240	373	613
2020-2021	220	361	581

Projected Enrollment

School Year	Captain Isaac Paine School	Foster-Glocester Regional School	Total
2021-2022	224	381	605
2022-2023	223	352	575
2023-2024	222	328	550
2024-2025	227	308	508
2025-2026	222	286	508

Note: The above figures represent the students enrolled in Foster and Foster-Glocester schools. They do not include students who live in town and attend Charter schools and Career and Technical schools out-of-district for which the resident community is financially responsible.

MUNICIPAL SERVICES

The Town provides the following major public services:

PUBLIC SAFETY – Police: The Town Police Department is responsible for Public Safety and has a force of nine full-time sworn officers, including the Chief, Captain, Lieutenant, Sergeant, and five patrol officers. The department also has three full-time and three part-time dispatchers; the dispatchers dispatch for both the police and fire departments.

ANIMAL CONTROL – The Police Department is responsible for Animal Control which has one part-time Animal Control Officer shared with the Town of Scituate.

FIRE AND RESCUE – Fire protection and rescue services in the Town of Foster are provided by four separate non-profit volunteer entities created by State statute: Foster Center Fire Company, Moosup Valley Fire Company, South Foster Fire Company, and the Foster Ambulance Corps.

PUBLIC WORKS – The Town of Foster’s Public Works Department provides a full range of services including street maintenance, snow removal, and maintenance of Town property.

HUMAN SERVICES – The department provides services to low and moderate income residents and those in need. Services include emergency housing, fuel/utility assistance, food, and clothing. DHS assists with the application process for state and federal programs such as SNAP, WIC, Medical Assistance, and other programs.

BUILDING AND ZONING/PLANNING – The departments are made up of one part-time Building Official, one full-time Planner, one part-time Electrical Inspector, and one part-time Plumbing & Mechanical Inspector, whose responsibilities include ensuring compliance with state and local building code, ordinances and laws, subdivision regulations, and the Town’s Comprehensive Plan.

ECONOMIC CONDITIONS AND OUTLOOK

Foster is considered a rural residential community. Residential property accounts for 86.32% of the total tax roll.

EMPLOYMENT

Most employment opportunities extend outside the Town to the Cities of Hartford, Providence, and Boston. The majority of job opportunities offered in Town are part-time. The principal employers are the Foster School Department and the Town of Foster, Foster Golf & Country Club, Little Rhody Farms, Well One Foster, Dr. Daycare, Shady Acres, and the United States Postal Service (USPS).

Listed below is the Rhode Island Department of Labor and Training Quarterly Census of Employment and Wages – Second Quarter 2020 Report.

Foster			
	Number of Units	Average Employment	Total Wages
Total Private & Government	122	442	4,368,776
Total Private Only	116	373	3,502,264
Agriculture, Forestry, Fishing & Hunting	2	*	*
Construction	27	56	732,063
Manufacturing	2	*	*
Wholesale Trade	8	32	279,331
Retail Trade	7	26	172,002
Transportation & Warehousing	4	20	224,925
Information	2	*	*
Finance & Insurance	1	*	*
Real Estate & Rental & Leasing	1	*	*
Professional & Technical Services	16	34	349,472
Management of Companies & Enterprises	2	*	*
Administrative Support & Waste Mgmt.	11	17	187,412
Educational Services	2	*	*
Health Care & Social Assistance	12	57	678,236
Arts, Entertainment, & Recreation	4	52	301,187
Accommodation & Food Services	6	30	130,363
Other services (except Public Admin)	9	15	96,078
Unclassified Establishments	0	0	0
Government	6	70	866,512

* Some data is not shown due to the possibility of identifying data of a specific employer.

HOUSING

At the end of 2020 sale prices for single family homes in Foster ranged from \$75,000 to more than \$804,000. The 2021 second quarter median sales price for single family homes in Foster was \$355,000.

POPULATION TRENDS

In 2020 Foster was ranked 37 in population among the thirty-nine cities and towns in Rhode Island. Based on the U.S. Bureau of the Census, Foster experienced a moderate increase in population from 1980 through 2020.

Population in the Town from 1950 to 2020 was as follows:

<u>Years</u>	<u>Population</u>
1950	1,630
1960	2,097
1970	2,626
1980	3,370
1990	4,316
2000	4,274
2010	4,606
2020	4,469

Source: U.S. Bureau of the Census, 1950-2020

LONG-TERM FINANCIAL PLANNING

Each year the Town adopts a five-year Capital Improvement Program, which helps identify projects that should be undertaken in the next five years. This long-range planning is essential in addressing the future development and growth of the Town. The Town has continually funded its capital requirements through annual contributions of 2% of expenditures from the operating budget along with surplus funds above the 10% cap. The Town adopted a Charter amendment mandating the return of unspent funds allocated for capital expenditures and deemed abandoned to the Capital Project Fund.

Even with these funding initiatives, the anticipated expenditures for the ongoing replacement, repair, and maintenance of property including infrastructure, significantly outweighs the anticipated revenue set aside to fund these projects. Therefore, the Town budgeted an additional contribution of \$210,427 in 2021 to fund capital endeavors and is looking into changes in policy, grants, and alternate funding sources for future capital projects.

MAJOR INITIATIVES

Ongoing or recently completed projects include:

- New lavatory at Captain Isaac Paine Elementary School
- Major repairs to two town-owned fire apparatus
- Purchase of a Caterpillar 926M Loader
- Purchase/build a large body 6-wheel dump truck
- Purchased a York Model 10ft rake
- Purchase two Ford Explorer SUV patrol vehicles for the Police Department (both backordered due to extreme supply and demand issues)
- Purchased a Live Scan machine for the Police Department
- Completed phase one of the new youth athletic field complex which includes parking, walking trail, and a softball/little league field
- Asphalt overlays and repair on segments of Anthony, Paine, and North roads
- Purchase of land in Foster Center across the road from the Town Hall for the future
- Final phase of plan and design of a new Police Station site and building

FINANCIAL INFORMATION

A detailed understanding of the financial position and operating results of the Town is provided in the Annual Comprehensive Financial Report. The Management's Discussion and Analysis starting on page 4 of the Annual Comprehensive Financial Report provides additional information to assess the Town's financial condition.

INTERNAL CONTROLS

In developing and evaluating the Town's accounting control system, consideration is given to the adequacy of internal accounting controls. Accounting control comprises the plan of organization, procedures, and records that are concerned with the safeguarding of assets and the reliability of financial records, and consequently is designed to provide reasonable assurance that:

- Transactions are executed in accordance with management's general or specific authorization.
- Transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria, such as finance-related legal and contractual compliance requirements applicable to such statements, and (2) to maintain accountability of assets. Access to assets is permitted only in accordance with management's authorization.
- The recorded accountability of assets is compared with the existing assets at reasonable intervals, and appropriate action is taken with respect to any differences.

The definition of accounting control presumes reasonable, but not absolute, assurance that the objectives expressed in it will be accomplished by the system. The concept of reasonable assurance recognizes that the cost of internal controls should not exceed the benefits to be derived. The benefits consist of reductions in the risk of failing to achieve the objectives implicit in the definition of accounting control.

All internal control evaluations occur within the above framework. We believe that the Town's internal accounting control adequately safeguards assets and provides reasonable assurance of proper recording of financial transactions.

INDEPENDENT AUDIT

In accordance with the Town's Charter and the General Laws of the State of Rhode Island, an audit of the accounts and financial statements has been completed by the Town's independent Certified Public Accountants, Bacon & Company CPAs, LLC, and their opinion is included herein.

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Foster for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2019. This was the eighth consecutive year that the government has achieved this prestigious award. The Annual Comprehensive Financial Report was submitted for consideration for the fiscal year ended June 30, 2020 as well, and it is currently in the review phase of the award process. In order to be

awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENT

The preparation of the Annual Comprehensive Financial Report on a timely basis could not have been accomplished without the efforts and dedication of the competent staff of the Treasurer's Department. I also express my appreciation to other personnel from various departments who assisted in its preparation. Finally, I would like to thank the Town Council for their support in planning and conducting the financial operation of the Town.

Respectfully,

A handwritten signature in black ink that reads "Kelli M. Russ". The signature is written in a cursive, flowing style.

Kelli M. Russ
Treasurer/Finance Director

TOWN OF FOSTER, RHODE ISLAND

TOWN COUNCIL

Denise DiFranco, President
Heidi Rogers, Vice President
Cheryl Hawes
Christie Stone
David Paolino

TOWN CLERK

Susan M. Dillon

TREASURER / FINANCE DIRECTOR

Kelli M. Russ

ASSESSOR

Patricia J. Moreau

TAX COLLECTOR

Nancy Delaere

PLANNER

Michael Antonellis

BUILDING AND ZONING OFFICIAL

George Dumont, Interim

POLICE CHIEF

David Breit

DIRECTOR OF HUMAN SERVICES

Carol Mauro

DIRECTOR OF PUBLIC WORKS

Gordon Rogers

LIBRARY DIRECTOR

Jayne Lear

SCHOOL SUPERINTENDENT

Dr. Michael Barnes

SCHOOL COMMITTEE

Kathleen Tegan Swanson, Chair
Brendan Mara
Shelley D. Pezza

FIRE CHIEF - SOUTH FOSTER

Gordon Brayton

FIRE CHIEF - MOOSUP VALLEY

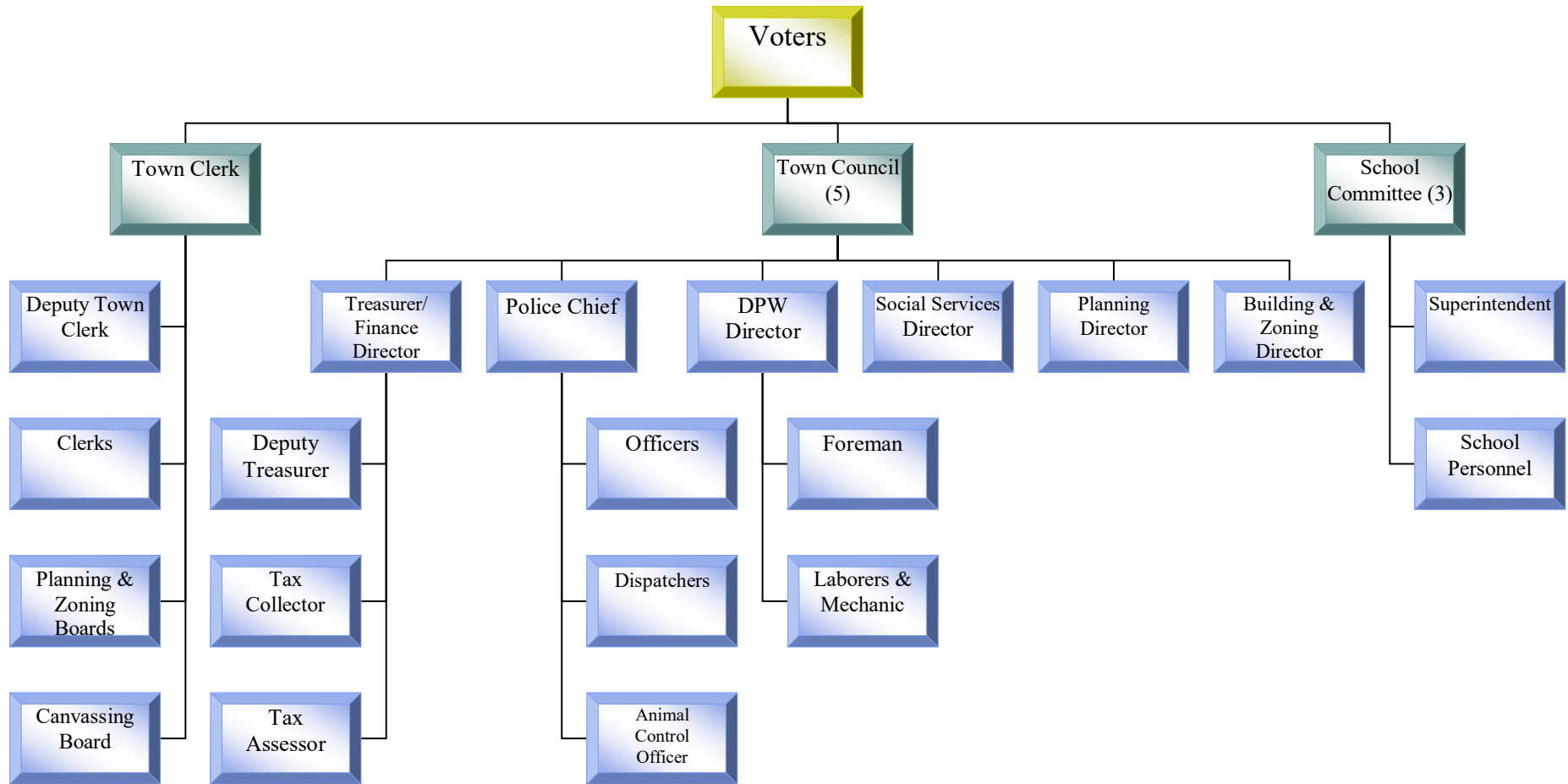
Paul Cunniff

FIRE CHIEF - FOSTER CENTER

William Paul

COMMANDER - AMBULANCE CORPS

Virginia Colwell



FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Foster, 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 Foster, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As discussed in Note 1 and Note 18 to the financial statements, the Town of Foster, Rhode Island implemented GASB Statement No. 84, *Fiduciary Activities*, during fiscal year 2021. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension and other postemployment benefit information on pages 4 through 15 and pages 74 through 92 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Foster, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, and the schedule of expenditures of federal awards,

as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 28, 2022 on our consideration of the Town of Foster, 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 Foster, 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 Foster, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
April 28, 2022

TOWN OF FOSTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2021
(Un-audited)

Management of the Town of Foster provides this Management's Discussion and Analysis of the Town of Foster's financial statements for the readers of the Town's Annual Comprehensive Financial Report. This narrative overview and analysis of the financial statements of the Town of Foster is for the fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the Town's financial statements that follow.

FINANCIAL HIGHLIGHTS

- The Town's governmental funds reported combined ending fund balances of \$6,331,632 of which \$0 is unassigned.
- At the end of the current fiscal year the committed fund balance in the general fund for the Foster reserve fund was \$1,429,041, or 10.00% of the total 2021 budgeted expenditures and other financing uses less budgeted capital expenditures. This is an increase of \$21,626 from the previous year.
- At the end of the current fiscal year the fund balance committed for capital in the general fund was \$2,242,100 of which \$605,091 was committed for specific projects with the remaining \$1,637,009 available for future projects.
- The School unrestricted fund ended the year with a restricted (for education) fund balance of \$1,246,218. This is an increase of \$497,331 from the prior year. The School Committee created a capital reserve account for surplus monies in excess of 4% of the operations budget; therefore, the \$1,246,218 restricted (for education) fund balance is comprised of \$181,640 for education and \$1,064,578 for capital for education.
- The Town ended the fiscal year with a budgetary operating surplus of \$599,202. The underlying causes are discussed later in this document. The School ended with a budgetary operating surplus of \$439,902 primarily due to a reduction of personnel and related benefits.
- On a government-wide basis the assets and deferred outflows of resources of the Town of Foster exceeded its liabilities and deferred inflows of resources as of June 30, 2021 by \$10,191,957; an increase from the prior year of \$1,743,081, or 20.63%. Net position of the Town's component unit increased by \$64,959, or 2.51%, to \$2,651,734.
- Net position includes transactions recording activity in the Town's pension plans, including net pension liabilities. The net pension liability as of June 30, 2021 is \$5,905,402; an increase of \$419,987, or 7.66%, from the prior year. Additional information on the Town of Foster's pension plans can be found in Note 16 of the financial statements found on pages 50-70.
- The Town's Government-wide operating expenses were \$14,869,805 a decrease of \$529,996, or 3.44%, from the prior year. The net decrease is primarily due to a decrease in education expenses of \$480,649 due to the decrease in school personnel and related benefits and a decrease in public safety expenses due to open positions. This decrease was offset by increases in other governmental activities such as legislative, judicial and general administrative for insurance, software, and employee benefit cost and planning, building, and zoning for personnel and related expenses. Revenues recognized were \$16,612,886, an increase of \$74,094 or 0.45% mainly due

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to an increase in operating grants and contributions offset by a decrease in capital grants and contributions and state aid, not restricted for a specific purpose. The State utilized federal funds received to offset state aid to municipalities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's annual financial statements. The financial section of this report consists of **four** parts – management's discussion and analysis (this section), the basic financial statements, required supplementary information, and other supplementary information that includes combining statements for non-major governmental funds. The basic financial statements consist of three components: government-wide financial statements; fund financial statements and notes to financial statements.

- The first two statements are government-wide statements that provide both long-term and short-term information about the Town's overall status.
- The remaining statements are fund statements that focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements.
 - ▶ The *governmental fund* statements tell how general government services like public safety were financed in the short-term as well as what remains for future spending.
 - ▶ *Proprietary fund* statements offer short-and long-term financial information about the activities the government operate like businesses.
 - ▶ *Fiduciary fund* statements provide information about assets that are held by the Town as trustee or custodian for the benefit of someone or something other than the Town itself. The Town cannot use these assets to support its own programs.

The financial statements also include notes that provide more detailed data about some of the information in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, also included is a section of combining statements that provide details of our non-major governmental funds, which are added together and presented in a single column in the basic financial statements.

Government-wide financial statements – Government-wide financial statements (*Statement of Net Position* and *Statement of Activities*) are designed to provide readers with a broad overview of the Town's finances in a manner similar to that of private-sector businesses. They are presented on the accrual basis of accounting where revenues and expenditures are recognized in the period they occur as opposed to the period in which they are collected or paid.

The *Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net*

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position. Over time, increases or decreases in 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 which shows how the Town's net position changed during the most recent fiscal year. All changes in net position are reported when 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 (e.g., uncollected taxes and earned but unused vacation and sick leave).

The *Statement of Activities* distinguishes functions of the Town which are supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all, or a significant portion, of their costs through user fees and charges (business-type activities). The Town's governmental activities include general government and administration, public safety, public works, social services, and recreational services. The Town's one component unit is the Foster Land Trust.

The government-wide financial statements are reported on pages 16 and 17 of this report.

Fund financial statements – A *fund* is a grouping (and self-balancing set) of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary and fiduciary funds.

Governmental funds – Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *current sources and uses of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town maintains 31 active individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the School unrestricted fund, and the Town capital project fund which are considered to be major funds. Data from the remaining 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major

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governmental funds is provided in the form of combining statements on pages 93 through 102 in this report. The governmental fund financial statements can be found on pages 18 through 21 of this report.

Proprietary Funds – Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. They are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees. The town has 1 proprietary fund used to manage the healthcare management transactions. The proprietary fund financial statements can be found on pages 22 through 24 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The fiduciary funds maintained by the Town include 1 other post -employment benefit trust fund and 1 private purpose trust fund. The fiduciary funds financial statements can be found on pages 25 and 26 of this report.

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

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, which include reconciliation between the statutory fund balance for budgetary purposes and the fund balances for the General Fund as presented in the governmental fund statements.** Required supplementary information follows the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. On a government-wide basis, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at June 30, 2021 by \$10,191,957, an increase of \$1,743,081 or 20.63% from 2020.

The most significant changes noted were:

An increase in both *current assets* and *noncurrent assets* of \$1,373,507 and \$173,934, respectively from 2020, plus an increase in *noncurrent liabilities* of \$164,907, offset by an increase in *deferred outflows of resources* of \$185,794 and a decrease in *deferred inflows of resources* of \$191,658 from 2020. Much of the increase in *current assets* is due to an increase in cash and cash equivalents, while the majority of the increase in *noncurrent assets* is the due to the investment in capital projects and other assets. The increase in *noncurrent liabilities* is primarily due to the increase in net pension liabilities offset by the decrease in

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the settlement payable to the Providence Water Supply Board. The small increase in *current liabilities* is primarily due to an increase in other payables offset by a decrease in claims payable related to the healthcare management fund while the majority of the increases in *deferred outflows of resources* and decreases in *deferred inflows of resources* are pension related.

Town of Foster
Statement of Net Position

	June 30, 2021		June 30, 2020	
	Governmental Activities	Component Unit	Governmental Activities	Component Unit
Other assets	\$ 9,335,028	\$ 445,488	\$ 7,902,146	\$ 390,216
Capital assets	7,989,598	2,206,400	7,875,039	2,196,775
Total assets	<u>\$ 17,324,626</u>	<u>\$ 2,651,888</u>	<u>\$ 15,777,185</u>	<u>\$ 2,586,991</u>
 Deferred outflows of resources	 \$ 1,865,495	 \$ -	 \$ 1,679,701	 \$ -
Current liabilities	\$ 1,047,022	\$ 154	\$ 1,030,117	\$ 216
Noncurrent liabilities	6,925,167	-	6,760,260	-
Total liabilities	<u>\$ 7,972,189</u>	<u>\$ 154</u>	<u>\$ 7,790,377</u>	<u>\$ 216</u>
 Deferred inflows of resources	 \$ 1,025,975	 \$ -	 \$ 1,217,633	 \$ -
Net Position:				
Net investments in capital assets	\$ 7,807,726	\$ 2,206,400	\$ 7,632,286	\$ 2,196,775
Restricted	2,139,047	-	1,545,485	-
Unrestricted	245,184	445,334	(728,895)	390,000
Total net position	<u>\$ 10,191,957</u>	<u>\$ 2,651,734</u>	<u>\$ 8,448,876</u>	<u>\$ 2,586,775</u>

The largest portion of the Town's net position, \$7,807,726 or 76.61%, consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, machinery and equipment, and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its 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 are unlikely to be used to liquidate these liabilities.

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An additional portion of the Town's net position, \$2,139,047 or 20.99% represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

At the end of the current year, the Town reports positive balances in only all of the three categories of net position for the government as a whole.

Changes in Net Position

The government's total net position increased by \$1,743,081 during the current fiscal year.

