

TOWN OF NARRAGANSETT, RHODE ISLAND
Annual Financial Statements
For the Fiscal Year Ended
June 30, 2022

Christine Wilson
Finance Director

Prepared by: Finance Department

INTRODUCTORY SECTION

THIS SECTION CONTAINS THE FOLLOWING:

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

TOWN OF NARRAGANSETT, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
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Finance Department
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To the Citizens of the Town of Narragansett:

The annual comprehensive financial report of the Town of Narragansett, Rhode Island, for the fiscal year ended June 30, 2022, is hereby submitted as mandated by both state statutes and the Town charter. State laws require that all general purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants licensed to practice in the State of Rhode Island .

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

The Town of Narragansett's financial statements have been audited by Bacon and Company CPAs, LLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Narragansett for the fiscal year ended June 30, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Narragansett's financial statements for the fiscal year ended June 30, 2022 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town of Narragansett was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to

report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements , with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are included in a separate Single Audit report.

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

PROFILE OF THE GOVERNMENT

The Town of Narragansett, incorporated as a town on March 28, 1901, is situated in Washington County, on the southeastern coast of the State of Rhode Island, approximately 30 miles south of Providence. It is bounded by Narragansett Bay and the Atlantic Ocean on the east; by the Atlantic Ocean on the south; by the Town of South Kingstown on the west; and the Town of North Kingstown on the north. The total area of the community is 18.3 square miles, which includes 4.4 square miles of inland water. The year-round population of the Town decreased from 15,686 persons counted in the 2010 census to 14,532 in the 2020 census. The actual population served is estimated to be approximately 10,000 persons higher with summer rentals and University of Rhode Island student and faculty rentals. The unemployment rate, as of June 2022, for the Town was 2% as reported in the Local Area Unemployment Statistics (LAUS) report, a product of the RI Department of Labor and Training.

Government

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

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

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

Education

The general administration of the Narragansett School System is directed by a five-member School Committee that is elected at large at the regular biennial elections for staggered four-year terms. The School Committee determines and controls all policies affecting the administration, maintenance, and operation of the public schools in the Town. The School Committee appoints a Superintendent as its chief administrative agent; submits a detailed budget of expenditures and revenue to the Town Council and, once the school budget has been approved, determines the allocation of the amount appropriated. The cost of operating the Town's School System for the fiscal year ended June 30, 2022 was \$30,701,424. The School Department budget for fiscal year ended June 30, 2022 is \$33,209,079 and the budget for fiscal year ending June 30, 2023 is \$34,659,329. The budgeted cost per student in the fiscal year ending June 30, 2022 was \$26,610 shared by the Town and the State of Rhode Island in the form of School Operations Aid. The Town has one elementary school, one middle school and one high school. As of October at the beginning of each school year, the student enrollment in the Narragansett School System for the past five years has been and is projected to be as follows:

Fiscal Year Ending	Actual Enrollment	Fiscal Year Ending	Projected Enrollment
2018	1,324	2023	1,208
2019	1,302	2024	1,167
2020	1,332	2025	1,094
2021	1,267	2026	1,054
2022	1,248		

Municipal Services

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

Wastewater Facilities

The Town has 20 sewage pumping stations and approximately 90 miles of sanitary sewers. Service for the southern portion of Narragansett, including the commercial fishing port of Galilee, is provided at the Town-owned Scarborough Wastewater Treatment Plant, a 1.4 million gallon per day (MGD) extended aeration plant. The South Kingstown Regional Treatment Facility provides wastewater treatment for the Pier area and the northern portion of the Town. Approximately 6,749 accounts are serviced by the Town. The annual rate for residential users is currently \$400 per unit. The Wastewater Division operates as an enterprise fund, with all operations funded from user fees and assessments. The Regional WWTF constructed upgrades of original plant equipment, including replacing the existing belt filter press and conveyor with a screw press and new conveyor system for sludge dewatering, replacing the mechanical components of two secondary clarifiers, replacing septage receiving station processing and de-gritting equipment, and replacing return activated sludge (RAS) pumps. The total contract bid amount was \$2,835,000 and Narragansett's share, based on the Town's annual flow contribution to the Regional WWTF, was \$1,275,467. The Intermunicipal Agreement requires non-operating partners (Narragansett and URI) to pay the managing regional partner (South Kingstown) for capital repairs upon award of a construction contract, however, the 2022 capital improvements were spread out to improve cash flow considerations.