Town of Foster				
Statement of Activities				
	June 30, 2021		June 30, 2020	
	<u>Governmental</u>	<u>Component</u>	<u>Governmental</u>	<u>Component</u>
	<u>Activities</u>	<u>Unit</u>	<u>Activities</u>	<u>Unit</u>
<i>Revenues</i>				
<i>Program revenues</i>				
Charges for services	\$ 356,938	\$ -	\$ 230,565	\$ -
Operating grants	2,417,648	1,500	1,727,352	-
Capital grants	59,540	-	474,716	-
<i>General revenues</i>				
Property taxes	13,414,773	-	13,368,076	-
State aid	322,347	-	676,149	-
Interest and investment income	15,949	4,043	52,887	9,855
Gain on sale of asset	15,000	-	3,583	-
Miscellaneous	10,691	75,135	5,464	53,617
Total revenues	<u>\$ 16,612,886</u>	<u>\$ 80,678</u>	<u>\$ 16,538,792</u>	<u>\$ 63,472</u>
<i>Expenses</i>				
Legislative, judicial & general admin	\$ 1,155,997	\$ -	\$ 1,054,269	\$ -
Health and welfare	68,348	-	72,665	-
Public Safety	1,830,844	-	1,984,429	-
Public Works	1,570,824	-	1,598,526	-
Planning, building and zoning	114,086	-	84,039	-
Recreation	35,280	-	33,066	-
Education	9,826,073	-	10,306,722	-
Food services	75,317	-	67,399	-
Libraries	160,980	-	157,842	-
Interest expense	32,056	-	40,844	-
Land Trust	-	15,719	-	6,605
Total expenses	<u>\$ 14,869,805</u>	<u>\$ 15,719</u>	<u>\$ 15,399,801</u>	<u>\$ 6,605</u>
Change in net position	1,743,081	64,959	1,138,991	56,867
Net position - beginning of year-restated	<u>8,448,876</u>	<u>2,586,775</u>	<u>7,309,885</u>	<u>2,529,908</u>
Net position - end of year	<u>\$ 10,191,957</u>	<u>\$ 2,651,734</u>	<u>\$ 8,448,876</u>	<u>\$ 2,586,775</u>

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Governmental activities – As previously stated, the Governmental activities increased the Town's net position overall by \$1,743,081, or 20.63%. The key elements for this increase include an increase in charges for services, operating grants less the direct decrease in state aid, and tax collections net of the impact in expenses as follows:

- 1) An increase in legislative, judicial and general admin expenses due to the increase in personnel related expenses, software fees, and insurance.
- 2) An increase in planning, building, and zoning due to an increase in personnel and related expenditures.
- 3) A decrease in public safety due to the number of open positions.
- 4) A decrease in education expenses due to a decrease in the appropriation due to the reduction of personnel and related benefits.

Component unit activities - Component unit activities increased its net position by \$64,959 or 2.51% from 2020. The key elements for this increase were the receipt of conveyance fees allocated to the preservation of open space.

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,331,632 an increase of \$1,193,608 in comparison with the prior year.

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Town of Foster Governmental Funds Fund Balances						
	Total General Fund 6/30/2021	Total Other Funds 6/30/2021	Total Governmental Funds 6/30/2021	Total General Fund 6/30/2020	Total Other Funds 6/30/2020	Total Governmental Funds 6/30/2020
Nonspendable:						
Prepaid expenditures	\$ 3,351	\$ -	\$ 3,351	\$ 16,108	\$ 57,429	\$ 73,537
Restricted:						
Education	-	1,269,349	1,269,349	-	760,634	760,634
Historical records preservation	-	82,182	82,182	-	73,732	73,732
Health and welfare programs	-	78,461	78,461	-	25,522	25,522
Public safety programs	-	117,116	117,116	-	92,052	92,052
Capital	-	542,885	542,885	-	539,159	539,159
Other programs	12,798	4,373	17,171	12,338	4,902	17,240
Committed:						
Student population change	405,475	-	405,475	176,621	-	176,621
Townhouse maintenance	-	10,950	10,950	-	8,441	8,441
Recycling programs	-	13,238	13,238	-	12,485	12,485
Open space and conservation	-	47,018	47,018	-	42,536	42,536
Capital	2,242,100	-	2,242,100	1,848,728	-	1,848,728
Revaluation	18,965	-	18,965	21,279	-	21,279
Contingency	46,283	-	46,283	30,600	-	30,600
Foster reserve fund	1,429,041	-	1,429,041	1,407,415	-	1,407,415
Assigned:						
Capital	-	-	-	-	-	-
Public safety building	-	-	-	-	-	-
Recreation	3,255	-	3,255	3,251	-	3,251
Educational enrichment programs	-	4,792	4,792	-	4,792	4,792
Unassigned:						
Total fund balances	<u>\$4,161,268</u>	<u>\$2,170,364</u>	<u>\$6,331,632</u>	<u>\$3,516,340</u>	<u>\$ 1,621,684</u>	<u>\$ 5,138,024</u>

The general fund's total fund balance increased by \$644,928 from 2020 overall. This change is the net result of more significant changes in fund balances. Nonspendable fund balance decreased by \$12,757 due to a decrease in prepaid expenditures. Restricted fund balance increased by only \$460, an insignificant change. The majority of the increase in the general fund's total fund balance is reflected in the committed fund balance which increased by \$657,221. This increase is primarily due to the significant increase in committed fund balance for capital expenditures of \$393,372, future student population changes in the amount of \$228,854, and the Foster reserve fund of \$21,626, as well as increases in committed fund balance for contingencies in the amount of \$15,683.

The Town has two major funds included in the total other funds listed above: School unrestricted fund and town capital projects funds. The School unrestricted fund ended the fiscal year with total fund balances of \$1,251,010, an increase from 2020 of \$439,902 due to savings in personnel and related costs. The capital projects fund ended the fiscal year with total fund balances of \$542,885, an increase from 2020 of only

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\$3,726, primarily due to the budgeted use of funds reserved in the general fund for capital to preserve the balance in this fund. The Town continues to plan to increase appropriations to fund capital projects to maintain the Town's infrastructure, buildings, and equipment in excess of the allocation of 2% (of annual operations) to capital, mandated by the Homerule Charter adopted in 1976.

General Fund Budgetary Highlights

The Town ended FY 2021 with a budgetary surplus of \$599,202 due to unanticipated events.

Revenues

Actual revenues and other financing sources reported in 2021 exceeded budgeted revenues by \$351,183 or 2.37%. This gain in revenues was primarily due to the following:

Unfavorable budgetary variances of \$6,934 or 29.33%, occurred in *hotel, meal and beverage tax* due to a decrease in activity resulting from the Pandemic; \$2,970 or 5.03% in *public utilities sharing*. An unfavorable budgetary variance also occurred in *motor vehicle excise phase-out* of \$482,406 or 65.91%, as the State of Rhode Island used federal funds received during the Pandemic to offset municipal state aid. This resulted in an offsetting favorable budgetary variance of \$651,214 in *Federal aid – CRF*, as the Town anticipated no Federal aid. These shortfalls were offset by favorable variances in *building and zoning fees* which exceeded the budget by \$41,481, or 89.2%, *interest on investments* which exceeded the budget by \$3,819, or 38.2%, and accounts related to the collection of property taxes; specifically *real estate and personal property tax revenue* and *fines and interest on late payments* which exceeded anticipated revenue by \$97,026, collectively, or 0.73%.

Expenses

Budgeted expenditures and other financing uses in the Town's general fund exceeded actual expenditures by \$248,019 or 1.67%. This was primarily due to favorable variances in planning, building & zoning, public works, and public safety, due to savings in personnel and related expenditures resulting from unfilled employee positions. Additionally, public works recognized favorable budgetary variances in snow removal and road materials which were offset by expenditures for equipment and public safety recognized favorable budgetary variances in software licenses and support and vehicle operations.

This schedule is located on pages 74 to 77 of this report.

Capital Assets and Debt Administration

Capital Assets

The Town of Foster's investment in capital assets for its governmental activities as of June 30, 2021 amounted to \$7,989,598 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, motor vehicles, machinery and equipment, infrastructure, and construction in progress.

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Additional information on the Town of Foster's capital assets is located in Note 7 on page 39 of the notes to the financial statements.

Town of Foster
Capital Assets (net of Accumulated Depreciation)

	June 30, 2021		June 30, 2020	
	Governmental Activities	Component Unit	Governmental Activities	Component Unit
Land	\$ 327,392	\$ 2,196,775	\$ 161,199	\$ 2,196,775
Construction in progress	16,738	-	539,038	-
Land Improvements	696,064	-	150,312	-
Buildings and improvements	2,140,329	-	2,235,030	-
Motor vehicles	655,542	-	628,323	-
Machinery and equipment	846,200	9,625	717,187	-
Infrastructure - roads and bridges	3,307,333	-	3,443,950	-
Total	\$ 7,989,598	\$ 2,206,400	\$ 7,875,039	\$ 2,196,775

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

- | | |
|--|-----------|
| 1) New lavatory at the Captain Isaac Paine School | \$ 16,800 |
| 2) Major repairs to two town-owned fire apparatus | \$ 91,697 |
| 3) Purchased land in Foster Center – South Killingly Rd. | \$166,193 |
| 4) Completed phase one of the new youth athletic field complex which includes parking lot, walking trail, and a softball field/little league field | \$559,100 |
| 5) Purchased dump bodies to build/rebuild a large body 6-wheel dump truck for the Department of Public Works | \$ 44,308 |
| 6) Purchased a Live Scan machine for the Police Department | \$ 19,500 |
| 7) Purchased a Caterpillar 926M Loader for the Department of Public Works | \$149,900 |
| 8) Purchased a York Model 10ft.rake for the Department of Public Works | \$ 10,250 |
| 9) Purchased a used Lee Boy 8000 paver for the Department of Public Works | \$ 10,000 |

Debt Administration

In fiscal year 2006, the Town of Foster made its final payment on an outstanding debt payment which fully satisfied the Town's obligation. The Town has issued no additional bonded debt.

Except as provided below, under Section 45-12-2 of the General Laws of Rhode Island, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The current 3% debt limit of the Town is \$17,126,471 (based on the net assessed valuation at December 31, 2019 of \$570,882,375).

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As of June 30, 2021, the Town had no outstanding bonds and notes issued within the 3% debt limit leaving a borrowing capacity of \$17,126,471.

The State legislature may by special act, permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit. Special legislation adopted by the Legislature authorizing the Town to incur debt is subject to referendum by the electors of the Town. On June 30, 2021, the total outstanding debt of the Town issued outside the 3% debt limit was \$0.

In addition to debt authorized within the 3% debt limit and debt authorized by special act of the Legislature, Rhode Island General Law 45-12-11 authorizes the Rhode Island State Director of Administration, upon petition by a municipality, to authorize such municipality to incur indebtedness in excess of the 3% debt limit. This would occur whenever the Director determines that the sums appropriated by the municipality or its funds available are insufficient to pay the necessary expenses of the municipality. The Town has never requested the State Director of Administration to authorize indebtedness of the Town under section 45-12-11.

Additional information on the Town of Foster's long-term debt can be found in Note 8 of the financial statements on page 40.

Economic Factors and Next Year's Budgets and Rates

Unemployment rates as of June 30, 2021 and June 30, 2020 (not seasonally adjusted)

<u>6/30/2021</u>	<u>6/30/2020</u>	
6.0%	8.70%	Town of Foster
5.8%	10.20%	State of Rhode Island
6.1%	11.10%	United States

- Median household income in Foster was \$89,844 compared to the State of Rhode Island median income of \$67,167. The median income for the United States was \$62,843.
- Per Capita family income in Foster was \$34,952 compared to the State of Rhode Island per capita family income of \$36,121. The per capita family income for the United States was \$34,103.
- Existing single-family home median sale prices were approximately \$355,000 in Foster, greater than the state average of \$319,000 from the 2021 RI Housing Fact Book.
- Foster ranks 37th in population (4,469 Decennial Census 2020) among Rhode Island's 39 cities and towns.
- The Town's total general fund budget for fiscal year 2022 approved at the June 15, 2021 Financial Town Meeting is \$15,627,095 including expenditures funded by a transfer from the capital fund allocated as follows:
 - Education - \$8,991,715, or 57.54%
 - Capital - \$1,359,047, or 8.70% (includes a budgeted transfer to the capital project fund)
 - Other - \$5,276,333, or 33.76%

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- The total fund balance committed for student population changes at June 30, 2021 was \$405,475. The adopted budget for fiscal year 2022 includes the use of this set-aside of \$68,223 reducing this committed fund balance to \$337,252.
- The 2022 FTM adopted budget reflects an increase of \$477,638 or 3.34%, from 2021, excluding capital expenditures funded by the capital fund. The increase is the net result of significant changes in a few departments. These changes include an increase in the Foster-Glocester Regional School appropriation of \$290,208 for operations offset by a decrease in debt use and of the funds committed for student population shifts of \$338,994, for a net decrease of \$48,786 or 0.90%; an increase in the local school appropriation of \$138,750 for operations, or 4.0%; an increase in public safety for support of fire and rescue services of \$111,438, or 34.52%; an increase in the police department of \$85,281 for personnel related expenditures, or 5.47%; an increase of \$47,689, or 3.33% in public works, primarily for refuse removal/tipping fees and personnel costs including healthcare insurance premium fees; an increase in planning, building and zoning of \$37,072, or 29.74%, primarily for personnel related expenditures; and an increase in general government of \$25,105, or 4.45%, for personnel related expenditures specifically healthcare premiums fees, software and IT improvements, and insurance.
- State law legislating tax levies limits the amount a municipality can raise taxes to 104% of the prior year tax levy *excluding* motor vehicles excise tax in its entirety from the calculation.
- The State legislated an increase in the motor vehicle exemption to \$5,000 for fiscal year ending 2021; the same exemption applied to local taxpayers.
- Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. The Town completed a statistical revaluation in 2011 which affected the 2013 fiscal year end and in 2014 that affected the 2016 fiscal year end. Also, the Town completed a full revaluation in 2017 that is reflected in the 2019 fiscal year. The Town's tax rates for 2022 and 2021 with their differences are listed below. Rates are per \$1,000.

Tax Rates

	Fiscal Year <u>2021-2022</u>	Fiscal Year <u>2020-2021</u>	Increase <u>(Decrease)</u>
Real Property	\$ 21.34	\$ 23.79	\$ (2.45)
Motor Vehicle	30.00	35.00	(5.00)
Tangible	29.36	32.73	(3.37)

REQUEST FOR INFORMATION

The financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Kelli Russ, Treasurer/Finance Director, Town of Foster, 181 Howard Hill Road, Foster, RI 02825.

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF FOSTER, RHODE ISLAND

Statement of Net Position
June 30, 2021

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Foster Land Trust</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,698,691	\$ 363,283
Investments	-	72,603
Property taxes receivable	1,074,165	-
Accrued interest receivable	121,648	652
Due from federal and state governments	158,126	-
Other receivables	55,720	-
Due from primary government	-	8,950
Prepaid expenses	3,351	-
Total current assets	<u>8,111,701</u>	<u>445,488</u>
Noncurrent assets:		
Capital assets: (Note 7)		
Land and other nondepreciable assets	344,130	2,196,775
Depreciable buildings, property, equipment, and infrastructure (net)	7,645,468	9,625
Net pension asset	460,827	-
Other assets	762,500	-
Total noncurrent assets	<u>9,212,925</u>	<u>2,206,400</u>
Total assets	<u>17,324,626</u>	<u>2,651,888</u>
Deferred outflows of resources:		
Pension related	1,789,475	-
OPEB related	76,020	-
Total deferred outflows of resources	<u>1,865,495</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	481,133	154
Due to component unit	8,950	-
Claims payable	10,574	-
Compensated absences payable	80,465	-
Settlement payable	196,664	-
Capital leases payable	62,263	-
Other liabilities	206,973	-
Total current liabilities	<u>1,047,022</u>	<u>154</u>
Noncurrent liabilities:		
Compensated absences payable	243,636	-
Settlement payable	552,044	-
Capital leases payable	119,609	-
Net pension liabilities	5,905,402	-
Net other postemployment benefit liability	104,476	-
Total noncurrent liabilities	<u>6,925,167</u>	<u>-</u>
Total liabilities	<u>7,972,189</u>	<u>154</u>
Deferred inflows of resources:		
Unavailable property taxes	47,230	-
Pension related	905,996	-
OPEB related	72,749	-
Total deferred inflows of resources	<u>1,025,975</u>	<u>-</u>
Net Position		
Net investment in capital assets	7,807,726	2,206,400
Restricted for:		
Capital purposes	542,885	-
Education programs	1,269,349	-
Historical records preservation	82,182	-
Public safety programs	117,116	-
Other programs	127,515	-
Unrestricted	245,184	445,334
Total net position	<u>\$ 10,191,957</u>	<u>\$ 2,651,734</u>

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended June 30, 2021

<u>Functions/Programs</u>	<u>Program Revenues</u>				<u>Net (Expense) Revenue and Changes in Net Position</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Primary</u>	<u>Component</u>
					<u>Governmental</u>	<u>Unit</u>
				<u>Total</u>	<u>Foster</u>	
				<u>Governmental</u>	<u>Land Trust</u>	
				<u>Activities</u>		
Primary Government:						
<i>Governmental Activities:</i>						
Legislative, judicial and general administrative	\$ 1,155,997	\$ 105,765	\$ 31,274	\$ -	\$ (1,018,958)	\$ -
Health and welfare	68,348	29,649	35,675	-	(3,024)	-
Public safety	1,830,844	39,752	678,084	-	(1,113,008)	-
Public works	1,570,824	478	-	-	(1,570,346)	-
Planning, building and zoning	114,086	87,981	-	-	(26,105)	-
Recreation	35,280	490	-	-	(34,790)	-
Education	9,826,073	92,823	1,584,018	59,540	(8,089,692)	-
Food services	75,317	-	88,597	-	13,280	-
Libraries	160,980	-	-	-	(160,980)	-
Interest expense	32,056	-	-	-	(32,056)	-
Total primary government	\$ 14,869,805	\$ 356,938	\$ 2,417,648	\$ 59,540	(12,035,679)	-
Component Unit:						
Foster Land Trust	\$ 15,719	\$ -	\$ 1,500	\$ -	-	(14,219)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes					13,414,773	-
State aid, not restricted for a specific purpose					322,347	-
Interest and investment income					15,949	4,043
Gain on sale of capital asset					15,000	-
Miscellaneous					10,691	75,135
Total general revenues					13,778,760	79,178
Change in net position					1,743,081	64,959
Net position - beginning of year, restated					8,448,876	2,586,775
Net position - end of year					\$ 10,191,957	\$ 2,651,734

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

FUND FINANCIAL STATEMENTS

TOWN OF FOSTER, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2021*

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Town Capital Fund</i>	<i>Nonmajor Other Governmental Funds</i>	<i>Total Governmental Funds</i>
ASSETS					
Cash	\$ 4,728,184	\$ 1,241,130	\$ 449,023	\$ 280,354	\$ 6,698,691
Property taxes receivable	1,074,165	-	-	-	1,074,165
Due from federal and state governments	56,761	4,307	-	97,058	158,126
Other receivables	5,458	18,379	-	31,883	55,720
Due from other funds	1,448	169,603	93,862	115,160	380,073
Prepaid expenditures	3,351	-	-	-	3,351
Total assets	\$ 5,869,367	\$ 1,433,419	\$ 542,885	\$ 524,455	\$ 8,370,126
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenditures	\$ 281,182	\$ 176,184	\$ -	\$ 23,317	\$ 480,683
Due to other funds	281,512	6,225	-	92,786	380,523
Due to component unit	8,950	-	-	-	8,950
Other liabilities	206,973	-	-	-	206,973
Total liabilities	778,617	182,409	-	116,103	1,077,129
Deferred Inflows of Resources:					
Unavailable- property taxes	929,482	-	-	-	929,482
Unavailable- loans	-	-	-	31,883	31,883
Total deferred inflows of resources	929,482	-	-	31,883	961,365
Fund Balances					
Nonspendable:					
Prepaid expenditures	3,351	-	-	-	3,351
Restricted for:					
Education programs	-	1,246,218	-	23,131	1,269,349
Historical records preservation	-	-	-	82,182	82,182
Health and welfare programs	-	-	-	78,461	78,461
Public safety programs	-	-	-	117,116	117,116
Capital expenditures - Town	-	-	338,989	-	338,989
Capital expenditures - School	-	-	203,896	-	203,896
Other programs	12,798	-	-	4,373	17,171
Committed for:					
Student population change	405,475	-	-	-	405,475
Townhouse maintenance	-	-	-	10,950	10,950
Recycling programs	-	-	-	13,238	13,238
Open space and conservation	-	-	-	47,018	47,018
Capital expenditures	2,242,100	-	-	-	2,242,100
Revaluation	18,965	-	-	-	18,965
Contingency	46,283	-	-	-	46,283
Foster reserve fund	1,429,041	-	-	-	1,429,041
Assigned for:					
Recreation programs	3,255	-	-	-	3,255
Educational enrichment programs	-	4,792	-	-	4,792
Total fund balance	4,161,268	1,251,010	542,885	376,469	6,331,632
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,869,367	\$ 1,433,419	\$ 542,885	\$ 524,455	\$ 8,370,126

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

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

Total Fund Balances - Total Governmental Funds	\$ 6,331,632
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 7 to the financial statements.	7,989,598
Accrued interest receivable on property taxes is reported as revenue in the Government-Wide Financial Statements in the period earned. In the Governmental Fund Financial Statements, interest on property taxes is reported when received.	121,648
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are reported as deferred inflow of resources in the Governmental Fund Financial Statements.	882,252
Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as a deferred inflow of resources in Governmental Fund Financial Statements.	31,883
Long-term liabilities (including settlement payable, capital lease payable, compensated absences, net pension liabilities and net OPEB liability) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. See note 8 to the financial statements.	(7,264,559)
Net pension assets are not available to pay for current period expenditure and, therefore are not reported in the Governmental Fund Financial Statements.	460,827
Deferred pension and OPEB amounts are not reported in the Governmental Fund Financial Statements, but are reported in the Government-Wide Financial Statements as follows:	
Deferred outflows of resources	1,865,495
Deferred inflows of resources	(978,745)
The Internal Service Fund is reported as a Proprietary Fund in the Fund Financial Statements, but is reported as governmental activities in the Government-Wide Financial Statements.	751,926
 Net Position - Governmental Activities	 <u>\$ 10,191,957</u>

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

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

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Town Capital Fund</i>	<i>Nonmajor Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues					
General property taxes	\$ 13,304,261	\$ -	\$ -	\$ -	\$ 13,304,261
Intergovernmental and departmental revenues	997,835	1,246,505	59,540	393,288	2,697,168
Licenses and permits	84,119	-	-	-	84,119
Building and zoning fees	87,981	-	-	-	87,981
Fines and interest on late payments	130,806	-	-	-	130,806
Interest on investments	13,831	-	1,857	261	15,949
Other revenues	44,528	104,490	-	71,367	220,385
Total revenues	<u>14,663,361</u>	<u>1,350,995</u>	<u>61,397</u>	<u>464,916</u>	<u>16,540,669</u>
Expenditures					
Current:					
Legislative, judicial and general administrative	572,980	-	-	7,655	580,635
Financial administration	394,134	-	-	-	394,134
Health and welfare	48,596	-	-	17,648	66,244
Public safety	1,772,112	-	-	1,806	1,773,918
Public works	1,372,065	-	-	254	1,372,319
Planning, building and zoning	109,745	-	-	-	109,745
Recreation	25,259	-	-	-	25,259
Education	5,204,146	4,379,844	-	256,636	9,840,626
Food services	-	-	-	75,317	75,317
Libraries	160,980	-	-	-	160,980
Providence Water settlement	200,000	-	-	-	200,000
Capital outlay	744,836	-	-	3,048	747,884
Total expenditures	<u>10,604,853</u>	<u>4,379,844</u>	<u>-</u>	<u>362,364</u>	<u>15,347,061</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>4,058,508</u>	<u>(3,028,849)</u>	<u>61,397</u>	<u>102,552</u>	<u>1,193,608</u>
Other financing sources (uses)					
Transfers in	547,875	3,468,751	490,204	2,500	4,509,330
Transfers out	(3,961,455)	-	(547,875)	-	(4,509,330)
Total other financing sources (uses)	<u>(3,413,580)</u>	<u>3,468,751</u>	<u>(57,671)</u>	<u>2,500</u>	<u>-</u>
Net change in fund balance	644,928	439,902	3,726	105,052	1,193,608
Fund balances - beginning of year, restated	<u>3,516,340</u>	<u>811,108</u>	<u>539,159</u>	<u>271,417</u>	<u>5,138,024</u>
Fund balances - end of year	<u>\$ 4,161,268</u>	<u>\$ 1,251,010</u>	<u>\$ 542,885</u>	<u>\$ 376,469</u>	<u>\$ 6,331,632</u>

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

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

<i>Net Changes in Fund Balances - Total Governmental Funds</i>	\$ 1,193,608
 <i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
 Governmental Fund Financial Statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
This is the amount of capital asset additions recorded in the current period.	561,898
 Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Fund Financial Statements.	
	(447,339)
 Long-term compensated absences, settlement payables, net pension liabilities (assets) and net other post-employment benefit liability are reported in the Government-Wide Financial Statements, but do not require the use of current financial resources. Therefore, the change in compensated absences, settlement payables, net pension liabilities (assets) and net other postemployment benefit liability are not reported as expenditures in Governmental Fund Financial Statements.	
This amount represents the change in these long-term liabilities (assets) from the prior year.	115,577
 Capital lease proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt principal is an expenditure in Government Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position.	
This amount represents long-term debt payments.	60,881
 Property taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are recognized as revenue when measurable and available in the Governmental Fund Financial Statements.	
	(19,784)
 Revenues in the Government- Wide Statement of Activities that are not available are not reported as revenue in the Governmental Funds.	
	(5,772)
 The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide Financial Statements.	
	284,012
<i>Change in Net Position of Governmental Activities</i>	\$ 1,743,081

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Net Position

Proprietary Funds

June 30, 2021

	<u>Governmental Activities Healthcare Management Fund</u>
ASSETS	
<i>Noncurrent assets</i>	
Deposits with others	\$ 762,500
Total noncurrent assets	<u>762,500</u>
 Total assets	 <u>762,500</u>
 LIABILITIES	
<i>Current liabilities</i>	
Accrued claims payable	10,574
Total liabilities	<u>10,574</u>
 NET POSITION	
Unrestricted	751,926
Total net position	<u>\$ 751,926</u>

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

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

	<u><i>Governmental Activities Healthcare Management Fund</i></u>
<i>Operating Revenues</i>	
Charges for insurance	\$ 966,822
Other revenue	32,870
<i>Total operating revenues</i>	<u>999,692</u>
<i>Operating Expenses</i>	
Health insurance claims	589,043
Dental insurance claims	26,046
Administrative and other fees	100,591
<i>Total operating expenses</i>	<u>715,680</u>
Operating income	284,012
<i>Change in net position</i>	284,012
<i>Net position - beginning of year</i>	467,914
<i>Net position - end of year</i>	<u>\$ 751,926</u>

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2021

	<i>Governmental Activities Healthcare Management Fund</i>
<i>Cash flows from operating activities</i>	
Receipts for interfund charges for insurance	\$ 966,822
Payments for health and dental insurance claims	(810,786)
Payments for other operating expenses	(100,591)
Other receipts	32,870
Increase in deposits with others	(88,315)
<i>Net cash used for operating activities</i>	<u>-</u>
 <i>Net increase in cash and cash equivalents</i>	 -
 <i>Cash and cash equivalents at beginning of year</i>	 <u>-</u>
 <i>Cash and cash equivalents at end of year</i>	 <u><u>\$ -</u></u>
 <i>Reconciliation of operating income to net cash used for operating activities</i>	
Operating income	\$ 284,012
 <i>Adjustments to reconcile operating income to net cash used for operating activities:</i>	
Increase in deposits with others	(88,315)
Decrease in accrued claims (IBNR)	(195,697)
<i>Net cash used for operating activities</i>	<u><u>\$ -</u></u>

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2021

	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private Purpose Trusts Cemetery Fund</i>
<i>Assets</i>		
Cash and cash equivalents	\$ 218,481	\$ 20,361
Contribution receivable	45,375	-
Due from other funds	<u>-</u>	<u>450</u>
<i>Total assets</i>	<u>263,856</u>	<u>20,811</u>
<i>Net Position</i>		
Restricted for post employment benefits and other purposes	<u>\$ 263,856</u>	<u>\$ 20,811</u>

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

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

	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private Purpose Trusts Cemetery Fund</i>
<i>Additions</i>		
Contributions:		
Employer	\$ 69,545	\$ -
Total contributions	<u>69,545</u>	<u>-</u>
Investment earnings:		
Interest and dividends	412	20
Total investment earnings	<u>412</u>	<u>20</u>
Other revenue	<u>-</u>	<u>450</u>
<i>Total additions</i>	<u>69,957</u>	<u>470</u>
<i>Deductions</i>		
Benefits	52,336	-
<i>Total deductions</i>	<u>52,336</u>	<u>-</u>
<i>Change in net position</i>	17,621	470
<i>Net position - beginning of year</i>	<u>246,235</u>	<u>20,341</u>
<i>Net position - end of year</i>	<u>\$ 263,856</u>	<u>\$ 20,811</u>

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Town is a municipal corporation governed by a Town Council form of government with an elected five member Town Council. The Town of Foster was incorporated in 1781 and operates under a Home Rule Charter adopted in 1976. All legislative powers of the Town, except such powers as reserved by State Law or vested in the Financial Town Meeting by the Charter, are vested in the Town Council by the Charter. The ordering of any tax, making of appropriations and transacting any other business pertaining to the financial affairs of the Town are done at the Financial Town Meeting.

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

The purpose of the Land Trust is to acquire, hold and manage real property and interests in real property situated in the Town of Foster, consisting of open space and agricultural property. Upon termination or dissolution of the Land Trust, title to all remaining funds, land and land rights will vest with the Town. Trustees are appointed by the Town Council and the Land Trust can impose a financial burden upon the Town in the form of financial support and financing of operating deficits. The Land Trust holds economic resources (land and land rights) entirely for the direct benefit of the Town. The Land Trust does not issue separate financial statements.

The Other Post-Employment Benefits Trust is an other post-employment benefit plan established by Town Ordinance. The Other Post-Employment Benefits Trust does not have a governing board and the Town Council performs the duties of a governing board and, thus, can impose its will on the Other Post-Employment Benefits Trust. The fiscal year of the Other Post-

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

Employment Benefits Trust ends on June 30. The Other Post-Employment Benefits Trust does not issue separate financial statements.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered. The Town has no business-type activities as of June 30, 2021 or for the year then ended.

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated. In the Statement of Activities, internal service fund transactions have been eliminated.

Fund Financial Statements

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

Governmental Fund Financial Statements

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

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

Major Governmental Funds:

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

School Unrestricted Fund – The School Unrestricted Fund accounts for resources to provide primary education to the Town’s children. The School Unrestricted Fund’s major revenue sources are general state aid to education and the General Fund Town appropriation.

Town Capital Fund – The Town Capital Fund is used to finance the purchases set forth in the Town’s capital program.

Proprietary Fund Financial Statements

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

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

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

The Town has one Internal Service Fund.

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

Fiduciary Fund Financial Statements

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

Other Post-Employment Benefits Trust Fund – This fund was established by Town Ordinance effective August 23, 2012 to account for funds to finance other post-employment benefits paid by the Town and the payment of these benefits as they come due. The fund presently is accounting for surplus funds derived from the Town’s medical accounts and any dividends derived from the Town’s involvement with WB Community Health in conformance with the Town Ordinance and the payment of retirees’ benefits on a “pay as you go” basis.

Private Purpose Trust Funds – These funds account for assets held by the Town under various trust arrangements for the benefit of certain individuals.

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

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

As discussed in Note 18, the adoption of GASB Statement Number 84 resulted in a restatement to the financial statements to reclassify a fund recorded as an agency fund in prior years that no longer meets the definition of a custodial fund. The adoption of GASB Statement Number 90 and the portion of GASB Statement Number 93 applicable in fiscal year 2021 did not have an impact on the Town’s financial position or results of operations.

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

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

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

D. CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value.

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

Property taxes which were levied on July 1, of the current year and other delinquent balances are recorded as receivables.

G. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The prepaid items are recorded on the consumption method.

H. CAPITAL ASSETS AND DEPRECIATION

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

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

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

<i><u>Description</u></i>	<i><u>Estimated Useful Lives</u></i>
Land improvements	20
Buildings and building improvements	20-50
Motor vehicles	8-15
Machinery and equipment	5-15
Infrastructure (roads and bridges)	20-65

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

I. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

J. PROPERTY TAXES

Property taxes are levied each July on (a) one hundred percent of the full and fair value of real and tangible personal property owned within the Town the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days registered. Taxes levied during July are payable in quarterly installments by July 31, October 31, January 31 and April 30. Taxes due and unpaid after the respective due dates are subject to interest and penalties. Failure to make payment by due dates will result in a lien on the taxpayers property. Rhode Island General Laws restrict the Town's ability to increase either its total tax levy or its tax rates to no more than 4.00% over that of the preceding year.

K. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2021.

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

L. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

M. PENSIONS

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

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

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

O. USE OF ESTIMATES

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town’s legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value which approximates \$17,126,471. As of June 30, 2021, the Town’s debt is under the limit by \$17,126,471.

NOTE 3 – CASH DEPOSITS

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

	<u><i>Primary Government</i></u>	<u><i>Component Unit</i></u>
	<u><i>Carrying</i></u>	<u><i>Carrying</i></u>
	<u><i>Amount</i></u>	<u><i>Amount</i></u>
Total Deposits	\$6,936,833	\$363,283
Add: Petty Cash	700	-
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	<i>\$6,937,533</i>	<i>\$363,283</i>

CUSTODIAL CREDIT RISK – custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State Laws as described below. As of June 30, 2021, \$3,003,665 of the Town’s bank balance of \$7,574,938 was exposed to custodial credit risk as follows:

	<u><i>Primary Government</i></u>	<u><i>Component Unit</i></u>
	<u><i>Bank</i></u>	<u><i>Bank</i></u>
	<u><i>Balance</i></u>	<u><i>Balance</i></u>
Insured (Federal depository insurance funds)	\$4,358,577	\$212,696
Collateralized with securities held by pledging financial institution or its agent in the Town’s name	2,666,326	151,402
Uninsured and uncollateralized	185,937	-
<i>Total</i>	<i>\$7,210,840</i>	<i>\$364,098</i>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2021, the Town's uninsured, uncollateralized deposits with institutions was \$185,937. These deposits are held by an institution that meets the minimum capital standards as prescribed by the federal regulations.

NOTE 4 – INVESTMENTS

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

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

<u>Investment</u>	<u>Maturity</u>	<u>Component Unit Fair Value</u>	<u>Rating</u>
Municipal Bond	11/01/2041	\$5,080	Moody's A2, S&P A
Municipal Bond	11/15/2036	5,105	Moody's AA1, S&P AA+
Municipal Bond	09/01/2035	10,084	Moody's A3, S&P AA
Municipal Bond	05/15/2028	5,872	Moody's Aa3, S&P AA
Municipal Bond	04/01/2025	5,124	Moody's A1
Corporate Bond	08/01/2116	9,405	Moody's AA2
Corporate Bond	07/15/2064	10,807	S&P BBB
Corporate Bond	08/15/2046	5,905	Moody's BAA1, S&P BBB+
Corporate Bond	03/15/2043	10,038	Moody's BAA3, S&P BBB-
	Average		
Mutual Fund - Fixed Income	20.96 years	5,183	Not rated
<i>Total Investments reported in the Financial Statements</i>		\$72,603	

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

Credit Risk – The Town is governed by State Laws that limit investment choices to short-term investments for its public deposits (General Fund). The Town does not have a formal investment policy that would further limit its investment choices.

Concentration of Credit Risk – The Town does not have any policies that limit the amount the Town may invest in any one issuer.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

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

NOTE 5 – FAIR VALUE MEASUREMENT

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

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

- The following investments are valued using quoted prices in active markets (Level 1 inputs): mutual fund - fixed income \$5,183.
- The following investments are valued by a pricing service using various techniques to estimate value or by utilizing a yield-based matrix system (level 2 inputs): municipal bonds \$31,265 and corporate bonds \$36,155.

NOTE 6 – INTER-FUND TRANSACTIONS

Inter-fund receivable and payable balances at June 30, 2021 are as follows:

	<i>Due From:</i>			
<i>Due To:</i>	<i>General</i>	<i>Unrestricted</i>	<i>Other</i>	
<i>Governmental activities:</i>	<i>Fund</i>	<i>Fund</i>	<i>Governmental</i>	<i>Total</i>
			<i>Funds</i>	
General Fund	\$ -	\$ -	\$ 1,448	\$ 1,448
School Unrestricted Fund	78,265	-	91,338	169,603
Town Capital Fund	93,862	-	-	93,862
Other Governmental Funds	108,935	6,225	-	115,160
Private Purpose Trust Fund	450	-	-	450
Total	\$ 281,512	\$ 6,225	\$ 92,786	\$ 380,523

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

Inter-fund transfer balances at June 30, 2021 are as follows:

	<u><i>Transfer From:</i></u>		
	<u><i>General Fund</i></u>	<u><i>Town Capital Fund</i></u>	<u><i>Total</i></u>
<u><i>Transfer To:</i></u>			
General Fund	\$ -	\$ 547,875	\$ 547,875
School Unrestricted Fund	3,468,751	-	3,468,751
Town Capital Fund	490,204	-	490,204
Other Governmental Funds	2,500	-	2,500
<i>Total</i>	<u>\$ 3,961,455</u>	<u>\$ 547,875</u>	<u>\$ 4,509,330</u>

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them. For example, the \$3,468,751 transfer is the School appropriation that is budgeted in the General Fund as a revenue source to be transferred to the School Unrestricted Fund and expended.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Primary Government -				
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 161,199	\$ 166,193	\$ -	\$ 327,392
Construction in progress	539,038	36,800	559,100	16,738
Total nondepreciable assets	<u>700,237</u>	<u>202,993</u>	<u>559,100</u>	<u>344,130</u>
Depreciable assets:				
Land improvements	345,067	559,100	-	904,167
Buildings and improvements	5,229,930	16,800	-	5,246,730
Motor vehicles	3,317,798	136,004	96,252	3,357,550
Machinery and equipment	1,626,106	206,101	-	1,832,207
Infrastructure - roads and bridges	8,278,229	-	-	8,278,229
Total capital assets	<u>19,497,367</u>	<u>1,120,998</u>	<u>655,352</u>	<u>19,963,013</u>
Less accumulated depreciation for:				
Land improvements	194,755	13,348	-	208,103
Buildings and improvements	2,994,900	111,501	-	3,106,401
Motor vehicles	2,689,475	108,785	96,252	2,702,008
Machinery and equipment	908,919	77,088	-	986,007
Infrastructure - roads and bridges	4,834,279	136,617	-	4,970,896
Total accumulated depreciation	<u>11,622,328</u>	<u>447,339</u>	<u>96,252</u>	<u>11,973,415</u>
Governmental activities capital assets, net	<u>\$ 7,875,039</u>	<u>\$ 673,659</u>	<u>\$ 559,100</u>	<u>\$ 7,989,598</u>
Component Unit:				
Nondepreciable assets:				
Land	\$ 2,196,775	\$ -	\$ -	\$ 2,196,775
Total nondepreciable assets	<u>2,196,775</u>	<u>-</u>	<u>-</u>	<u>2,196,775</u>
Depreciable assets:				
Machinery and equipment	-	10,500	-	10,500
Total capital assets	<u>2,196,775</u>	<u>10,500</u>	<u>-</u>	<u>2,207,275</u>
Less accumulated depreciation for:				
Machinery and equipment	-	875	-	875
Total accumulated depreciation	<u>-</u>	<u>875</u>	<u>-</u>	<u>875</u>
Component unit capital assets, net	<u>\$ 2,196,775</u>	<u>\$ 9,625</u>	<u>\$ -</u>	<u>\$ 2,206,400</u>

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

Depreciation expense was charged to functions as follows:

Governmental activities:

Legislative	\$ 133,484
Health and welfare	330
Public education	101,442
Public safety	107,304
Public works	97,806
Recreation	6,973
Total governmental activities depreciation expense	\$ 447,339

NOTE 8 – LONG-TERM LIABILITIES

A. LONG -TERM LIABILITIES

The following schedule reflects changes in long-term liabilities for the year ended June 30, 2021:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>	<i>Amounts Due Within One Year</i>
Governmental Activities:					
Capital leases payable	\$ 242,753	\$ -	\$ 60,881	\$ 181,872	\$ 62,263
Accrued compensated absences	302,164	87,591	65,654	324,101	80,465
Settlement payable	924,500	24,208	200,000	748,708	196,664
Net pension liabilities	5,485,415	419,987	-	5,905,402	-
Net other postemployment liability	131,963	-	27,487	104,476	-
Total Governmental Activities	\$7,086,795	\$ 531,786	\$ 354,022	\$7,264,559	\$ 339,392
Long-Term Liabilities	\$7,086,795	\$ 531,786	\$ 354,022	\$7,264,559	\$ 339,392

Payments on the capital leases and settlement payable are made from the General Fund. Accrued compensated absences, net pension liabilities and net other postemployment liability are paid from the General Fund and School Unrestricted Fund.

B. CAPITAL LEASE COMMITMENTS

The Town acquired vehicles and equipment valued at \$329,953 that were financed with lease purchase agreements. Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2021.

Obligations of Governmental Activities under capital leases as of June 30, 2021 were as follows:

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

<i>Fiscal Year</i> <u>Ended June 30,</u>	<i>Governmental Activities</i> <u>Lease Payment</u> <u>Requirements</u>
2022	\$ 68,511
2023	62,862
2024	62,863
Total minimum lease payments	<u>194,236</u>
Less: Amount representing interest cost	<u>(12,364)</u>
Present value of minimum lease payments	<u>\$ 181,872</u>

C. SETTLEMENT PAYABLE

The Providence Water Supply Board (PWSB) had filed tax appeals with the Town for both the tax classification and valuation of their watershed property. The Town entered into an agreement with PWSB on June 15, 2015 regarding this tax appeal. The Town and PWSB acknowledge and agree that PWSB had paid timely all of its real estate and personal property taxes to the Town for the tax years 2003-2014. The Town and PWSB have agreed to resolve all pending tax challenges by the PWSB for said tax years including, but not limited to, a final resolution of any and all administrative appeals and challenges of the tax classification and valuations. The parties agreed to a recalculation and reduction of taxes for the tax years 2003-2014 by granting the PWSB a reduction from the real estate taxes actually paid each year, resulting in a cumulative refund due to PWSB of \$1,604,528. The term of the settlement agreement is ten (10) years beginning with tax year 2015. The agreement includes an annual interest rate of the “Prime Rate”, adjusted annually with each change in the Prime Rate, which will be applied to the refund amount until paid in full.

NOTE 9 – TRANSCATIONS WITH THE FOSTER LAND TRUST

For the year ended June 30, 2021 the Town’s General Fund reported the following balances related to the Foster Land Trust:

Due to Foster Land Trust	<u>\$8,950</u>
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NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for the Community Development Block Grant loans which are due in accordance with individual loan amortization schedules.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

B. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES/EXPENSES

The accounts payable and accrued expenditures/expenses at June 30, 2021, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
<i>Governmental activities</i>				
General Fund	\$ 205,938	\$ 75,244	\$ 450	\$ 281,632
School Unrestricted Fund	176,184	-	-	176,184
Other Governmental Funds	23,317	-	-	23,317
Total	<u>\$ 405,439</u>	<u>\$ 75,244</u>	<u>\$ 450</u>	<u>\$ 481,133</u>

NOTE 11 - FUND EQUITY

Government-Wide Financial Statements:

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

Net investment in capital assets – represents the net value of all capital assets less the outstanding balances of bonds and other debt used to acquire, construct or improve these assets.

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

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

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

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

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

Restricted Fund Balance – This classification includes amounts that have constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors, or

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laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

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

Unassigned Fund Balance – This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

Committed fund balances are established, modified or rescinded by a resolution adopted by the taxpayers at the annual Financial Town Meeting or an ordinance adopted by the Town Council. Assigned fund balances are authorized by the Financial Town Meeting and/or designee, i.e. the Finance Director. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

NOTE 12 – FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT

The Foster-Glocester Regional School District (Regional School) was created to include the high school and middle schools for the Towns of Foster and Glocester (the Towns). The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School which contribute funds according to a financial formula based upon each Town’s enrollment and from the State of Rhode Island. The Town of Foster’s contribution for the fiscal year ended June 30, 2021 was \$5,204,146. Financial statements for the Regional School are issued separately and may be obtained from the Foster-Glocester Regional School District Business Office, 91 Anan Wade Road, North Scituate, Rhode Island 02857.

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NOTE 13 – RISK MANAGEMENT

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

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

WBCH is a claims-servicing or account pool, which is an arrangement by which a pool manages separate accounts for each pool member from which the claims and administration costs of each member are paid. This arrangement does not result in the transfer of risk to WBCH or the pooling (sharing) of risk amongst the members of WBCH. The Town is retaining the risk and it recognizes and measures its claims liabilities and related expenses in accordance with GASB Statement No. 10 because the risk of loss has not been transferred to an unrelated third party. The Town's payments of premiums to WBCH are reported as deposits (other assets) in the Healthcare Management Fund. The claims paid by WBCH on the Town's behalf and the administrative costs paid to WBCH are reported as a reduction of deposits and increase in expenses in the Healthcare Management Fund. The premiums are based on "working rates" determined by WBCH based on available funds on deposit and claims experience.

In order to avoid catastrophic losses, the Town purchases specific stop loss re-insurance. Under the stop loss re-insurance, the Town is covered for medical claims in excess of \$175,000 per person per contract period.

The claims liability of \$10,574 reported in the Healthcare Management Fund at June 30, 2021 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

	<i><u>Beginning Fiscal Year Liability</u></i>	<i><u>Current Year Claims and Changes In Estimate</u></i>	<i><u>Claims Payments</u></i>	<i><u>Balance Fiscal Year End</u></i>
2019-2020	\$123,418	\$1,196,664	\$1,113,811	\$206,271
2020-2021	\$206,271	\$615,089	\$810,786	\$10,574

NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

A. LITIGATION

During the ordinary course of its operations, the Town is a party to various claims, legal actions and complaints. In the opinion of the Town’s management and legal counsel, these matters are not anticipated to have a material financial impact on the Town.

B. FEDERAL FINANCIAL ASSISTANCE PROGRAMS

The Town and School Department participate in various federal financial assistance programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Costs, if any, which may be disallowed by the grantor, cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 15 – POST RETIREMENT BENEFITS

Plan Description

Plan Administration - The Town of Foster administers a single-employer, defined benefit post-employment health insurance plan. This plan does not include the pension benefits discussed in Note 16. The Treasurer is responsible for administration of the plan in accordance with Town Ordinance with Town Council oversight. The plan is reported as a Trust Fund in the Town’s financial statements. The plan does not issue a publicly available financial report.

Plan Membership - As of July 1, 2019, the plan membership data is as follows:

Active employees	52
Retirees	<u>6</u>
Total	<u><u>58</u></u>

Benefits Provided - The plan provides medical and dental insurance for eligible retirees and their dependents through the Town’s group health and dental insurance plans, which cover both active and retired members. Benefit provisions are established and amended by the union

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contracts through negotiations between the Town and the respective unions. The plan provides the following benefits based on employee group upon retirement:

- Police – Eligible at any age with 20 years of service if retired before July 1, 2003. Employees retiring on or after 7/1/2003 are eligible at age 55 with 25 years of service. The Town pays 40% of individual or family medical until the retiree is Medicare eligible.
- Dispatch - Eligible at any age with 20 years of service. The Town pays 40% of individual medical for 5 years after retirement if date of retirement was prior to 7/1/2007 or for 7 years after retirement if date of retirement was on or after 7/1/2007.
- Town Labor Union – Eligible at 58 years of age. The Town pays 40% of individual medical until the retiree is Medicare eligible.
- School Non-Certified – Eligible at 62 years of age with 10 years of service. The Town pays 100% of individual medical and dental until the retiree is Medicare eligible.
- School Certified – Eligible if hired prior to July 10, 2015 and have 10 years of service with the Foster School Department and are eligible and enter early retirement on either Social Security or the State Teachers' Retirement System. The Towns pays 100% of individual medical, minus any applicable retiree co-share, for 6 years after retirement or until the retiree is Medicare eligible. Employees who retired prior to July 10, 2015 are not subject to the 6 year maximum limitation. If the date of retirement was prior to July 10, 2015, the retiree is required to pay the same co-share for medical paid at the time of their retirement. If the date of retirement is on or after July 10, 2015, the retiree is required to pay the same co-share for medical as current active employees for each year of coverage. Employees hired after July 10, 2015 are not eligible for other post-retirement benefits.

Contributions - Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable retiree share of medical or dental premiums. For the year ended June 30, 2021, the plan operated on a pay as you go basis and no provision has been made to fund future benefits to be provided to plan members. However, any surplus derived from the Town's medical expenditure accounts and any dividends derived from the Town's involvement with WB Community Health as measured by the Treasurer will also be contributed to the Other Post-Employment Benefits Trust Fund until 100% funded in accordance with Town Ordinance. For the fiscal year ended June 30, 2021, the Town contributed \$69,545 to the plan.

Summary of Significant Accounting Policies

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

Method Used to Value Investments – Investments are reported at fair value.

TOWN OF FOSTER, RHODE ISLAND

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Investments

Investment Policy – The Treasurer may invest funds held in the OPEB Trust Fund at his/her discretion in any personal property including, but not by way of limitation, common or preferred stocks, bonds, certificates of deposit, interest or participation, mutual funds, and other forms of security or investment.

Rate of Return – For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 0.19%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Town

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

Total OPEB Liability	\$368,332
OPEB Plan Fiduciary Net Position	(263,856)
Net OPEB Liability	<u>\$104,476</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	71.64%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2021, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Salary Increases	3.50%
Investment Rate of Return	3.50%
Inflation Rate	2.00%
Healthcare Cost Trend Rates	Medical – 7.50% in 2019 graded down 0.5% per annum to an ultimate rate of 4.50% in 2025; Dental – 5.00%
Mortality	RPH-2014 Total Dataset Headcount-Weighted table, adjusted back to 2006 base rates, then projected generationally with Scale MP-2019

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

- Medical healthcare cost trend rates were changed from 9.00% in 2017 graded down to an ultimate rate of 5.00% in 2021 to 7.50% in 2019 graded down to an ultimate rate of 4.50% in 2025.
- Mortality tables were changed from RP-2000 Combined Fully Generational table with projection scale AA to RPH-2014 Total Dataset Headcount-Weighted table, adjusted back to 2006 base rates, then projected generationally with Scale MP-2019.

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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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and equivalents	100.00%	1.50%
	100.00%	

The plan's investments do not support the use of a higher discount rate and as a result the municipal bond index rate was applied to all periods in the actuarial valuation.

Discount Rate – The discount rate used to measure the OPEB liability was 2.16% for the plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the OPEB plan's net fiduciary position was not projected to be available to make all projected future benefit payments of current plan members. The municipal bond rate of 2.16% (Bond Buyer's 20 Bond Index) was applied to all periods. The prior measurement date used a discount rate of 2.21%.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2020	\$378,198	\$246,235	\$131,963
Changes for the Year:			
Service cost	26,623	-	26,623
Interest on the total OPEB liability	8,372	-	8,372
Changes in benefits	-	-	-
Difference between expected and actual experience	6,661	-	6,661
Changes in assumptions	814	-	814
Employer contributions	-	69,545	(69,545)
Net investment income	-	412	(412)
Benefit payments, including employee refunds	(52,336)	(52,336)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	(9,866)	17,621	(27,487)
Balances as of June 30, 2021	\$368,332	\$263,856	\$104,476

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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 1-percentage-point lower and 1-percentage-point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	<u>(1.16%)</u>	<u>(2.16%)</u>	<u>(3.16%)</u>
Net OPEB Liability	\$120,853	\$104,476	\$88,342

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 a healthcare cost trend rates 1-percentage-point lower (6.00% decreasing to 3.50%) and 1-percentage-point higher (8.00% decreasing to 5.50%) than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	<u>(6.00% decreasing to 3.50%)</u>	<u>(7.00% decreasing to 4.50%)</u>	<u>(8.00% decreasing to 5.50%)</u>
Net OPEB Liability	\$70,009	\$104,476	\$145,147

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 \$32,169. At June 30, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$42,168	\$58,688
Changes in assumptions	19,802	14,061
Net difference between projected and actual earnings on OPEB plan investments	<u>14,050</u>	<u>-</u>
Total	<u>\$76,020</u>	<u>\$72,749</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:

Year ended June 30:	
2022	\$5,791
2023	4,786
2024	3,483
2025	2,194
2026	551
Thereafter	(13,534)

NOTE 16 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM PLAN

Defined Benefit Plan

General Information about the Pension Plan

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

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

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

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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 plan year ending June 30, 2016.

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2021, Foster School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Foster School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Foster School Department; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2021 for the State and Foster School Department, respectively. The Foster School Department contributed \$247,870, \$294,002 and \$254,951 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$174,083 for fiscal year 2021 are reflected as on-behalf payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

At June 30, 2021, the Foster School Department reported a liability of \$3,415,870 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Foster School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Foster School Department were as follows:

Foster School Department's proportionate share of the net pension liability	\$3,415,870
State's proportionate share of the net pension liability associated with the Foster School Department	<u>2,538,075</u>
Total net pension liability	<u>\$5,953,945</u>

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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 Foster School Department's proportion of the net pension liability was based on a projection of the Foster School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2020 the Foster School Department's proportion was 0.10691281%.

For the year ended June 30, 2021, the Foster School Department recognized in the Government-Wide financial statements gross pension expense of \$526,783 and revenue of \$256,856 for support provided by the State. At June 30, 2021, the Foster School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:	
Contributions subsequent to the measurement date	\$247,870
Change of assumptions	
Differences between expected and actual experience	152,490
	33,398
Changes in proportion and differences between employer contributions and proportionate share of contributions	299,481
Net difference between projected and actual earnings on pension plan investment	69,349
Total	<u>\$802,588</u>
Deferred inflows of resources:	
Change of assumptions	\$79,601
Differences between expected and actual experience	66,570
Changes in proportion and differences between employer contributions and proportionate share of contributions	256,592
Total	<u>\$402,763</u>

\$247,870 reported as deferred outflows of resources related to pensions resulting from the Foster School Department contributions in fiscal year 2021 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2022	\$(59,960)
2023	11,444
2024	86,455
2025	61,647
2026	36,281
thereafter	16,088

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 MP-16.	

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

- The mortality tables were changed from variants of the RP-2014 Tables, updated to the ultimate rates of the MP-2016 projection scale to variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.

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:

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

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 FOSTER, RHODE ISLAND

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

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

	Current Discount	
1.00% Decrease	Rate	1.00 Increase
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$4,098,504	\$3,415,870	\$2,592,044

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

Defined Contribution Plan

Plan Description

Employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan as 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 7% of their annual covered salary and employers contribute between 3% and 3.5% of annual covered salary depending on the employee's total years of service as of June 30, 2012. The employer contribution is split between the State and the School Department. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

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The Foster School Department recognized pension expense of \$46,397 for the fiscal year ended June 30, 2021. For financial reporting purposes, the State's share of contributions totaling \$6,774 for fiscal year 2021 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

B. TEACHERS' SURVIVOR BENEFIT PLAN

General Information about the Pension Plan

Plan Description - Certain employees of the Foster School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Teachers' Survivors Benefit (TSB) 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 administered by the System. The report may be obtained at <http://www.ersri.org>.

Eligibility and Plan Benefits - The plan provides a survivor benefit to public school teachers in lieu of Social Security since not all school districts participate in the plan. Specific eligibility criteria and the amount of the benefit are 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.

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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.

The Foster School Department contributed \$2,639, \$2,894 and \$3,220 for the fiscal years ended June 30, 2021, 2020 and 2019, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2021 the Foster School Department reported an asset of \$460,827 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 Foster School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2020 relative to

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the total contributions of all participating employers for that fiscal year. At June 30, 2020 the Foster School Department's proportion was 0.38802018%.

For the year ended June 30, 2021 the Foster School Department recognized pension expense of \$(17,101) an increase in the net pension asset. At June 30, 2021 the Foster School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$2,639
Change of assumptions	31,094
Differences between expected and actual experience	39,524
Changes in proportion and differences between employer contributions and proportionate share of contributions	87,658
Net difference between projected and actual earnings on pension plan investments	<u>22,488</u>
Total	<u><u>\$183,403</u></u>

Deferred inflows of resources:

Change of assumptions	\$31,844
Differences between expected and actual experience	98,266
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>66,675</u>
Total	<u><u>\$196,785</u></u>

\$2,639 reported as deferred outflows of resources related to pensions resulting from the Foster School Department's 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 outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$(8,248)
2023	1,129
2024	3,473
2025	518
2026	(2,676)
Thereafter	(10,217)

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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 MP-16.

Cost of Living Adjustments – 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 following actuarial assumptions have been changed since the prior measurement date:

- The mortality tables were changed from variants of the RP-2014 Tables, updated to the ultimate rates of the MP-2016 projection scale to variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.

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:

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

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

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

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following presents the proportionate share of the net pension asset calculated using the discount rate of 7.0 percent as well as what the net pension 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.

	Current Discount	
1.00% Decrease	Rate	1.00% Increase
(6.0%)	(7.0%)	(8.0%)
\$383,318	\$460,827	\$554,393

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. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plans

General Information about the Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the Employees' 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 for plans administered by the System. This report may be obtained accessing the ERSRI website at <http://www.ersri.org>.

Benefits Provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under another plan maintained by the municipality may not become members of MERS. Police officers and/or firefighters may be designated as such by the municipality, in which case the

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special contribution and benefit provisions described below will apply to them, or they may be designated as general employees with no special benefits. Members designated as police officers and/or firefighters are treated as belonging to a unit separate from the general employees, with separate contribution rates applicable. The Town of Foster has only general employees and police officers that participate in the MERS Plan.

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

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

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

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

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

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

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attainment of age 65 with 30 years of service, age 64 with 31 years of service, age 63 with 32 years of service, or age 62 with 33 years of service.

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

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

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

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

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

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

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

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

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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. The Town of Foster has elected to participate in the 20-year retirement provision.

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

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

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

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

a) The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended. The first interim COLA may begin January 1, 2018.

b) Effective July 1, 2015, the COLA is determined based on 50% of the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%, plus 50% of the lesser of 3.0% or last year's CPI-U increase for a total maximum increase of 3.50%. Previously, it was the plan's five-year average investment rate of return less 5.5% limited to a range of 0.0% to 4.0%

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

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The Town of Foster has elected the optional cost-of-living provision for police officers.

Employees Covered by Benefit Terms - At the June 30, 2019 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries Inactive, Nonretired	29	9
Members	26	3
Active Members	36	8
Total	<u>91</u>	<u>20</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 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Police officers are required to contribute 10% of their salaries. The Town of Foster contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Foster contributed the following amounts in the year ended June 30, 2021: general employees plan - \$159,113 and police officers plan - \$156,863. The Town's contributions represented the following percentages of annual covered payroll: general employees plan - 11.85%; police officer's plan - 29.86%.

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

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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	7.0%
Projected Salary Increases	General Employees - 3.25% to 7.25% ; Police Officers - 4.00% to 14.00%
Inflation	2.5%
Mortality	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.
Cost of Living Adjustments	A 2.1% COLA is assumed for all MERS units with the COLA provision.

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

- The general employees projected salary increases assumption was changed from 3.50% to 7.50% to 3.25% to 7.25%.
- The mortality tables were changed from variants of the RP-2014 Tables, updated to the ultimate rates of the MP-2016 projection scale to variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.
- The cost of living adjustments assumption was changed from 2.00% to 2.10%.

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:

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

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

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

General Employees Plan Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2019	\$4,913,968	\$4,002,502	\$911,466
Changes for the Year:			
Service cost	107,626	-	107,626
Interest on the total pension liability	337,702	-	337,702
Changes in benefits	-	-	-
Difference between expected and actual experience	93,844	-	93,844
Changes in assumptions	(36,128)	-	(36,128)
Employer contributions	-	158,232	(158,232)
Employee contributions	-	27,341	(27,341)
Net investment income	-	146,933	(146,933)
Benefit payments, including employee refunds	(286,945)	(286,945)	-
Administrative expense	-	(4,048)	4,048
Other changes	-	(19,312)	19,312
Net changes	216,099	22,201	193,898
Balances as of June 30, 2020	\$5,130,067	\$4,024,703	\$1,105,364

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2019	\$4,389,264	\$2,991,555	\$1,397,709
Changes for the Year:			
Service cost	127,905	-	127,905
Interest on the total pension liability	303,069	-	303,069
Changes in benefits	-	-	-
Difference between expected and actual experience	(111,501)	-	(111,501)
Changes in assumptions	2,867	-	2,867
Employer contributions	-	170,652	(170,652)
Employee contributions	-	55,878	(55,878)
Net investment income	-	112,449	(112,449)
Benefit payments, including employee refunds	(247,305)	(247,305)	-
Administrative expense	-	(3,098)	3,098
Other changes	-	-	-
Net changes	75,035	88,576	(13,541)
Balances as of June 30, 2020	\$4,464,299	\$3,080,131	\$1,384,168

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the employer calculated using the discount rate of 7.0 percent, as well as what the employer's 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.

Plan	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00 Increase (8.0%)
General Employees	\$1,567,376	\$1,105,364	\$547,816
Police Officers	\$1,786,156	\$1,384,168	\$899,117

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 Town recognized pension expense as follows: general employees plan - \$262,322; and police officers plan - \$139,790. The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	General Employees Plan	Police Officers Plan
Deferred Outflows of Resources:		
Contributions subsequent to the measurement date	\$159,113	\$156,863
Assumption changes	-	85,101
Differences between expected and actual experience	112,725	167,298
Net difference between projected and actual investment earnings	70,009	52,375
Total	\$341,847	\$461,637
 Deferred Inflows of Resources:		
Assumption changes	\$26,133	\$ -
Differences between expected and actual experience	15,695	264,620
Total	\$41,828	\$264,620

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

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources	
	General Employees Plan	Police Officers Plan
2022	\$46,048	\$23,616
2023	30,750	48,661
2024	38,331	(25,021)
2025	25,777	(1,353)
2026	-	(5,749)
Thereafter	-	-

Defined Contribution Plan

Plan Description

General employees participating in the defined benefit plan with less than 20 years of service as of June 30, 2012, as described above, also participate in a defined contribution plan as authorized

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June 30, 2021

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.

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

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

The Town of Foster recognized pension expense of \$12,130 for the fiscal year ended June 30, 2021.

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

D. LABORER'S INTERNATIONAL UNION OF NORTH AMERICA NATIONAL PENSION FUND

Plan Description

All employees who are members of the Local 1322 union participate in the Laborers' International Union of North America National Pension Fund, a cost sharing multiple-employer defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended. The Plan is not a state or local government pension plan, provides defined benefit pensions to employees of state or local governmental employers and employees of employers that are not state or local governments and has no predominant state or local government employer. As a result, the Plan is accounted for and reported in accordance with GASB Statement No. 78, Pensions Provided through Certain Multiple – Employer Defined Benefit Pension Plans. The Plan is administered by the Fund's Board of Trustees. Eligibility and benefit provisions are defined in Plan document adopted by the Board of Trustees.

All employees who are members of the Local 1322 union are eligible to participate in the Plan, (8 active employees as of June 30, 2021). An employee is eligible to receive pension benefits if they have attained age 62 and have five or more years of pension credit. The amount of regular pension benefits payable to an employee is determined by the highest contribution rate at which he or she earned pension credit and years of pension credits earned (up to a maximum of 30 years of pension credits). The regular monthly benefit is payable for each year of pension credit at each contribution rate accepted by the plan up to \$2.50 per hour. The Plan also provides death and disability benefits. Information regarding the Plan can be obtained from the Fund Office

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

maintained by the Board of Trustees at the following address: Laborers' International Union of North America National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC 20006-1765 or on the internet at www.lnipf.com.

Funding Policy – The contribution requirements of the Town and employees are established by contract and may be amended by union negotiation. The current union contract expires on June 30, 2023. Employees are required to contribute \$.90 per hour up to a maximum of 40 hours per week to the Plan for calendar year 2021. The Town is not required to contribute to the Plan.

The Multiemployer Pension Plan Amendments Act of 1980 impose certain liabilities upon employers associated with multiemployer pension plans who withdraw from such a plan or upon termination of said plan. The Town has no plans to withdraw or partially withdraw from the plan.

E. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Asset	Net Pension Liability	Pension Expense
Employees' Retirement System Plan	\$802,588	\$402,763	\$ -	\$3,415,870	\$526,783
Teachers' Survivor Benefits Plan	183,403	196,785	460,827	-	(17,101)
General Employees Plan	341,847	41,828	-	1,105,364	262,322
Police Officers Plan	461,637	264,620	-	1,384,168	139,790
Total	<u>\$1,789,475</u>	<u>\$905,996</u>	<u>\$460,827</u>	<u>\$5,905,402</u>	<u>\$911,794</u>

NOTE 17 – UNCERTAINTIES

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2021

NOTE 18 – RESTATEMENTS

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

	<u><i>Governmental Activities</i></u>	<u><i>Governmental Funds</i></u> <u><i>Nonmajor Other Governmental Funds</i></u>
Net position/fund balance, June 30, 2020, as previously reported	\$ 8,443,354	\$ 265,895
Adoption GASB Statement No. 84: Agency fund reclassified to governmental fund based on implementation of GASB Statement No. 84	<u>5,522</u>	<u>5,522</u>
<i>Net position/fund balance, June 30, 2020, as restated</i>	<u><u>\$ 8,448,876</u></u>	<u><u>\$ 271,417</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

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

Budgetary Comparison Schedules – General Fund and School Unrestricted Fund

Schedule of the Town's Proportionate Share of the Net Pension Liability (Asset) – Pension Plans

Schedule of Changes in the Net Pension Liability and Related Ratios – Pension Plans

Schedule of Town Contributions – Pension Plans and Other Post-Employment Benefit Plan

Schedule of Changes in Net OPEB Liability and Related Ratios – Other Post-Employment Benefit Plan

Schedule of Investment Returns – Other Post-Employment Benefit Plan

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

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

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues</u>				
Real estate and personal property tax	\$ 13,223,041	\$ 13,223,041	\$ 13,304,261	\$ 81,220
Hotel, meal and beverage tax	23,640	23,640	16,706	(6,934)
Motor vehicle excise phase-out	731,917	731,917	249,511	(482,406)
Federal aid-CRF	-	-	651,214	651,214
Public utilities sharing	59,100	59,100	56,130	(2,970)
Licenses, permits and fees	54,000	54,000	83,671	29,671
Building and zoning fees	46,500	46,500	87,981	41,481
Fines and interest on late payments	115,000	115,000	130,806	15,806
Interest on investments	10,000	10,000	13,819	3,819
Other revenues	23,757	23,757	44,039	20,282
<i>Total revenues</i>	14,286,955	14,286,955	14,638,138	351,183
<u>Other Financing Sources</u>				
Transfer from Capital Project Fund	547,875	547,875	547,875	-
Transfer from Land Trust	3,455	3,455	3,455	-
<i>Total other financing sources</i>	551,330	551,330	551,330	-
<i>Total revenues and other financing sources</i>	\$ 14,838,285	\$ 14,838,285	\$ 15,189,468	\$ 351,183
<u>Expenditures</u>				
<i>Legislative, Judicial and General Administrative</i>				
Salaries	\$ 203,759	\$ 203,759	\$ 200,241	3,518
Benefits	92,476	92,476	86,766	5,710
Solicitor	67,500	67,500	67,500	-
Purchased services-probate	3,800	3,800	3,783	17
Purchased services-Board of Canvassers	2,800	2,800	1,741	1,059
Purchased services-election	7,700	7,700	6,612	1,088
Purchased services-other	16,051	16,051	18,766	(2,715)
Materials and supplies	6,000	6,000	7,454	(1,454)
Software licenses and support	20,708	20,708	24,168	(3,460)
Insurance	76,500	76,500	75,253	1,247
Utilities	12,050	12,050	10,605	1,445
Other operational expenditures	8,165	8,165	4,855	3,310
Town Council contingency	42,000	42,000	42,000	-
Land Trust	3,455	3,455	3,455	-
Conservation Commission	1,450	1,450	1,669	(219)
<i>Total legislative, judicial and general administrative</i>	564,414	564,414	554,868	9,546

(Continued)

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

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Finance Administration				
Finance salaries	175,740	175,740	176,585	(845)
Finance benefits	63,842	63,842	64,883	(1,041)
Purchased services-audit	23,750	23,750	23,167	583
Purchased services-OPEB actuarial valuation	2,825	2,825	2,450	375
Purchased services-other	8,800	8,800	2,484	6,316
Materials and supplies-finance	3,000	3,000	2,264	736
Software licenses and support-finance	10,500	10,500	9,899	601
Utilities	6,200	6,200	6,169	31
Other operational expenditures-finance	5,500	5,500	5,333	167
Assessor salaries	32,329	32,329	32,251	78
Assessor benefits	7,247	7,247	6,661	586
Purchased services-tax bills/postage	5,500	5,500	5,949	(449)
Software licenses and support-assessor	13,500	13,500	12,790	710
Revaluation	14,000	14,000	14,000	-
Other operational expenditures-assessor	2,770	2,770	2,662	108
Total finance administration	<u>375,503</u>	<u>375,503</u>	<u>367,547</u>	<u>7,956</u>
Health and Welfare				
Human services salary	23,000	23,000	23,144	(144)
Benefits	5,335	5,335	5,363	(28)
Purchased services-other	320	320	292	28
Utilities	1,680	1,680	1,302	378
Other operational expenditures	1,030	1,030	845	185
Mental Health Association	3,250	3,250	3,250	-
Comprehensive Community Action	14,000	14,000	14,000	-
Sojourner House	400	400	400	-
Total health and welfare	<u>49,015</u>	<u>49,015</u>	<u>48,596</u>	<u>419</u>
Planning, Building and Zoning				
Planning salaries	46,436	46,436	46,771	(335)
Planning benefits	9,571	9,571	9,625	(54)
Purchased services-planning	4,500	4,500	2,000	2,500
Software licenses and support-planning	4,650	4,650	9,660	(5,010)
Utilities	1,260	1,260	1,302	(42)
Other operational expenditures - planning	2,270	2,270	1,700	570
Building and zoning salaries	48,015	48,015	28,860	19,155
Building and zoning benefits	9,799	9,799	4,262	5,537
Purchased services-building and zoning	-	-	1,087	(1,087)
Software licenses and support- building and zoning	2,125	2,125	2,060	65
Other operational expenditures- building and zoning	6,000	6,000	2,418	3,582
Total planning, building and zoning	<u>134,626</u>	<u>134,626</u>	<u>109,745</u>	<u>24,881</u>

(Continued)

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

TOWN OF FOSTER, RHODE ISLAND

General Fund

Schedule of Revenues and Expenditures - Budget and Actual (Continued)

For the Fiscal Year Ended June 30, 2021

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>		
Public Works				
Salaries	424,857	424,857	389,590	35,267
Benefits	218,710	218,710	185,078	33,632
Purchased services-other	63,950	63,950	54,189	9,761
Materials and supplies	1,000	1,000	271	729
Maintenance-buildings and grounds	75,000	75,000	71,271	3,729
Vehicle operations-fuel and lube oil	40,000	40,000	42,850	(2,850)
Vehicle operations-parts and repairs	75,000	75,000	84,911	(9,911)
Vehicle operations-tires	7,000	7,000	5,364	1,636
Utilities	19,000	19,000	17,427	1,573
Snow removal	72,000	72,000	36,967	35,033
Asphalt mix	9,000	9,000	4,309	4,691
Gravel	40,000	40,000	28,728	11,272
Stone	8,000	8,000	6,191	1,809
Road signs	3,000	3,000	1,794	1,206
Other road material	4,000	4,000	2,020	1,980
Pipe	3,000	3,000	2,635	365
Equipment	12,000	12,000	74,033	(62,033)
Other operational expenditures	3,800	3,800	3,648	152
Trash removal and recycling	259,094	259,094	259,348	(254)
Tipping fees - RI Resource Recovery	94,000	94,000	101,441	(7,441)
Total public works	1,432,411	1,432,411	1,372,065	60,346
Public Safety				
Salaries police	749,365	749,365	690,173	59,192
Benefits police	374,048	374,048	337,767	36,281
Purchased services-police	14,800	14,800	15,777	(977)
Materials and supplies-police	2,500	2,500	2,608	(108)
Software licenses and support-police	36,600	36,600	21,705	14,895
Vehicle operations-fuel and lube oil	25,000	25,000	11,742	13,258
Vehicle operations-parts and repairs	10,000	10,000	6,326	3,674
Vehicle operations-tires	3,000	3,000	2,017	983
Utilities-police	17,500	17,500	17,254	246
Other operational expenditures-police	28,100	28,100	13,436	14,664
Salaries dispatch	235,990	235,990	244,865	(8,875)
Benefits dispatch	57,270	57,270	59,315	(2,045)
Utilities-dispatch	3,000	3,000	4,433	(1,433)
Other operational expenditures-dispatch	1,000	1,000	-	1,000
Purchased services-animal control	19,000	19,000	19,000	-
Pound fees	10,000	10,000	10,000	-
EMA compensation	3,000	3,000	2,625	375
Payroll taxes	230	230	86	144
EMA material and supplies	500	500	234	266
Other public safety training	15,000	15,000	10,588	4,412
Engineering Board	2,500	2,500	611	1,889
Ambulance Corp.	99,000	99,000	99,000	-
Foster Center Fire Company	64,000	64,000	64,000	-
South Foster Fire Company	70,000	70,000	70,000	-
Moosup Valley Fire Company	68,550	68,550	68,550	-
Total public safety	1,909,953	1,909,953	1,772,112	137,841

(Continued)

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

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

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Favorable (Unfavorable)</i>
	<i>Original</i>	<i>Final</i>		
Recreation				
Salaries	1,600	1,600	800	800
Benefits	203	203	61	142
Purchased services-other	1,300	1,300	2,050	(750)
Materials and supplies	1,500	1,500	1,852	(352)
Maintenance and repairs	4,100	4,100	2,780	1,320
Utilities	2,500	2,500	2,659	(159)
Sports	10,000	10,000	2,500	7,500
Senior citizens	2,000	2,000	2,000	-
Other operational expenditures	2,100	2,100	617	1,483
Activities expenditures	6,500	6,500	6,521	(21)
Other operational-equipment	-	-	2,933	(2,933)
Total recreation	<u>31,803</u>	<u>31,803</u>	<u>24,773</u>	<u>7,030</u>
School				
Regional operations	4,728,736	4,728,736	4,728,736	-
Regional debt service	475,410	475,410	475,410	-
Region student population change transfer	228,854	228,854	228,854	-
Paine School operations	3,468,751	3,468,751	3,468,751	-
Total school	<u>8,901,751</u>	<u>8,901,751</u>	<u>8,901,751</u>	<u>-</u>
Libraries				
Libraries of Foster	160,980	160,980	160,980	-
Total libraries	<u>160,980</u>	<u>160,980</u>	<u>160,980</u>	<u>-</u>
Long-Term Obligations				
Providence Water settlement	200,000	200,000	200,000	-
Total long-term obligations	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Capital Expenditures				
Town Clerk/Town-wide	15,000	15,000	15,000	-
Assessor	55,875	55,875	55,875	-
Police	59,500	59,500	59,500	-
Engineering Board	125,000	125,000	125,000	-
Public works-building and grounds	112,500	112,500	112,500	-
Public work-bridges	25,000	25,000	25,000	-
Public works highway	180,000	180,000	180,000	-
Use of Fund Balance Committed for Capital	(25,000)	(25,000)	(25,000)	-
Total capital expenditures	<u>547,875</u>	<u>547,875</u>	<u>547,875</u>	<u>-</u>
Total expenditures	<u>14,308,331</u>	<u>14,308,331</u>	<u>14,060,312</u>	<u>248,019</u>
Other Financing Uses				
Transfer to Town House Fund	2,500	2,500	2,500	-
Transfer to OPEB Trust Fund	36,800	36,800	36,800	-
Transfer to Cemetery Trust Fund	450	450	450	-
Transfer to Capital Project Fund	490,204	490,204	490,204	-
Total other financing uses	<u>529,954</u>	<u>529,954</u>	<u>529,954</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 14,838,285</u>	<u>\$ 14,838,285</u>	<u>\$ 14,590,266</u>	<u>\$ 248,019</u>

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

TOWN OF FOSTER, RHODE ISLAND
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
School Unrestricted Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<i>Actual</i> <i>Amounts</i> <i>(Budgetary</i> <i>Basis)</i>	<i>Variance With</i> <i>Final Budget</i> <i>Favorable</i> <i>(Unfavorable)</i>
	<u>Original</u>	<u>Final</u>		
Revenues				
State aid	\$ 1,065,647	\$ 1,065,647	\$ 1,065,648	\$ 1
Other revenues	45,000	45,000	104,490	59,490
Total revenues	<u>1,110,647</u>	<u>1,110,647</u>	<u>1,170,138</u>	<u>59,491</u>
Expenditures				
Education	4,579,398	4,579,398	4,198,987	380,411
Total expenditures	<u>4,579,398</u>	<u>4,579,398</u>	<u>4,198,987</u>	<u>380,411</u>
Deficiency of revenues under expenditures before other financing sources	<u>(3,468,751)</u>	<u>(3,468,751)</u>	<u>(3,028,849)</u>	<u>439,902</u>
Other financing sources				
Town appropriation	3,468,751	3,468,751	3,468,751	-
Total other financing sources	<u>3,468,751</u>	<u>3,468,751</u>	<u>3,468,751</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,902</u>	<u>\$ 439,902</u>

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.10691281%	0.09954467%	0.09502946%	0.09924856%	0.10172130%	0.11156409%	0.12588445%
Town's proportionate share of the net pension liability	\$ 3,415,870	\$ 3,176,240	\$ 3,019,322	\$ 3,130,385	\$ 3,034,934	\$ 3,071,362	\$ 3,064,028
State's proportionate share of the net pension liability associated with the Town	<u>2,538,075</u>	<u>2,379,333</u>	<u>2,252,197</u>	<u>2,365,819</u>	<u>2,078,484</u>	<u>2,098,258</u>	<u>2,101,145</u>
Total	<u>\$ 5,953,945</u>	<u>\$ 5,555,573</u>	<u>\$ 5,271,519</u>	<u>\$ 5,496,204</u>	<u>\$ 5,113,418</u>	<u>\$ 5,169,620</u>	<u>\$ 5,165,173</u>
Town's covered payroll	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834	\$ 1,916,706
Town's proportionate share of the net pension liability as a percentage of its covered payroll	176.86%	174.85%	175.62%	178.18%	181.59%	169.42%	159.86%
Plan fiduciary net position as a percentage of the total pension liability	54.3%	54.6%	54.3%	54.0%	54.1%	57.6%	61.4%

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

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

TOWN OF FOSTER, RHODE ISLAND
Required Supplementary Information
Teachers' Survivor Benefit Pension Plan
Schedule of the Town's Proportionate Share of the Net Pension Asset (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension asset	0.38802018%	0.43171861%	0.42062515%	0.47846742%	0.42449060%	0.44548472%	0.37822090%
Town's proportionate share of the net pension asset	\$ 460,827	\$ 489,767	\$ 375,321	\$ 395,819	\$ 422,673	\$ 415,885	\$ 470,207
Town's covered payroll	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834	\$ 1,916,706
Town's proportionate share of the net pension asset as a percentage of its covered payroll	23.86%	26.96%	21.83%	22.53%	25.29%	22.94%	24.53%
Plan fiduciary net position as a percentage of the total pension liability	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:							
Service cost	\$ 107,626	\$ 113,973	\$ 118,579	\$ 108,741	\$ 101,650	\$ 102,763	\$ 105,659
Interest	337,702	328,158	301,048	313,814	287,004	290,393	273,238
Changes of benefit terms	-	-	-	-	-	(213)	-
Differences between expected and actual experience	93,844	(33,383)	219,149	(218,466)	193,993	(226,439)	-
Changes of assumptions	(36,128)	-	-	147,320	-	-	53,322
Benefits payments, including refunds of member contributions	(286,945)	(251,539)	(246,825)	(232,839)	(224,619)	(197,635)	(206,446)
Net change in total pension liability	<u>216,099</u>	<u>157,209</u>	<u>391,951</u>	<u>118,570</u>	<u>358,028</u>	<u>(31,131)</u>	<u>225,773</u>
Total pension liability - beginning	<u>4,913,968</u>	<u>4,756,759</u>	<u>4,364,808</u>	<u>4,246,238</u>	<u>3,888,210</u>	<u>3,919,341</u>	<u>3,693,568</u>
Total pension liability - ending (a)	<u>\$5,130,067</u>	<u>\$4,913,968</u>	<u>\$ 4,756,759</u>	<u>\$ 4,364,808</u>	<u>\$ 4,246,238</u>	<u>\$ 3,888,210</u>	<u>\$ 3,919,341</u>
Plan fiduciary net position:							
Contributions - employer	\$ 158,232	\$ 139,375	\$ 160,968	\$ 143,230	\$ 149,626	\$ 121,957	\$ 124,478
Contributions - employee	27,341	29,863	29,647	31,290	32,892	11,704	11,409
Net investment income	146,933	249,997	282,987	382,641	(556)	77,854	451,654
Benefits payments, including refunds of member contributions	(286,945)	(251,539)	(246,825)	(232,839)	(224,619)	(197,635)	(206,446)
Administrative expense	(4,048)	(3,908)	(3,767)	(3,615)	(3,684)	(3,135)	(2,828)
Other	(19,312)	56,886	(44,323)	(27,714)	34,403	(79,740)	(18,760)
Net change in plan fiduciary net position	<u>22,201</u>	<u>220,674</u>	<u>178,687</u>	<u>292,993</u>	<u>(11,938)</u>	<u>(68,995)</u>	<u>359,507</u>
Plan fiduciary net position - beginning	<u>4,002,502</u>	<u>3,781,828</u>	<u>3,603,141</u>	<u>3,310,148</u>	<u>3,322,086</u>	<u>3,391,081</u>	<u>3,031,574</u>
Plan fiduciary net position - ending (b)	<u>\$4,024,703</u>	<u>\$4,002,502</u>	<u>\$ 3,781,828</u>	<u>\$ 3,603,141</u>	<u>\$ 3,310,148</u>	<u>\$ 3,322,086</u>	<u>\$ 3,391,081</u>
Town's net pension liability - ending (a) - (b)	<u>\$1,105,364</u>	<u>\$ 911,466</u>	<u>\$ 974,931</u>	<u>\$ 761,667</u>	<u>\$ 936,090</u>	<u>\$ 566,124</u>	<u>\$ 528,260</u>
Plan fiduciary net position as a percentage of the total pension liability							
	78.45%	81.45%	79.50%	82.55%	77.95%	85.44%	86.52%
Covered payroll	\$1,335,305	\$1,360,055	\$ 1,374,030	\$ 1,314,885	\$ 1,230,625	\$ 1,170,425	\$ 1,133,685
Net pension liability as a percentage of covered payroll							
	82.78%	67.02%	70.95%	57.93%	76.07%	48.37%	46.60%

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:							
Service cost	\$ 127,905	\$ 120,285	\$ 117,421	\$ 98,096	\$ 87,189	\$ 70,704	\$ 69,914
Interest	303,069	304,104	300,472	258,810	254,922	278,224	272,971
Changes of benefit terms	-	-	-	-	-	101,488	-
Differences between expected and actual experience	(111,501)	(181,901)	(106,823)	476,566	(66,486)	(540,538)	-
Changes of assumptions	2,867	-	-	235,793	-	-	(10,714)
Benefits payments, including refunds of member contributions	(247,305)	(274,845)	(246,377)	(228,188)	(230,282)	(227,338)	(297,710)
Net change in total pension liability	<u>75,035</u>	<u>(32,357)</u>	<u>64,693</u>	<u>841,077</u>	<u>45,343</u>	<u>(317,460)</u>	<u>34,461</u>
Total pension liability - beginning	<u>4,389,264</u>	<u>4,421,621</u>	<u>4,356,928</u>	<u>3,515,851</u>	<u>3,470,508</u>	<u>3,787,968</u>	<u>3,753,507</u>
Total pension liability - ending (a)	<u>\$ 4,464,299</u>	<u>\$ 4,389,264</u>	<u>\$ 4,421,621</u>	<u>\$ 4,356,928</u>	<u>\$ 3,515,851</u>	<u>\$ 3,470,508</u>	<u>\$ 3,787,968</u>
Plan fiduciary net position:							
Contributions - employer	\$ 170,652	\$ 156,831	\$ 138,105	\$ 136,147	\$ 149,967	\$ 117,553	\$ 46,299
Contributions - employee	55,878	51,692	54,286	50,332	45,689	29,050	31,684
Net investment income	112,449	186,853	213,786	286,739	(863)	59,155	339,383
Benefits payments, including refunds of member contributions	(247,305)	(274,845)	(246,377)	(228,188)	(230,282)	(227,338)	(297,710)
Administrative expense	(3,098)	(2,921)	(2,846)	(2,709)	(2,322)	(2,375)	(2,125)
Other	-	16,916	(1)	(28,614)	4	-	5,471
Net change in plan fiduciary net position	<u>88,576</u>	<u>134,526</u>	<u>156,953</u>	<u>213,707</u>	<u>(37,807)</u>	<u>(23,955)</u>	<u>123,002</u>
Plan fiduciary net position - beginning	<u>2,991,555</u>	<u>2,857,029</u>	<u>2,700,076</u>	<u>2,486,369</u>	<u>2,524,176</u>	<u>2,548,131</u>	<u>2,425,129</u>
Plan fiduciary net position - ending (b)	<u>\$ 3,080,131</u>	<u>\$ 2,991,555</u>	<u>\$ 2,857,029</u>	<u>\$ 2,700,076</u>	<u>\$ 2,486,369</u>	<u>\$ 2,524,176</u>	<u>\$ 2,548,131</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 1,384,168</u>	<u>\$ 1,397,709</u>	<u>\$ 1,564,592</u>	<u>\$ 1,656,852</u>	<u>\$ 1,029,482</u>	<u>\$ 946,332</u>	<u>\$ 1,239,837</u>
Plan fiduciary net position as a percentage of the total pension liability	68.99%	68.16%	64.61%	61.97%	70.72%	72.73%	67.27%
Covered payroll	\$ 558,783	\$ 516,912	\$ 542,863	\$ 503,314	\$ 458,405	\$ 363,141	\$ 385,837
Net pension liability as a percentage of covered payroll	247.71%	270.40%	288.21%	329.19%	224.58%	260.60%	321.34%

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Employees' Retirement System Plan</u>							
Actuarially determined contribution	\$ 247,870	\$ 294,002	\$ 254,951	\$ 235,000	\$ 239,770	\$ 234,490	\$ 247,872
Contributions in relation to the actuarially determined contribution	247,870	294,002	254,951	235,000	239,770	234,490	247,872
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,671,103	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834
Contributions as a percentage of covered payroll	14.83%	15.22%	14.03%	13.67%	13.65%	14.03%	13.67%
<u>Teachers' Survivor Benefit Plan</u>							
Statutorily determined contribution	\$ 2,639	\$ 2,894	\$ 3,220	\$ 3,130	\$ 2,822	\$ 2,726	\$ 2,688
Contributions in relation to the statutorily determined contribution	2,639	2,894	3,220	3,130	2,822	2,726	2,688
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,671,103	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834
Contributions as a percentage of covered payroll	0.16%	0.15%	0.18%	0.18%	0.16%	0.16%	0.15%

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>General Employees Plan</u>							
Actuarially determined contribution	\$ 159,113	\$ 158,232	\$ 139,375	\$ 160,968	\$ 143,230	\$ 149,626	\$ 121,957
Contributions in relation to the actuarially determined contribution	159,113	158,232	139,375	160,968	143,230	149,626	121,957
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,342,736	\$ 1,335,305	\$ 1,360,055	\$ 1,374,030	\$ 1,314,885	\$ 1,230,625	\$ 1,170,425
Contributions as a percentage of covered payroll	11.85%	11.85%	10.25%	11.72%	10.89%	12.16%	10.42%
<u>Police Officers Plan</u>							
Actuarially determined contribution	\$ 156,863	\$ 170,652	\$ 156,831	\$ 138,105	\$ 136,147	\$ 149,967	\$ 117,553
Contributions in relation to the actuarially determined contribution	156,863	170,652	156,831	138,105	136,147	149,967	117,553
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 525,328	\$ 558,783	\$ 516,912	\$ 542,863	\$ 503,314	\$ 458,405	\$ 363,141
Contributions as a percentage of covered payroll	29.86%	30.54%	30.34%	25.44%	27.05%	32.71%	32.37%

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

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

TOWN OF FOSTER, RHODE ISLAND
Required Supplementary Information
Other Postemployment Benefit (OPEB) Plan
Schedule of Changes in the Net OPEB Liability and Related Ratios (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:					
Service cost	\$ 26,623	\$ 20,974	\$ 15,805	\$ 16,252	\$ 25,109
Interest	8,372	12,851	13,302	11,580	12,790
Changes of benefit terms	-	15,384	-	-	-
Differences between expected and actual experience	6,661	5,041	8,178	(42,597)	16,940
Changes of assumptions	814	6,819	8,056	(8,866)	(16,306)
Benefits payments	(52,336)	(36,836)	(38,203)	(51,384)	(48,940)
Net change in total OPEB liability	<u>(9,866)</u>	<u>24,233</u>	<u>7,138</u>	<u>(75,015)</u>	<u>(10,407)</u>
Total OPEB liability - beginning	<u>378,198</u>	<u>353,965</u>	<u>346,827</u>	<u>421,842</u>	<u>432,249</u>
Total OPEB liability - ending (a)	<u>\$ 368,332</u>	<u>\$ 378,198</u>	<u>\$ 353,965</u>	<u>\$ 346,827</u>	<u>\$ 421,842</u>
Plan fiduciary net position:					
Contributions - employer	\$ 69,545	\$ 85,114	\$ 46,614	\$ 57,234	\$ 67,394
Contributions - plan member	-	-	-	-	-
Net investment income	412	460	767	662	509
Benefits payments	(52,336)	(36,836)	(38,203)	(51,384)	(48,940)
Administrative expense	-	-	-	-	-
Other	-	-	-	-	-
Net change in plan fiduciary net position	<u>17,621</u>	<u>48,738</u>	<u>9,178</u>	<u>6,512</u>	<u>18,963</u>
Plan fiduciary net position - beginning	<u>246,235</u>	<u>197,497</u>	<u>188,319</u>	<u>181,807</u>	<u>162,844</u>
Plan fiduciary net position - ending (b)	<u>\$ 263,856</u>	<u>\$ 246,235</u>	<u>\$ 197,497</u>	<u>\$ 188,319</u>	<u>\$ 181,807</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 104,476</u>	<u>\$ 131,963</u>	<u>\$ 156,468</u>	<u>\$ 158,508</u>	<u>\$ 240,035</u>
Plan fiduciary net position as a percentage of the total OPEB liability	71.64%	65.11%	55.80%	54.30%	43.10%
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

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

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

TOWN OF FOSTER, RHODE ISLAND
Required Supplementary Information - Other Postemployment Benefit (OPEB) Plan
Schedule of Town Contributions (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>OPEB Plan</u>					
Actuarially determined contribution	N/A	N/A	N/A	N/A	\$ 36,594
Contributions in relation to the actuarially determined contribution	N/A	N/A	N/A	N/A	67,394
<i>Contribution deficiency (excess)</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ (30,800)</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A

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

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

TOWN OF FOSTER, RHODE ISLAND
Required Supplementary Information - Other Postemployment Benefit (OPEB) Plan
Schedule of Investment Returns (1)
"Unaudited"

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u><i>OPEB Plan</i></u>					
Annual money-weighted rate of return, net of investment expense	0.19%	0.21%	0.40%	0.40%	0.40%

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

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

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

NOTE 1 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

The Town has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. All budget requests must be submitted to the Town Council by March 1. The Town Council shall obtain from the head of each department, office and agency estimates of its revenues and expenditures and supporting data as it may request. The Town Council’s proposed budget shall show all anticipated revenues and all proposed expenditures. The Town Council shall hold a public hearing on its preliminary recommended budget, prior to its adoption, at least 30 days prior to the Annual Financial Town Meeting. The Town Council shall adopt its recommended budget for presentation at the Annual Financial Town Meeting not later than fifteen days preceding its date. The recommended budget is approved or amended by the voters at the Annual Financial Town Meeting. The General Fund and School Unrestricted Fund annual operating budget 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 legal level of control for the General Fund is at the department level and the School Unrestricted Fund is at the fund level. Amendments that would change the total appropriation must be approved by the voters at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2021. Appropriations which are not expended or encumbered lapse at year end.

The General Fund and School Unrestricted Fund budgets are in conformity with the legally enacted budgetary basis, which is not in conformity with generally accepted accounting principles. The budget to actual presentations for these funds are reflected on the budgetary basis. The difference between the budgetary basis and the generally accepted accounting principles basis is explained below.

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

	<i>General Fund</i>	<i>School Unrestricted Fund</i>
<u>Revenues and Other Financing Sources</u>		
Actual amounts (budgetary basis)	\$15,189,468	\$4,638,889
Differences – budget to GAAP:		
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Foster are not reported as budgetary revenue, but are a current year revenue for financial reporting purposes.	-	180,857
Budgeted transfers in reported for budgetary purposes, but are not included for financial reporting purposes.	(3,455)	-
Unbudgeted revenues are not reported for budgetary purposes, but are included for financial reporting purposes.	25,223	-
<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	\$15,211,236	\$4,819,746

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

<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>	<u>School Unrestricted Fund</u>
Actual amounts (budgetary basis)	\$14,590,266	\$4,198,987
Differences – budget to GAAP:		
Capital appropriations carried over and budgeted reserves continue in force until the purpose for which it was established is accomplished or abandoned. Capital appropriations carried over and reserves are reported as a budgetary expenditure in the year budgeted, but are not reported as a current year expenditure for financial reporting purposes.	(451,576)	-
Unbudgeted expenditures, transfers and adjustments are not reported for budgetary purposes, but are reported for financial reporting purposes.	406,073	-
Budgeted expenditures are reported for budgetary purposes, but are not reported for financial reporting purposes.	(3,455)	-
The appropriated use of fund balance is reported as a reduction of budgetary expenditures for budgetary purposes, but is not reported as a reduction for financial reporting purposes.	25,000	-
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Foster are not reported as a budgetary expenditure, but are reported as a current year expenditure for financial reporting purposes.	-	180,857
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u><u>\$14,566,308</u></u>	<u><u>\$4,379,844</u></u>

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

NOTE 2 – PENSION PLANS

The net pension liability (asset) amounts presented as of the June 30, 2021 were determined as part of actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 A, B, and C to the financial statements.

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

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

June 30, 2020 measurement date –

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

June 30, 2017 measurement date –

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

June 30, 2015 measurement date –

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.

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

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

The employee and employer contribution rates for the Teachers' Survivors Benefit Plan were applied to the first \$11,500 of member salary for fiscal year 2018. In fiscal year 2017 and prior years, the rate was applied to salary up to \$9,600.

Employers participating in the Employees' Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year. Employers participating in the Teachers' Survivors Benefit Plan contribute at a rate established by RI General Laws, 16-16-35. Employers participating in the Municipal Employees' Retirement System are required by RI General Laws, Section 45-21-42, to contribute an actuarially determined contribution rate each year.

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

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

NOTE 3 – OPEB PLAN

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

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

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

Actuarially Determined Contributions:

Actuarially determined contributions were not calculated for fiscal years 2021, 2020, 2019 and 2018 and are, therefore, not presented.

OTHER SUPPLEMENTARY INFORMATION

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

THIS SECTION CONTAINS THE FOLLOWING:

Combining Fund Financial Statements for Nonmajor Governmental Funds

Other Supplementary Information

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

	<i>Town Special Revenue Funds</i>	<i>School Special Revenue Funds</i>	<i>Total Nonmajor Governmental Funds</i>
ASSETS			
Cash	\$ 234,219	\$ 46,135	\$ 280,354
Due from federal and state governments	24,250	72,808	97,058
Other receivables	31,883	-	31,883
Due from other funds	96,576	18,584	115,160
Total assets	<u>\$ 386,928</u>	<u>\$ 137,527</u>	<u>\$ 524,455</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable and accrued expenditures	\$ 259	\$ 23,058	\$ 23,317
Due to other funds	1,448	91,338	92,786
Total liabilities	<u>1,707</u>	<u>114,396</u>	<u>116,103</u>
 Deferred inflows of resources			
Unavailable-loans	31,883	-	31,883
Total deferred inflows of resources	<u>31,883</u>	<u>-</u>	<u>31,883</u>
 Fund balances			
Restricted for:			
Education programs	-	23,131	23,131
Historical records preservation	82,182	-	82,182
Health and welfare programs	78,461	-	78,461
Public safety programs	117,116	-	117,116
Other programs	4,373	-	4,373
Committed for:			
Townhouse maintenance	10,950	-	10,950
Recycling programs	13,238	-	13,238
Open space and conservation	47,018	-	47,018
Total fund balances	<u>353,338</u>	<u>23,131</u>	<u>376,469</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 386,928</u>	 <u>\$ 137,527</u>	 <u>\$ 524,455</u>

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

	<i>Town Special Revenue Funds</i>	<i>School Special Revenue Funds</i>	<i>Total Nonmajor Governmental Funds</i>
Revenues			
Intergovernmental and departmental revenue	\$ 50,895	\$ 342,393	\$ 393,288
Interest on investments	261	-	261
Other revenue	70,423	944	71,367
Total revenues	<u>121,579</u>	<u>343,337</u>	<u>464,916</u>
Expenditures			
Current:			
Legislative, judicial and general administrative	7,655	-	7,655
Health and welfare	17,648	-	17,648
Public safety	1,806	-	1,806
Public works	254	-	254
Education	-	256,636	256,636
Food service	-	75,317	75,317
Capital outlay	3,048	-	3,048
Total expenditures	<u>30,411</u>	<u>331,953</u>	<u>362,364</u>
Excess of revenues over expenditures before other financing sources	<u>91,168</u>	<u>11,384</u>	<u>102,552</u>
Other financing sources			
Transfers in	2,500	-	2,500
Total other financing sources	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Net change in fund balance	93,668	11,384	105,052
Fund balances - beginning of year, restated	259,670	11,747	271,417
Fund balances - end of year	<u>\$ 353,338</u>	<u>\$ 23,131</u>	<u>\$ 376,469</u>

TOWN OF FOSTER, RHODE ISLAND

Town Special Revenue Funds

Combining Balance Sheet

June 30, 2021

	<i>Community Development Block Grant</i>	<i>Historical Records</i>	<i>Technology Recording Fee</i>	<i>DARE</i>	<i>RIPTIDE</i>	<i>RI Resource Recovery Grant</i>	<i>Townhouse Trust</i>	<i>Payments In Lieu of Land</i>
ASSETS								
Cash	\$ 48,998	\$ 10,207	\$ 71,219	\$ 4,465	\$ -	\$ 17,387	\$ 8,450	\$ 42,323
Due from federal and state governments	-	-	-	-	-	-	-	-
Other receivables	31,883	-	-	-	-	-	-	-
Due from other funds	-	124	632	-	-	224	2,500	4,695
Total assets	<u>\$ 80,881</u>	<u>\$ 10,331</u>	<u>\$ 71,851</u>	<u>\$ 4,465</u>	<u>\$ -</u>	<u>\$ 17,611</u>	<u>\$ 10,950</u>	<u>\$ 47,018</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources								
Unavailable-loans	31,883	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>31,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Restricted for:								
Historical records preservation	-	10,331	71,851	-	-	-	-	-
Health and welfare programs	48,998	-	-	-	-	-	-	-
Public safety programs	-	-	-	4,465	-	-	-	-
Other programs	-	-	-	-	-	4,373	-	-
Committed for:								
Townhouse maintenance	-	-	-	-	-	-	10,950	-
Recycling programs	-	-	-	-	-	13,238	-	-
Open space and conservation	-	-	-	-	-	-	-	47,018
Total fund balances	<u>48,998</u>	<u>10,331</u>	<u>71,851</u>	<u>4,465</u>	<u>-</u>	<u>17,611</u>	<u>10,950</u>	<u>47,018</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 80,881</u>	<u>\$ 10,331</u>	<u>\$ 71,851</u>	<u>\$ 4,465</u>	<u>\$ -</u>	<u>\$ 17,611</u>	<u>\$ 10,950</u>	<u>\$ 47,018</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND

*Town Special Revenue Funds
Combining Balance Sheet (Continued)
June 30, 2021*

	<i>EMA</i>	<i>Human Services Special Needs</i>	<i>Police Restricted</i>	<i>LESO</i>	<i>Federal Forfeiture</i>	<i>Other Miscellaneous Grants</i>	<i>Total</i>
ASSETS							
Cash	\$ -	\$ 31,170	\$ -	\$ -	\$ -	\$ -	\$ 234,219
Due from federal and state governments	24,250	-	-	-	-	-	24,250
Other receivables	-	-	-	-	-	-	31,883
Due from other funds	20,864	-	1,593	63,810	2,134	-	96,576
Total assets	<u>\$ 45,114</u>	<u>\$ 31,170</u>	<u>\$ 1,593</u>	<u>\$ 63,810</u>	<u>\$ 2,134</u>	<u>\$ -</u>	<u>\$ 386,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ 259	\$ -	\$ -	\$ -	\$ -	\$ 259
Due to other funds	-	1,448	-	-	-	-	1,448
Total liabilities	<u>-</u>	<u>1,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,707</u>
Deferred inflows of resources							
Unavailable-loans	-	-	-	-	-	-	31,883
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,883</u>
Fund balances							
Restricted for:							
Historical records preservation	-	-	-	-	-	-	82,182
Health and welfare programs	-	29,463	-	-	-	-	78,461
Public safety programs	45,114	-	1,593	63,810	2,134	-	117,116
Other programs	-	-	-	-	-	-	4,373
Committed for:							
Townhouse maintenance	-	-	-	-	-	-	10,950
Recycling programs	-	-	-	-	-	-	13,238
Open space and conservation	-	-	-	-	-	-	47,018
Total fund balances	<u>45,114</u>	<u>29,463</u>	<u>1,593</u>	<u>63,810</u>	<u>2,134</u>	<u>-</u>	<u>353,338</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,114</u>	<u>\$ 31,170</u>	<u>\$ 1,593</u>	<u>\$ 63,810</u>	<u>\$ 2,134</u>	<u>\$ -</u>	<u>\$ 386,928</u>

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

	<i>Community Development Block Grant</i>	<i>Historical Records</i>	<i>Technology Recording Fee</i>	<i>DARE</i>	<i>RIPTIDE</i>	<i>RI Resource Recovery Grant</i>	<i>Townhouse Trust</i>	<i>Payments In Lieu of Land</i>
Revenues								
Intergovernmental and departmental revenues	\$ -	\$ 1,317	\$ 7,056	\$ -	\$ 620	\$ -	\$ -	\$ 8,010
Interest on investments	-	9	68	-	-	-	9	175
Other revenue	34,912	-	-	-	-	478	-	-
Total revenues	<u>34,912</u>	<u>1,326</u>	<u>7,124</u>	<u>-</u>	<u>620</u>	<u>478</u>	<u>9</u>	<u>8,185</u>
Expenditures								
Current:								
Legislative, judicial and general administrative	-	-	-	-	-	-	-	655
Health and welfare	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	620	-	-	-
Public works	-	-	-	-	-	254	-	-
Capital outlay	-	-	-	-	-	-	-	3,048
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>620</u>	<u>254</u>	<u>-</u>	<u>3,703</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>34,912</u>	<u>1,326</u>	<u>7,124</u>	<u>-</u>	<u>-</u>	<u>224</u>	<u>9</u>	<u>4,482</u>
Other financing sources								
Transfer in	-	-	-	-	-	-	2,500	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Net change in fund balance	34,912	1,326	7,124	-	-	224	2,509	4,482
Fund balances - beginning of year	14,086	9,005	64,727	4,465	-	17,387	8,441	42,536
Fund balances - end of year	<u>\$ 48,998</u>	<u>\$ 10,331</u>	<u>\$ 71,851</u>	<u>\$ 4,465</u>	<u>\$ -</u>	<u>\$ 17,611</u>	<u>\$ 10,950</u>	<u>\$ 47,018</u>

(Continued)

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

	<u>EMA</u>	<u>Human Services Special Needs</u>	<u>Police Restricted</u>	<u>LESO</u>	<u>Federal Forfeiture</u>	<u>Other Miscellaneous Grants</u>	<u>Total</u>
Revenues							
Intergovernmental and departmental revenues	\$ 26,250	\$ 7,642	\$ -	\$ -	\$ -	\$ -	\$ 50,895
Interest on investments	-	-	-	-	-	-	261
Other revenue	-	28,033	-	-	-	7,000	70,423
Total revenues	<u>26,250</u>	<u>35,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>121,579</u>
Expenditures							
Current:							
Legislative, judicial and general administrative	-	-	-	-	-	7,000	7,655
Health and welfare	-	17,648	-	-	-	-	17,648
Public safety	187	-	999	-	-	-	1,806
Public works	-	-	-	-	-	-	254
Capital outlay	-	-	-	-	-	-	3,048
Total expenditures	<u>187</u>	<u>17,648</u>	<u>999</u>	<u>-</u>	<u>-</u>	<u>7,000</u>	<u>30,411</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>26,063</u>	<u>18,027</u>	<u>(999)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91,168</u>
Other financing sources							
Transfer in	-	-	-	-	-	-	2,500
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500</u>
Net change in fund balance	26,063	18,027	(999)	-	-	-	93,668
Fund balances - beginning of year	19,051	11,436	2,592	63,810	2,134	-	259,670
Fund balances - end of year	<u>\$ 45,114</u>	<u>\$ 29,463</u>	<u>\$ 1,593</u>	<u>\$ 63,810</u>	<u>\$ 2,134</u>	<u>\$ -</u>	<u>\$ 353,338</u>

TOWN OF FOSTER, RHODE ISLAND

School Special Revenue Funds

Combining Balance Sheet

June 30, 2021

	<i>Title I</i>	<i>Title II</i>	<i>Supplemental Impact Aid</i>	<i>Preschool</i>	<i>IDEA Part B</i>	<i>Student Activities</i>	<i>Rural Grant</i>	<i>School Lunch</i>
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,626	\$ -	\$ 42,509
Due from federal and state governments	22,439	5,738	-	-	-	-	21,286	20,800
Due from other funds	-	-	-	-	-	-	-	12,359
Total assets	<u>\$ 22,439</u>	<u>\$ 5,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,626</u>	<u>\$ 21,286</u>	<u>\$ 75,668</u>
 LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,058
Due to other funds	22,439	5,738	-	-	-	-	21,286	39,330
Total liabilities	<u>22,439</u>	<u>5,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,286</u>	<u>62,388</u>
 Fund balances								
Restricted for education	-	-	-	-	-	3,626	-	13,280
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,626</u>	<u>-</u>	<u>13,280</u>
 Total liabilities and fund balances	<u>\$ 22,439</u>	<u>\$ 5,738</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,626</u>	<u>\$ 21,286</u>	<u>\$ 75,668</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND

*School Special Revenue Funds
Combining Balance Sheet (Continued)
June 30, 2021*

	<i>CRF Substitute</i>						
	<i>Teacher Pool</i>	<i>Title IV</i>	<i>CAST Student Art</i>	<i>RI Foundation</i>	<i>Dixon Donation</i>	<i>Xmas in the Valley</i>	<i>Total</i>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 46,135
Due from federal and state governments	-	2,545	-	-	-	-	72,808
Due from other funds	-	-	1,469	3,100	255	1,401	18,584
Total assets	<u>\$ -</u>	<u>\$ 2,545</u>	<u>\$ 1,469</u>	<u>\$ 3,100</u>	<u>\$ 255</u>	<u>\$ 1,401</u>	<u>\$ 137,527</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,058
Due to other funds	-	2,545	-	-	-	-	91,338
Total liabilities	<u>-</u>	<u>2,545</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,396</u>
Fund balances							
Restricted for education	-	-	1,469	3,100	255	1,401	23,131
Total fund balances	<u>-</u>	<u>-</u>	<u>1,469</u>	<u>3,100</u>	<u>255</u>	<u>1,401</u>	<u>23,131</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,545</u>	<u>\$ 1,469</u>	<u>\$ 3,100</u>	<u>\$ 255</u>	<u>\$ 1,401</u>	<u>\$ 137,527</u>

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

	<i>Title I</i>	<i>Title II</i>	<i>Supplemental Impact Aid</i>	<i>Preschool</i>	<i>IDEA Part B</i>	<i>Student Activities</i>	<i>Rural Grant</i>	<i>School Lunch</i>
Revenues								
Intergovernmental and departmental revenue	\$ 54,894	\$ 12,555	\$ 62,841	\$ 2,324	\$ 71,787	\$ -	\$ 19,767	\$ 88,597
Other revenue	-	-	-	-	-	944	-	-
Total revenues	<u>54,894</u>	<u>12,555</u>	<u>62,841</u>	<u>2,324</u>	<u>71,787</u>	<u>944</u>	<u>19,767</u>	<u>88,597</u>
Expenditures								
Education	54,894	12,555	62,841	2,324	71,787	2,840	19,767	-
Food service	-	-	-	-	-	-	-	75,317
Total expenditures	<u>54,894</u>	<u>12,555</u>	<u>62,841</u>	<u>2,324</u>	<u>71,787</u>	<u>2,840</u>	<u>19,767</u>	<u>75,317</u>
Net change in fund balance	-	-	-	-	-	(1,896)	-	13,280
Fund balances - beginning of year, restated	-	-	-	-	-	5,522	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,626</u>	<u>\$ -</u>	<u>\$ 13,280</u>

(Continued)

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

	<i>CRF Substitute</i>						
	<i>Teacher Pool</i>	<i>Title IV</i>	<i>CAST Student Art</i>	<i>RI Foundation</i>	<i>Dixon Donation</i>	<i>Xmas in the Valley</i>	<i>Total</i>
Revenues							
Intergovernmental and departmental revenue	\$ 23,091	\$ 6,537	\$ -	\$ -	\$ -	\$ -	\$ 342,393
Other revenue	-	-	-	-	-	-	944
Total revenues	<u>23,091</u>	<u>6,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>343,337</u>
Expenditures							
Education	23,091	6,537	-	-	-	-	256,636
Food service	-	-	-	-	-	-	75,317
Total expenditures	<u>23,091</u>	<u>6,537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>331,953</u>
Net change in fund balance	-	-	-	-	-	-	11,384
Fund balances - beginning of year, restated	-	-	1,469	3,100	255	1,401	11,747
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469</u>	<u>\$ 3,100</u>	<u>\$ 255</u>	<u>\$ 1,401</u>	<u>\$ 23,131</u>

TOWN OF FOSTER, RHODE ISLAND

Tax Collector's Annual Report

For the Fiscal Year Ended June 30, 2021

Real Estate and Personal Property Taxes

<i>Fiscal Year End</i>	<i>Balance 6/30/2020</i>	<i>Current Year Assessment</i>	<i>Additions</i>	<i>Abatements</i>	<i>Refunds and Adjustments</i>	<i>Amount to be Collected</i>	<i>Collections</i>	<i>Balance 6/30/2021</i>
2021	\$ -	\$ 13,303,042	\$ 6,124	\$ 15,316	\$ (49,847)	13,244,003	\$ 12,766,259	\$ 477,744
2020	525,971	-	3,421	1,036	43,744	572,100	385,205	186,895
2019	168,094	-	3,138	10,063	8,607	169,776	89,715	80,061
2018	81,234	-	3,195	-	(1,471)	82,958	22,307	60,651
2017	61,002	-	3,097	1,680	(1,439)	60,980	1,421	59,559
2016	55,831	-	1,576	1,919	-	55,488	1,536	53,952
2015	37,542	-	1,550	1,550	17	37,559	387	37,172
2014	26,353	-	-	-	-	26,353	145	26,208
2013	28,635	-	-	-	-	28,635	321	28,314
2012	29,680	-	-	-	-	29,680	318	29,362
2011	22,988	-	-	-	151	23,139	463	22,676
2010	5,918	-	-	-	-	5,918	-	5,918
2009	5,653	-	-	-	-	5,653	-	5,653
	<u>\$ 1,048,901</u>	<u>\$ 13,303,042</u>	<u>\$ 22,101</u>	<u>\$ 31,564</u>	<u>\$ (238)</u>	<u>\$ 14,342,242</u>	<u>\$ 13,268,077</u>	<u>\$ 1,074,165</u>

Schedule of Most Recent Net Assessed Property Value by Category

<i>Description of Property</i>	<i>Net Assessed Valuations</i>	<i>Levy</i>
Real Property	\$ 537,358,620	\$ 12,783,762
Motor Vehicles	39,637,571	1,387,315
Tangible and Personal Property	9,862,126	322,787
Total	<u>586,858,317</u>	<u>14,493,864</u>
Exemptions and frozen property	(15,975,942)	(1,190,822)
Net assessed value	<u>\$ 570,882,375</u>	<u>\$ 13,303,042</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 13,268,077
<u>Adjustments and reversals</u>	
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2021	191,913
Less: Prior year revenue collected 60 days subsequent to fiscal year ended June 30, 2020	(146,865)
Prepaid taxes June 30, 2021	(47,229)
Prepaid taxes June 30, 2020	41,518
Refunds	<u>(3,153)</u>
Current year property tax revenue	<u>\$ 13,304,261</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND

Tax Collector's Annual Report (Continued)

For the Fiscal Year Ended June 30, 2021

Fiscal Year 2021 Cash Collection Summary

<u>Fiscal Year</u>	<u>July - August 2020 Collections Subject to 60 day FY 20 Accrual</u>	<u>September 2020- June 2021 Collections</u>	<u>Total FY 2021 Cash Collections</u>	<u>July - August 2021 Collections Subject to 60 day FY 21 Accrual</u>
2021	\$ -	\$ 12,766,259	\$ 12,766,259	\$ 133,080
2020	105,246	279,959	385,205	45,989
2019	28,226	61,489	89,715	5,174
2018	11,962	10,345	22,307	7,266
2017	628	793	1,421	190
2016	175	1,361	1,536	155
2015	-	387	387	17
2014	-	145	145	14
2013	249	72	321	28
2012	266	52	318	-
2011	113	350	463	-
2010	-	-	-	-
2009	-	-	-	-
	<u>\$ 146,865</u>	<u>\$ 13,121,212</u>	<u>\$ 13,268,077</u>	<u>\$ 191,913</u>

TOWN OF FOSTER, RHODE ISLAND

*Schedule of Unrestricted Fund - Fund Balance - Restricted for Education Programs
June 30, 2021*

Restricted for Education:

Capital reserve balance per internal School Committee policy	\$ 1,064,578
Maximum balance per internal School Committee policy	<u>181,640</u>
<i>Total</i>	<u><u>\$ 1,246,218</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Foster
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	\$ 12,852,046	\$ -
Last Year's Levy Tax Collection	367,192	-
Prior Years Property Tax Collection	85,023	-
Interest & Penalty	130,806	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	9,913	-
Fines and Forfeitures	39,752	-
Investment Income	13,830	-
Departmental	165,647	-
Rescue Run Revenue	-	-
Police & Fire Detail	14,144	-
Other Local Non-Property Tax Revenues	1,317	-
Tuition	-	9,040
Impact Aid	-	-
Medicaid	-	35,658
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	87,461
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	253,796
COVID - ESSER	-	-
COVID - CRF	651,214	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	-	-
MV Excise Tax Reimbursement	74,174	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	56,130	-
Meals & Beverage Tax / Hotel Tax	16,706	-
LEA Aid	-	1,065,648
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	1,136
Incentive Aid	-	-
Property Revaluation Reimbursement	24,274	-
Other State Revenue	-	-
Motor Vehicle Phase Out	175,337	-
Other Revenue	-	60,736
Local Appropriation for Education	-	3,468,751
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u><u>\$ 14,677,505</u></u>	<u><u>\$ 4,982,226</u></u>
Financing Sources: Transfer from Capital Funds	\$ 547,875	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u><u>\$ 547,875</u></u>	<u><u>\$ -</u></u>

Town of Foster
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	\$ 200,241	\$ 208,836	\$ 23,144	\$ -	\$ 75,631	\$ -	\$ 362,951	\$ 800	\$ 554,285
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	26,639	-	140,601
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	9,431
Active Medical Insurance - Group A	43,185	26,872	-	-	-	-	77,227	-	115,412
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	2,049	931	-	-	-	-	3,518	-	5,129
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	14,626	16,136	1,770	-	5,419	-	28,819	61	52,506
Life Insurance	235	192	48	-	52	-	331	-	383
State Defined Contribution- Group A	1,861	2,089	231	-	561	-	2,348	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	2,500	570	570	-	1,140	-	33,021	-	6,550
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	22,309	24,755	2,744	-	6,716	-	39,815	-	157,787
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	98,403	34,049	292	-	3,087	-	54,189	2,536	44,777
Materials/Supplies	7,454	2,264	-	-	-	-	271	1,852	2,608
Software Licenses	24,168	22,688	-	-	11,720	-	-	-	21,705
Capital Outlays	166,193	55,875	-	-	-	-	380,640	-	50,272
Insurance	75,253	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	71,271	2,780	-
Vehicle Operations	-	-	-	-	-	-	133,125	-	20,086
Utilities	10,801	6,107	1,697	-	1,470	-	16,994	2,419	17,254
Contingency	26,317	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	40,587	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	36,967	-	-
Trash Removal & Recycling	-	-	-	-	-	-	259,348	-	-
Claims & Settlements	200,000	-	-	-	-	-	-	-	-
Community Support	22,600	-	-	-	-	-	-	-	-
Other Operation Expenditures	6,524	7,995	845	-	4,117	160,980	123,358	10,071	13,436
Tipping Fees	-	-	-	-	-	-	101,441	-	-
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	\$ 924,719	\$ 449,946	\$ 31,341	\$ -	\$ 109,913	\$ 160,980	\$ 1,752,273	\$ 20,519	\$ 1,212,222

Town of Foster
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	\$ -	\$ 215,648	\$ 2,625	\$ -	\$ -	\$ -	\$ 1,644,161	\$ 1,628,098
Compensation - Group B	-	-	-	-	-	-	-	227,092
Compensation - Group C	-	-	-	-	-	-	-	375,156
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	29,217	-	-	-	-	196,457	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	2,333
Police & Fire Detail	-	-	-	-	-	-	9,431	-
Active Medical Insurance - Group A	-	19,174	-	-	-	-	281,870	244,652
Active Medical Insurance- Group B	-	-	-	-	-	-	-	19,730
Active Medical Insurance- Group C	-	-	-	-	-	-	-	192,737
Active Dental insurance- Group A	-	1,592	-	-	-	-	13,219	10,612
Active Dental Insurance- Group B	-	-	-	-	-	-	-	1,901
Active Dental Insurance- Group C	-	-	-	-	-	-	-	10,362
Payroll Taxes	-	18,506	86	-	-	-	137,929	72,497
Life Insurance	-	271	-	-	-	-	1,512	2,443
State Defined Contribution- Group A	-	790	-	-	-	-	7,880	39,619
State Defined Contribution - Group B	-	-	-	-	-	-	-	428
State Defined Contribution - Group C	-	-	-	-	-	-	-	3,834
Other Benefits- Group A	-	3,400	-	-	-	-	47,751	2,714
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	-	15,581	-	-	-	-	269,707	227,294
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	25,739
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	42,589
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	312,138	-	-	-	549,471	924,551
Materials/Supplies	-	-	844	-	-	-	15,293	100,896
Software Licenses	-	-	-	-	-	-	80,281	8,382
Capital Outlays	-	-	91,856	-	-	-	744,836	142,515
Insurance	-	-	-	-	-	-	75,253	17,624
Maintenance	-	-	-	-	-	-	74,051	82,396
Vehicle Operations	-	-	-	-	-	-	153,211	-
Utilities	-	4,410	-	-	-	-	61,152	82,821
Contingency	-	-	-	-	-	-	26,317	-
Street Lighting	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	40,587	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	36,967	-
Trash Removal & Recycling	-	-	-	-	-	-	259,348	-
Claims & Settlements	-	-	-	-	-	-	200,000	-
Community Support	-	-	-	-	-	-	22,600	-
Other Operation Expenditures	-	-	-	-	-	-	327,326	5,606
Tipping Fees	-	-	-	-	-	-	101,441	-
Local Appropriation for Education	-	-	-	3,468,751	-	-	3,468,751	-
Regional Appropriation for Education	-	-	-	5,204,146	-	-	5,204,146	-
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	-	-	-	-	-	36,800	36,800	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	36,318
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 308,589	\$ 407,549	\$ 8,672,897	\$ -	\$ 36,800	\$ 14,087,748	\$ 4,530,940

Financing Uses: Transfer to Capital Funds	\$ 490,204	\$ -
Financing Uses: Transfer to Other Funds	2,500	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 492,704	\$ -
Net Change in Fund Balance¹	644,928	451,286
Fund Balance1- beginning of year	\$3,516,340	\$817,333
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	5,522
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	3,516,340	822,855
Rounding		
Fund Balance¹ - end of year	\$ 4,161,268	\$ 1,274,141

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

Town of Foster
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						\$ 3,516,340	-	\$ 3,516,340	
<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>\$ 3,516,340</u>	<u>-</u>	<u>\$ 3,516,340</u>	
General Fund	\$ 14,663,361	\$ 547,875	\$ 10,604,853	\$ 3,961,455	\$ 644,928	\$ 3,516,340	-	\$ 3,516,340	\$ 4,161,268
Totals per audited financial statements	<u>\$ 14,663,361</u>	<u>\$ 547,875</u>	<u>\$ 10,604,853</u>	<u>\$ 3,961,455</u>	<u>\$ 644,928</u>	<u>\$ 3,516,340</u>	<u>-</u>	<u>\$ 3,516,340</u>	<u>\$ 4,161,268</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2 RIDOT and other reimbursement for police details reported as expenditure credits on financial statements but revenue on MTP2	\$ -	-	\$ 3,468,751	\$ (3,468,751)	-	-	-	-	-
Rounding	14,144	-	14,144	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 14,677,505</u>	<u>\$ 547,875</u>	<u>\$ 14,087,748</u>	<u>\$ 492,704</u>	<u>\$ 644,928</u>	<u>\$ 3,516,340</u>	<u>\$ -</u>	<u>\$ 3,516,340</u>	<u>\$ 4,161,268</u>

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

Town of Foster
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020 <i>No misc. adjustments made for fiscal 2020</i>						\$ 817,333	5,522	\$ 822,855	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 817,333</u>	<u>5,522</u>	<u>\$ 822,855</u>	
School Unrestricted Fund	\$ 1,350,995	\$ 3,468,751	\$ 4,379,844	\$ -	\$ 439,902	\$ 811,108	\$ -	\$ 811,108	\$ 1,251,010
SBA School Capital Project Fund	-	-	-	-	-	-	-	-	-
School Special Revenue Funds	343,337	-	331,953	-	11,384	6,225	5,522	11,747	23,131
Totals per audited financial statements	<u>\$ 1,694,332</u>	<u>\$ 3,468,751</u>	<u>\$ 4,711,797</u>	<u>\$ -</u>	<u>\$ 451,286</u>	<u>\$ 817,333</u>	<u>\$ 5,522</u>	<u>\$ 822,855</u>	<u>\$ 1,274,141</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 3,468,751	\$ (3,468,751)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(180,857)	-	(180,857)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 4,982,226</u>	<u>\$ -</u>	<u>\$ 4,530,940</u>	<u>\$ -</u>	<u>\$ 451,286</u>	<u>\$ 817,333</u>	<u>\$ 5,522</u>	<u>\$ 822,855</u>	<u>\$ 1,274,141</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous adjustments between MTP2 and UCOA	\$ (1)		\$ -						
Transportation Cost included in MTP2 and in audit but no UCOA	-		(246,490)						
Totals per UCOA Validated Totals Report 4/25/22	<u>\$ 4,982,225</u>		<u>\$ 4,284,450</u>						

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

Town of Foster, Rhode Island
Reportable Government Services with
MTP2 Notes
Fiscal Year Ended June 30, 2021

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

STATISTICAL SECTION

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

Statistical Section

This part of the Town of Foster's annual financial statements presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.	112-115
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the Town's ability to generate its most significant local revenue sources, the real and personal property tax.	116-119
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	120-124
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	125-126
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	127-129

Sources: Unless otherwise noted, the information in these schedules is derived from the annual financial statements for the relevant year.

Schedule 1

**Town of Foster, Rhode Island
 Net position by Component,
 Last Ten Fiscal Years
 (accrual basis of accounting)
 Unaudited**

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Primary Government										
Governmental activities										
Net investment in capital assets	\$6,413,271	\$ 6,372,989	\$ 6,672,697	\$ 6,984,060	\$ 7,219,293	\$ 7,166,517	\$ 7,465,778	\$ 7,265,159	\$ 7,632,286	\$ 7,807,726
Restricted	689,185	771,151	906,460	1,042,540	1,307,019	1,577,121	1,418,596	1,475,571	1,545,485	2,139,047
Unrestricted	<u>2,006,455</u>	<u>(2,353,679)</u>	<u>(1,617,387)</u>	<u>(2,680,568)</u>	<u>(2,290,329)</u>	<u>(2,188,795)</u>	<u>(1,949,585)</u>	<u>(1,430,845)</u>	<u>(728,895)</u>	<u>245,184</u>
Total governmental activities net position	<u>\$9,108,911</u>	<u>\$ 4,790,461</u>	<u>\$ 5,961,770</u>	<u>\$ 5,346,032</u>	<u>\$ 6,235,983</u>	<u>\$ 6,554,843</u>	<u>\$ 6,934,789</u>	<u>\$ 7,309,885</u>	<u>\$ 8,448,876</u>	<u>\$10,191,957</u>

Source: Town of Foster Audited Financial Statements

Schedule 2

Town of Foster, Rhode Island
Changes in Net Position, Last Ten Fiscal Years
(accrual basis of accounting)
Unaudited

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
Legislative, judicial and general administrative	\$ 937,174	\$ 919,614	\$ 854,734	\$ 2,536,722	\$ 953,373	\$ 1,017,717	\$ 1,033,498	\$ 990,351	\$ 1,054,269	\$ 1,155,997
Health and welfare	230,321	76,821	69,059	169,208	313,184	136,610	159,201	124,203	72,665	68,348
Public safety	1,353,408	1,356,574	1,511,646	1,593,218	1,774,590	1,855,035	2,027,941	1,939,461	1,984,429	1,830,844
Public works	1,009,206	1,048,362	1,125,289	1,247,726	1,281,310	1,363,583	1,431,827	1,553,557	1,598,526	1,570,824
Planning, building and zoning	78,335	91,255	95,689	80,099	93,334	98,234	81,212	95,340	84,039	114,086
Conservation	1,103	1,171	458	809	1,425	400	603	-	-	-
Recreation	25,100	23,255	24,893	27,604	33,283	29,662	27,800	29,609	33,066	35,280
Education	9,353,522	9,195,022	8,957,305	8,995,528	9,242,208	9,471,671	9,959,572	10,411,430	10,306,722	9,826,073
Food services	76,825	68,412	70,678	76,051	77,781	75,917	82,858	73,867	67,399	75,317
Libraries	140,219	140,219	140,219	145,717	150,842	150,842	150,842	155,842	157,842	160,980
Interest expense	-	-	-	-	31,207	74,898	56,055	56,794	40,844	32,056
Total governmental activities expenses	<u>\$ 13,205,213</u>	<u>\$ 12,920,705</u>	<u>\$ 12,849,970</u>	<u>\$ 14,872,682</u>	<u>\$ 13,952,537</u>	<u>\$ 14,274,569</u>	<u>\$ 15,011,409</u>	<u>\$ 15,430,454</u>	<u>\$ 15,399,801</u>	<u>\$ 14,869,805</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Legislative, judicial and general administrative	\$ 89,568	\$ 82,883	\$ 64,331	\$ 73,093	\$ 69,845	\$ 95,543	\$ 76,535	\$ 71,038	\$ 74,217	\$ 105,765
Health and welfare	42,907	-	1,261	-	2,963	1,150	7,035	1,098	141	29,649
Public safety	28,530	22,747	35,846	36,709	72,341	44,745	34,677	18,170	20,633	39,752
Public works	5,226	-	-	-	-	350	1,104	698	283	478
Planning, building and zoning	32,589	27,246	67,283	25,401	58,139	33,220	56,771	61,180	62,793	87,981
Recreation	1,753	806	640	210	3,270	1,760	380	420	1,345	490
Education	56,004	47,465	81,485	78,671	48,960	86,539	95,268	64,695	51,217	92,823
Food services	44,481	37,829	34,857	35,872	37,490	35,339	37,348	33,329	19,936	-
Operating grants and contributions:										
Legislative, judicial and general administrative	18,009	-	-	1,461	4,280	3,481	-	-	1,000	31,274
Health and welfare	122,236	44,402	30,494	126,648	267,396	94,549	121,591	73,003	37,286	35,675
Public safety	24,591	12,761	38,990	20,489	27,535	67,630	26,436	4,644	14,823	678,084
Public works	25,752	9,184	3,758	41,520	2,897	21,381	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	1,500	-
Planning, building and zoning	-	-	-	-	-	-	-	-	-	-
Education	1,557,890	1,525,859	1,598,532	1,543,016	1,673,727	1,597,508	1,705,080	1,549,460	1,644,228	1,584,018
Food services	30,887	32,424	30,408	39,405	39,403	28,267	39,539	40,071	28,515	88,597
Capital grants and contributions:										
Public safety	-	-	17,500	261,805	-	-	-	-	-	-
Public works	-	-	466,481	29,605	11,583	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	400,000	-
Education	-	-	-	10,444	17,793	46,584	-	154,595	74,716	59,540
Total governmental activities program revenues	<u>\$ 2,080,423</u>	<u>\$ 1,843,606</u>	<u>\$ 2,471,866</u>	<u>\$ 2,324,349</u>	<u>\$ 2,337,622</u>	<u>\$ 2,158,046</u>	<u>\$ 2,201,764</u>	<u>\$ 2,072,401</u>	<u>\$ 2,432,633</u>	<u>\$ 2,834,126</u>
Total primary government net expense	<u>\$(11,124,790)</u>	<u>\$(11,077,099)</u>	<u>\$(10,378,104)</u>	<u>\$(12,548,333)</u>	<u>\$(11,614,915)</u>	<u>\$(12,116,523)</u>	<u>\$(12,809,645)</u>	<u>\$(13,358,053)</u>	<u>\$(12,967,168)</u>	<u>\$(12,035,679)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	\$ 11,282,490	\$ 11,266,311	\$ 11,365,484	\$ 11,774,289	\$ 12,302,201	\$ 12,701,025	\$ 12,742,875	\$ 13,156,246	\$ 13,368,076	\$ 13,414,773
Unrestricted investment earnings	2,616	2,585	2,725	3,097	7,938	9,829	10,362	46,137	52,887	15,949
Other general revenues	161,207	160,331	181,204	155,209	194,727	155,191	436,354	525,244	685,196	348,038
Total primary government	<u>\$ 11,446,313</u>	<u>\$ 11,429,227</u>	<u>\$ 11,549,413</u>	<u>\$ 11,932,595</u>	<u>\$ 12,504,866</u>	<u>\$ 12,866,045</u>	<u>\$ 13,189,591</u>	<u>\$ 13,727,627</u>	<u>\$ 14,106,159</u>	<u>\$ 13,778,760</u>
Change in Net Position										
Governmental activities:										
Total primary government	<u>\$ 321,523</u>	<u>\$ 352,128</u>	<u>\$ 1,171,309</u>	<u>\$ (615,738)</u>	<u>\$ 889,951</u>	<u>\$ 749,522</u>	<u>\$ 379,946</u>	<u>\$ 369,574</u>	<u>\$ 1,138,991</u>	<u>\$ 1,743,081</u>

Source: Town of Foster Audited Financial Statements

Schedule 3

**Town of Foster, Rhode Island
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited**

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 736,024	\$ 618,520	\$ 665,195	\$ 870,945	\$1,073,581	\$ 39,009	\$ 6,035	\$ 20,142	\$ 16,108	\$ 3,351
Restricted	-	-	-	10,574	10,958	11,372	11,540	12,034	12,338	12,798
Committed	1,121,454	1,233,358	1,573,238	1,855,665	1,974,555	2,426,374	2,391,306	2,947,205	3,484,643	4,141,864
Assigned	28,018	27,864	294,762	191,104	40,226	21,963	21,963	11,622	3,251	3,255
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$1,885,496</u>	<u>\$1,879,742</u>	<u>\$2,533,195</u>	<u>\$2,928,288</u>	<u>\$3,099,320</u>	<u>\$2,498,718</u>	<u>\$2,430,844</u>	<u>\$2,991,003</u>	<u>\$3,516,340</u>	<u>\$4,161,268</u>
Education										
Nonspendable	-	9,447	-	-	-	-	-	-	57,429	-
Restricted	8,793	19,411	196,759	479,388	868,881	1,081,722	711,923	651,907	748,887	1,246,218
Assigned	-	-	-	-	-	89	3,380	4,185	4,792	4,792
Total education fund	<u>\$ 8,793</u>	<u>\$ 28,858</u>	<u>\$ 196,759</u>	<u>\$ 479,388</u>	<u>\$ 868,881</u>	<u>\$1,081,811</u>	<u>\$ 715,303</u>	<u>\$ 656,092</u>	<u>\$ 811,108</u>	<u>\$1,251,010</u>
Capital Projects Funds										
Restricted	532,577	594,918	561,636	414,801	280,627	289,552	433,899	552,022	539,159	542,885
Assigned	-	-	-	-	-	-	-	16,500	-	-
Total Capital Projects fund	<u>\$ 532,577</u>	<u>\$ 594,918</u>	<u>\$ 561,636</u>	<u>\$ 414,801</u>	<u>\$ 280,627</u>	<u>\$ 289,552</u>	<u>\$ 433,899</u>	<u>\$ 568,522</u>	<u>\$ 539,159</u>	<u>\$ 542,885</u>
All Other Governmental Funds										
Restricted	107,458	117,564	108,332	100,890	107,743	155,555	223,159	215,954	207,955	305,263
Committed	164,740	167,560	172,820	181,618	175,816	58,448	62,025	64,508	63,462	71,206
Unassigned	(3,896)	(2,055)	(7,468)	(8,242)	(9,130)	(21,441)	-	(467)	-	-
Total all other governmental funds	<u>\$ 268,302</u>	<u>\$ 283,069</u>	<u>\$ 273,684</u>	<u>\$ 274,266</u>	<u>\$ 274,429</u>	<u>\$ 192,562</u>	<u>\$ 285,184</u>	<u>\$ 279,995</u>	<u>\$ 271,417</u>	<u>\$ 376,469</u>

Source: Town of Foster Audited Financial Statements

Schedule 4

Town of Foster, Rhode Island
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
General property taxes	\$ 11,167,906	\$ 11,019,525	\$ 11,238,181	\$ 11,646,195	\$ 12,088,092	\$ 12,507,111	\$ 12,544,129	\$ 12,990,688	\$ 13,168,090	\$ 13,304,261
Intergovernmental and departmental revenue	1,924,311	1,751,386	2,319,585	1,978,105	2,096,807	1,962,739	2,189,299	2,385,302	2,786,970	2,697,168
Licenses and fees	188,867	183,589	240,812	178,206	254,918	223,191	229,586	281,238	224,519	302,906
Interest on investments	2,616	2,585	2,725	3,097	7,938	9,829	10,362	46,137	52,887	15,949
Other revenues	175,905	157,529	193,036	175,642	189,048	230,194	398,464	143,671	151,578	220,385
Total revenues	\$ 13,459,605	\$ 13,114,614	\$ 13,994,339	\$ 13,981,245	\$ 14,636,803	\$ 14,933,064	\$ 15,371,840	\$ 15,847,036	\$ 16,384,044	\$ 16,540,669
Expenditures										
Legislative, judicial and general administrative	\$ 345,311	\$ 377,406	\$ 314,398	\$ 321,183	\$ 337,135	\$ 338,155	\$ 344,111	\$ 515,874	\$ 544,282	\$ 580,635
Financial administration	225,784	222,833	233,211	254,178	278,012	317,718	362,567	301,214	348,051	394,134
Miscellaneous administration	203,208	234,050	215,083	258,285	218,696	280,718	265,431	-	-	-
Health and welfare	230,321	76,821	68,784	167,042	312,854	136,280	158,871	121,708	71,761	66,244
Public safety	1,306,609	1,283,347	1,424,460	1,505,076	1,689,813	1,834,011	1,929,219	1,754,337	1,869,029	1,773,918
Public works	928,594	989,502	1,005,484	1,096,139	1,219,398	1,379,133	1,368,482	1,258,164	1,311,753	1,372,319
Planning, building and zoning	78,335	91,255	95,689	79,749	93,334	98,234	81,212	91,403	83,241	109,745
Recreation	24,339	22,494	24,132	26,843	32,522	144,901	27,039	28,848	32,305	25,259
Education	9,260,495	9,219,361	8,925,897	9,055,639	9,058,972	9,493,336	9,872,319	10,288,288	10,079,574	9,840,626
Food services	76,825	68,412	70,678	76,051	77,781	75,917	82,858	73,867	67,399	75,317
Libraries	140,219	140,219	140,219	145,717	150,842	150,842	150,842	155,842	157,842	160,980
Capital outlay	309,833	297,495	697,617	588,159	565,930	166,133	736,302	437,109	1,280,420	747,884
Providence Water Settlement	-	-	-	-	175,000	175,000	190,000	190,000	205,000	200,000
Total Expenditures	\$ 13,129,873	\$ 13,023,195	\$ 13,215,652	\$ 13,574,061	\$ 14,210,289	\$ 14,590,378	\$ 15,569,253	\$ 15,216,654	\$ 16,050,657	\$ 15,347,061
Excess of revenues over (under) expenditures	\$ 329,732	\$ 91,419	\$ 778,687	\$ 407,184	\$ 426,514	\$ 342,686	\$ (197,413)	\$ 630,382	\$ 333,387	\$ 1,193,608
Other Financing Sources (uses)										
Capital lease	\$ 75,005	\$ -	\$ -	\$ 124,285	\$ -	\$ 26,450	\$ -	\$ -	\$ 303,503	\$ -
Transfers in	3,491,283	3,610,142	3,617,181	3,868,742	4,246,101	4,165,809	4,389,418	4,180,798	4,499,335	4,509,330
Transfers out	(3,491,283)	(3,610,142)	(3,617,181)	(3,868,742)	(4,246,101)	(4,165,809)	(4,389,418)	(4,180,798)	(4,499,335)	(4,509,330)
Total other financing sources (uses)	75,005	-	-	124,285	-	26,450	-	-	303,503	-
Net change in fund balances	\$ 404,737	\$ 91,419	\$ 778,687	\$ 531,469	\$ 426,514	\$ 369,136	\$ (197,413)	\$ 630,382	\$ 636,890	\$ 1,193,608
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Note: This schedule includes revenues and expenditures of the General Fund, Special Revenue Funds, and Capital Projects Funds
Source: Town of Foster Audited Financial Statements

Schedule 5

**Town of Foster, Rhode Island
Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30,	Real Property Assessed Value	Personal Property Assessed Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Assessed Value Before Exemptions
2012	\$ 586,684,991	\$ 55,327,341	\$ 16,855,973	\$ 625,156,359	17.58	\$ 625,156,358	100.00%	\$ 642,012,332
2013	\$ 502,833,441	\$ 56,028,633	\$ 16,699,340	\$ 542,162,734	20.32	\$ 542,162,734	100.00%	\$ 558,862,074
2014	\$ 502,773,740	\$ 56,033,222	\$ 16,541,444	\$ 542,265,518	20.40	\$ 542,265,518	100.00%	\$ 558,806,962
2015	\$ 503,471,504	\$ 55,228,823	\$ 12,714,390	\$ 545,985,937	21.06	\$ 545,985,937	100.00%	\$ 558,700,327
2016	\$ 502,544,604	\$ 56,222,658	\$ 4,134,835	\$ 554,632,427	21.42	\$ 554,632,427	100.00%	\$ 558,767,262
2017	\$ 502,429,720	\$ 57,596,914	\$ 8,003,633	\$ 552,023,001	22.54	\$ 552,023,001	100.00%	\$ 560,026,634
2018	\$ 503,373,420	\$ 57,011,388	\$ 7,984,590	\$ 552,400,218	23.25	\$ 552,400,218	100.00%	\$ 560,384,808
2019	\$ 535,688,120	\$ 49,908,719	\$ 10,256,022	\$ 575,340,817	22.84	\$ 575,340,817	100.00%	\$ 585,596,839
2020	\$ 535,265,620	\$ 50,951,699	\$ 13,200,849	\$ 573,016,470	23.69	\$ 573,016,470	100.00%	\$ 586,217,319
2021	\$ 537,358,620	\$ 49,499,697	\$ 15,975,942	\$ 570,882,375	23.79	\$ 570,882,375	100.00%	\$ 586,858,317

Full revaluations are performed every nine years. The last full revaluation was performed as of December 31, 2017, which affects fiscal year 2019.

Statistical revaluations are performed every three years except in the years a full revaluation is performed. A statistical revaluation was performed as of December 31, 2011 which affected fiscal year 2013; and as of December 31, 2014 which affected fiscal year 2016.

Source: Tax Assessor's Annual Report to the State of Rhode Island

Schedule 6

**Town of Foster, Rhode Island
Direct and Overlapping Property Tax Rates,
(rate per \$1,000 of assessed value)
Last Ten Fiscal Years (1)
Unaudited**

<u>Fiscal Year</u>	<u>General Fund</u>
2012	\$17.58
2013	\$20.32
2014	\$20.40
2015	\$21.06
2016	\$21.42
2017	\$22.54
2018	\$23.25
2019	\$22.84
2020	\$23.69
2021	\$23.79

Note:

(1) There are no overlapping governments, accordingly the entire tax assessment is applied to the General Fund

Schedule 7

**Principal Property Tax Payers
Current Year and Nine Years Ago**

Principal Payers

Unaudited

Taxpayer	2021				2012			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed
City of Providence (PWSB)	\$ 18,338,800	1	3.21%	\$ 436,280	\$ 18,866,500	1	3.08%	\$ 331,673
Providence Public Buildings Authority (PWSB)	-		N/A	-	8,422,700	2	1.38%	148,071
Narragansett Electric/National Grid	3,289,000 a)	2	0.58%	78,245	3,727,200 a)	3	0.61%	65,524
Foster Country Club (Tykamac Ent. LLC)	2,187,100	3	0.38%	52,031	2,659,000 a)	4	0.43%	46,745
Ginny B Inc	1,325,100	4	0.23%	31,524	1,313,100 a)	6	0.21%	23,084
Foster Senior Housing	1,296,200	5	0.23%	30,837	1,314,600	5	0.21%	23,111
Mihailides, David G	1,123,800	6	0.20%	26,735			N/A	
O'Connor, Steven & Sheri	939,400	7	0.16%	22,348			N/A	
Quahog Solar	875,000	8	0.15%	20,816			N/A	
Renzi, Anthony J	772,000	9	0.14%	18,366			N/A	
Costa, David & Lisa	752,900	10	0.13%	17,911	787,000	11	0.13%	13,835
Saint 23, LLC	750,200	11	0.13%	17,847	-		N/A	-
Pollard Scott M & Elisa M	683,300	12	0.12%	16,256				
Legacy Land Preservation LLC/Walker, Muriel	-		N/A	-	914,700 a)	7	0.15%	16,080
Hawkins, John & Bertha	-		N/A	-	849,400	9	0.14%	14,932
Nelson, Robert & Wendy	-		N/A	-	860,400	8	0.14%	15,126
Roxannes Holdings LLC	-		N/A	-	809,900	10	0.13%	14,238
Totals	\$ 32,332,800		5.66%	\$ 769,197	\$ 40,524,500		6.61%	\$ 712,419

Note: The amounts presented represent the assessed values upon which 2021 and 2012 collections were based

Source: Assessor's Statement of Assessed Values and Tax Levy

a) Includes tangible or motor vehicle assessment also

Total Assessed Value	\$570,882,375	\$ 612,225,219
Tax Rate	\$23.79	\$17.58

Schedule 8

**Town of Foster, Rhode Island
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	11,221,591	10,971,590	97.8%	236,667	11,208,257	99.9%
2013	11,206,523	10,849,481	96.8%	305,602	11,155,083	99.5%
2014	11,269,380	10,921,687	96.9%	289,444	11,211,131	99.5%
2015	11,720,089	11,391,004	97.2%	311,255	11,702,259	99.8%
2016	12,188,472	11,772,167	96.6%	355,487	12,127,654	99.5%
2017	12,603,234	12,178,675	96.6%	380,606	12,559,281	99.7%
2018	12,925,944 a)	12,267,072	94.9%	404,276	12,671,348	98.0%
2019	13,011,490	12,484,424	95.9%	363,208	12,847,632	98.7% a)
2020	13,322,301	12,804,014	96.1%	367,191	13,171,205	98.9%
2021	13,303,042	12,852,045	96.6%	-	12,852,045	96.6%

Note: Collection data has been adjusted to reflect accruals for "60 day rule" and prepaid collections

(a) Total tax levy was impacted by significant motor vehicle abatements for a late change in state legislation in the amount of \$265,408 which impacts the overall collection rate

Schedule 9

**Town of Foster, Rhode Island
Ratios of Outstanding Debt by Type,
Last Ten Fiscal Years
Unaudited**

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loan Payable	Capital Lease			
2012	-	-	48,533	48,533	0.03% (a)	11
2013	-	-	24,973	24,973	0.02% (a)	5
2014	-	-	-	-	0.00% (a)	-
2015	-	-	80,421	80,421	0.05% (a)	17
2016	-	-	41,382	41,382	0.02% (a)	9
2017	-	-	25,560	25,560	0.02% (b)	6
2018	-	-	21,281	21,281	0.01% (c)	5
2019	-	-	16,527	16,527	0.01% (c)	4
2020	-	-	242,753	242,753	0.14% (c)	51
2021	-	-	181,872	181,872	0.12% (d)	41

Notes: - Details regarding the Town's outstanding debt can be found in the notes to the financial statements
- See Schedule 14 for personal income and population data.

- (a) Ratio is calculated using personal income from U.S. Census Bureau's 2009-2013 American Community Survey. (ACS) 2014, 5 year estimate
- (b) Ratio is calculated using personal income from U.S. Census Bureau's 2012-2016 American Community Survey. (ACS) 2016, 5 year estimate
- (c) Ratio is calculated using personal income from U.S. Census Bureau-2013-2017 American Community Survey. (ACS) 2017, 5-year estimate
- (d) Ratio is calculated using personal income from American Community Survey (ACS) 2020, 5-year estimate

Schedule 10

**Town of Foster, Rhode Island
Ratios of General Bonded Debt Outstanding,
Last Ten Fiscal Years
Unaudited**

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Total		
2012	-	-	0.00%	-
2013	-	-	0.00%	-
2014	-	-	0.00%	-
2015	-	-	0.00%	-
2016	-	-	0.00%	-
2017	-	-	0.00%	-
2018	-	-	0.00%	-
2019	-	-	0.00%	-
2020	-	-	0.00%	-
2021	-	-	0.00%	-

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

(a) Actual taxable value equals gross assessed value less exemptions.

(b) Population data can be found in Schedule 14.

Schedule 11

**Town of Foster, Rhode Island
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021
Unaudited**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Foster-Glocester Regional School District (a)	\$ 18,290,000	33.50% (a)	\$ 6,127,150
Town of Foster	-	100.00%	-
Other debt			
Foster-Glocester Regional School District - BAN (a)	-	33.50% (a)	-
Subtotal, overlapping debt			6,127,150
Town direct debt			181,872
Total direct and overlapping debt			<u>\$ 6,309,022</u>

Sources: Debt outstanding data provided by each governmental unit.

(a) Estimated percentage applicable for the Foster-Glocester Regional School District obtained from the Foster-Glocester Regional School budget - Percent Distribution of Equalized Weighted Assessment

Schedule 12

**Town of Foster, Rhode Island
Legal Debt Margin Information,
Last Ten Fiscal Years
Unaudited**

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed Value	\$570,882,375
Debt limit (3% of assessed value)	17,126,471
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	\$ 17,126,471

	Fiscal Year									
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Debt limit	\$18,754,691	\$16,264,882	\$16,267,966	\$16,379,578	\$16,638,973	\$16,560,690	\$16,572,007	\$17,260,225	\$17,190,494	\$ 17,126,471
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	\$18,754,691	\$16,264,882	\$16,267,966	\$16,379,578	\$16,638,973	\$16,560,690	\$16,572,007	\$17,260,225	\$17,190,494	\$ 17,126,471
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Finance Department, Foster, Rhode Island

(1) The Town's legal debt margin as set forth by Rhode Island State Statute is limited to three percent of total taxable assessed value.

Schedule 13

**Town of Foster, Rhode Island
Pledged-Revenue Coverage,
Last Ten Years
Unaudited**

The Town of Foster, Rhode Island does not have non-general obligation long-term debt backed by pledged revenues.

Schedule 14

**Town of Foster, Rhode Island
Demographic and Economic Statistics,
Last Ten Fiscal Years
Unaudited**

Fiscal Year Ended June 30	Population	Per Capita Income	Median Age	School Enrollment (4)	Unemployment Rate (5)
2012	4,574 (1)	35,557 (1)	44.3 (1)	695	10.30%
2013	4,601 (1)	36,527 (1)	43.7 (1)	675	8.20%
2014	4,628 (1)	34,231 (1)	45.2 (1)	643	6.80%
2015	4,642 (1)	36,184 (1)	44.6 (1)	635	6.30%
2016	4,642 (1)	36,184 (1)	44.6 (1)	635	4.20%
2017	4,677 (2)	37,194 (2)	47.4 (2)	627	3.40%
2018	4,689 (3)	37,818 (3)	48.7 (3)	653	2.80%
2019	4,689 (3)	37,818 (3)	48.7 (3)	652	3.20%
2020	4,469 (6)	37,818 (3)	48.7 (3)	613	10.20%
2021	4,469 (6)	34,952 (7)	40.4 (7)	581	5.61%

Sources:

- (1) Population, Per Capita Income, and Median Age obtained from U.S. Census Bureau-2009-2013 ACS 2014, 5-year estimate
- (2) Population, Per Capita Income, and Median Age obtained from U.S. Census Bureau-2012-2016 ACS 2016, 5-year estimate
- (3) Population, Per Capita Income, and Median Age obtained from U.S. Census Bureau-2013-2017 ACS 2017, 5-year estimate
- (4) School enrollment provided by the Foster-Glocester Regional and Foster School Business Offices. Enrollment includes students in Foster Public Schools and Foster students enrolled in Foster-Glocester Regional Schools
- (5) Unemployment rates obtained from State of Rhode Island Dept. of Labor and Training, unadjusted-obtained from Employment Bulletin
- (6) 2020 Census Population 100% population count
- (7) Population, Per Capita Income, and Median Age obtained from ACS 2020, 5-year estimate

Schedule 15

**Town of Foster, Rhode Island
Principal Employers,
Current Year and Nine Years Ago
Unaudited**

Employer	2021			2012		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Foster Town & School Department	78	1	2.89%	81	1	3.48%
Foster Golf & Country Club	50	2	1.85%	50	2	2.15%
Well One Foster	19	3	0.70%	15	4	0.64%
Little Rhody Farms	18	4	0.67%	N/A	N/A	0.00%
Dr. Daycare	10	5	0.37%	12	5	0.52%
Shady Acres	11	6	0.41%	25	3	1.07%
USPS	10	7	0.37%	N/A	N/A	0.00%
Total	196		7.26%	183		7.86%

Source: Municipal tax roll and survey of Town businesses.

Schedule 16

**Town of Foster, Rhode Island
Full-time Equivalent Town Government Employees by Function/Program,
Last Ten Fiscal Years
Unaudited**

Function/Program	Full-time Equivalent Employees as of June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Central Administration										
Town Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Town Clerk	2.0	2.0	2.0	2.0	2.5	2.5	2.5	3.0	3.0	3.0
Probate Court	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Building/Zoning	1.6	1.6	1.3	1.3	0.9	0.9	0.9	0.9	0.9	0.9
Planning	1.6	1.6	1.3	1.3	1.0	0.7	0.7	0.7	0.7	0.7
Financial Administration										
Treasurer's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Tax Collection	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Tax Assessor	1.6	1.6	1.1	1.1	1.1	1.1	1.1	0.9	0.9	0.9
Public Safety										
Police										
Officers	8.0	8.0	10.0	10.0	10.0	10.0	9.0	9.0	9.0	9.0
Civilians	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Clerical	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Animal Control										
Officers	0.6	0.6	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0
Emergency Management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerical	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Highway										
Driver/Laborer	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.8	6.0	6.0
Maintenance										
Building/Grounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
Custodial	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.2
Recreation Department										
Director	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Summer Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Human Services Department										
Director	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6

Source: Office of Human Resources and Town Budgets

Schedule 17

**Town of Foster, Rhode Island
Operating Indicators by Function/Program,
Last Ten Fiscal Years
Unaudited**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Calls	14,862	13,364	21,062	25,636	53,898 a)	36,200 a)	23,816 a)	15,475 a)	17,517 a)	13,472 a)
Physical Arrests	92	71	129	182	228	183	148	53	53	44
Citations	740	574	1217	1103	1538	902	1206	395	415	331
Accidents	109	121	142	164	134	134	141	121	91	107
Animal Control										
Dog Licenses Issued	509	440	408	402	296	387	333	420	331	459
Public Works (Pickup Outsourced)										
Transfer Station										
Refuse Collected (avg. tons per month)	148	144	128	163	143	146	151	152	154	159
Recyclables Collected (avg. tons per month)	40	41	40	39	55	53	52	52	52	49
Highway										
Street resurfacing/chipsealing (miles)	0.0	0.0	0.4	0.7	1.9	1.4	1.0	1.4	1.75	1.85
Street repairs/sealing (miles)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0
Building/Zoning										
New Commercial Construction Permits	0	0	0	0	1	0	3	3	1	0
New Residential Construction Permits	8	3	5	0	7	2	8	10	6	8
Existing Commercial Construction Permits	N/A	N/A	N/A	5	13	5	11	4	2	0
Existing Residential Construction Permits	N/A	N/A	N/A	78	132	107	119	120	114	154
Parks and Recreation										
Athletic Field Permits	0	0	0	0	0	0	0	0	0	0

a) A new reporting system was used. This number includes all calls and transactions including non-emergency

N/A - To better reflect the activity of the Town of Foster, this information is reported starting in fiscal year 2015. This schedule is intended to show 10 years; additional information will be presented as it becomes available.

Source: Various Town departments

Schedule 18

**Town of Foster, Rhode Island
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years
Unaudited**

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	-	-	-	-	-	-	-	-	-	-
Patrol Units/Motorcycles/ Radar Trailers	9	9	10	14	14	14	14	12	12	15
Animal Control										
Animal Shelters	-	-	-	-	-	-	-	-	-	-
Animal Patrol Unit	1	1	1	1	1	1	-	-	-	-
Public Works										
Transfer Station										
Roll-off Truck	-	-	-	-	-	-	-	-	-	-
Streets and Highways										
Street (miles)	113	113	113	115	115	115	115	115	115	115
Highways (miles, Town owned)	77	77	77	76	76	76	76	76	76	76
Highways (miles, State owned)	36	36	36	36	36	36	36	36	36	36
Private Paved (miles)	-	-	-	3	3	3	3	3	3	3
Park Access (miles)	-	-	-	-	-	-	-	-	-	-
Driftway (miles)	-	-	-	-	-	-	-	-	-	-
Streetlights	30	30	30	30	31	31	31	31	31	31
Traffic Signals	5	5	5	5	5	5	5	5	5	5
Parks and Recreation										
Acreage	165	165	165	165	165	165	165	165	165	165
Playgrounds	2	2	2	2	2	2	2	2	2	2
Tennis Courts	-	-	-	-	-	-	-	-	-	-
Beaches	-	-	-	-	-	-	-	-	-	-
Baseball/Softball diamonds	2	2	2	2	2	2	2	2	3	3
Soccer/Football fields	1	1	1	1	1	1	1	1	1	1
Basketball Courts	1	1	1	1	1	1	1	1	1	1
Parks and Public Squares	2	2	2	2	2	2	2	2	3	3

SINGLE AUDIT SECTION

**This section contains information
regarding grant activity for the year ended
June 30, 2021 which was audited under the guidelines
of the Single Audit Act of 1996 and Uniform Guidance.**



CERTIFIED PUBLIC ACCOUNTANTS

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

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

Independent Auditor's Report

To the Honorable President and
Members of the Town Council
Town of Foster, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Foster, 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 Foster, Rhode Island's basic financial statements, and have issued our report thereon dated April 28, 2022.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
April 28, 2022



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Foster, 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 each of the Town of Foster, Rhode Island's major federal programs for the year ended June 30, 2021. The Town of Foster, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Foster, Rhode Island's major federal programs 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, Costs 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 Foster, 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 each major federal program. However, our audit does not provide a legal determination of the Town of Foster, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Foster, 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 each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town of Foster, 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 Foster, 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 Foster, 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.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
April 28, 2022

TOWN OF FOSTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

CFDA Number

Name of Federal Program or Cluster

21.019

Coronavirus Relief Fund

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

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

TOWN OF FOSTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE REPORTED

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE REPORTED

TOWN OF FOSTER, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal 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>
U.S. Department of Education				
Direct Program:				
Rural Education	84.358A	N/A	\$ -	\$ 19,767
Pass-through RI Department of Education:				
Title I Grants to Local Educational Agencies	84.010A	2725-11702-101	-	54,894
Title II Supporting Effective Instruction State Grants	84.367A	2725-16402-101	-	12,555
Title IV Student Support and Academic Enrichment Program	84.424A	2725-20802-101	-	6,537
Special Education Cluster:				
Special Education Preschool Grants (IDEA, Preschool)	84.173A	2725-13502-101	-	2,324
Special Education Grants to States (IDEA, Part B)	84.027A	2725-13202-101	-	71,787
<i>Total Special Education Cluster</i>			-	74,111
Total U.S. Department of Education			-	167,864
U.S. Department of Agriculture				
Pass-through RI Department of Education:				
Child Nutrition Cluster:				
Summer Food Service Program for Children				
Cash assistance	10.559	N/A	-	87,461
Non-cash assistance (commodities)	10.559	N/A	-	15,235
<i>Total Child Nutrition Cluster</i>			-	102,696
Total U.S. Department of Agriculture			-	102,696
U.S. Department of Transportation				
Pass-through RI Department of Transportation:				
Highway Safety Cluster:				
State and Community Highway Safety Grant	20.600	N/A	-	620
<i>Total Highway Safety Cluster</i>			-	620
Total U.S. Department of Transportation			-	620
US Department of Treasury				
Pass-through RI Department of Education:				
COVID-19 - Coronavirus Relief Fund - Supplemental Impact Education Aid	21.019	4672-20902-101	-	62,841
COVID-19 - Coronavirus Relief Fund - Substitute Teacher Pool and Recruitment	21.019	4672-20202-111	-	23,091
Pass-through RI Department of Revenue:				
COVID-19 - Coronavirus Relief Fund	21.019	N/A	-	651,214
<i>Total U.S. Department of Treasury</i>			-	737,146
Total U.S. Department of Treasury			-	737,146
U.S. Department of Health and Human Services				
Pass-through RI Department of Health:				
Public Health Emergency Preparedness - MEDS	93.069	N/A	-	187
<i>Total U.S. Department of Health and Human Services</i>			-	187
Total U.S. Department of Health and Human Services			-	187
The Institute of Museum and Library Services				
Pass-through RI Office of Library and Information Services:				
COVID-19 - Grants to States	45.310	LGC-20-10-FOS	1,500	1,500
<i>Total Institute of Museum and Library Services</i>			1,500	1,500
Total Institute of Museum and Library Services			1,500	1,500
Total Expenditures of Federal Awards			\$ 1,500	\$ 1,010,013

TOWN OF FOSTER, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of Foster, Rhode Island under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Foster, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of Foster, Rhode Island.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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