Water Facilities

The Town's Water Division is responsible for the treatment (i.e. chlorine injection) and conveyance of potable water for domestic, commercial, industrial and fire protection uses. All water used within the Town's system is purchased from Veolia Rhode Island (formerly SUEZ Water Rhode Island, a private company), or the Town of North Kingstown. In addition to its operational and maintenance activities related to the Town's water storage, transmission and

conveyance systems and infrastructure, the Division provides technical assistance to the Town in reviewing water related plans or regulations. The Town owns, operates and maintains three water storage tanks, with a combined capacity of two million gallons, and approximately 78 miles of water mains. Approximately one-half of the Town's populated area (representing 5,390 accounts) is served by the Town water system, while service to the remaining citizens is provided directly by Veolia Rhode Island. The Water Division operates as an enterprise fund, with all operations funded from user fees and assessments.

Public Works

The Town's Public Works Department provides a full range of services including street constructions/maintenance, snow removal and maintenance of Town property and vehicles. The Public Works Department expended \$2,983,698 for fiscal year ended June 30, 2022 and budgeted \$3,378,117 and \$3,461,441 for the fiscal years ending June 30, 2022 and 2023, respectively.

Public Safety

Services include fire prevention, emergency medical rescue, police patrol, investigations, community education, dispatching, harbor patrol and animal control functions. The Narragansett Police Department has a force that consists of 54 full-time police officers and other support personnel. The Police Department expended \$7,992,216 for fiscal year ended June 30, 2022 and budgeted \$7,991,467 and \$8,562,942 for the fiscal years ending June 30, 2022 and 2023, respectively. The Town has three fire stations staffed by 48 full-time fire fighters, an increase from 2021 due to the additional 8 Firefighters hired through the federal Staffing For Adequate Fire and Emergency Response (SAFER) grant. The Fire Department expended \$6,678,744 for fiscal year ended June 30, 2022 and budgeted \$6,563,947 and \$6,891,075 for the fiscal years ending June 30, 2022 and 2023, respectively.

Employee Relations

As of June 30, 2022, the Town employs 184 full-time employees exclusive of those employed by the School Department. The School Department employs 145.8 teachers, 32 aides and approximately 68.4 support and administrative staff.

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

Police Department - 3 year contract expires June 30, 2022

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

Fire Department - 3 year contract expires June 30, 2024

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

Teachers - 3 year contract expires August 31, 2025

School Dept. Non-Certified - 3 year contract expires June 30, 2025

Retirement Programs

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

The Town Plan

The Town contributes to the Town Plan, a single employer public employee retirement plan established in accordance with the Town Charter. The Plan is considered part of the Town's financial reporting entity and is included in the Town's annual financial report. All permanent, regular and probationary status employees who work for at least five months of a year and for at least twenty hours per week are eligible to participate in the Town Plan, a single-employer defined benefit pension plan, except as follows: School System employees who have been, are,

or will be eligible for membership in the Employees' Retirement System of Rhode Island and any police officer covered under the Police Plan who has refused to join the Town Plan. The Town Plan was established by the Town in accordance with Town Ordinance. The Town Plan is included in the Town's financial statements as a pension trust fund.

Police Plan

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

School Teachers' Retirement Plan

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

Defined Contribution Plan for ERSRI Participants

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

Other Post-Employment Benefits

Town Plan

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

School Plan

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

Long-term capital financial planning. As a part of the annual budget process, the Town Manager prepares and presents a capital improvement plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next six years. The plan provides for the needs of the general government and addresses such

issues as infrastructure, major equipment replacement, school facilities where bonding is required, public safety, recreation and open space purchases. Other school capital planning is completed for a five-year plan and is reviewed with the school annual operating budget process.

Cash management policies and practices. It is the policy of the Town to invest funds in a manner which will provide the highest investment return, with the maximum amount of security while meeting the daily cash flow needs of the Town and conforming to all state statutes governing the investment of municipal funds. In 2022, the Town adopted an Operating Fund Investment Policy Statement. Cash temporarily idle during the year was invested in insured cash sweep accounts, CDAR's, certificates of deposit, obligations of the U.S. Treasury and money market mutual funds. In addition, some trust funds held corporate stocks and bonds in their investment portfolios. Investment income includes appreciation in the fair value of investments. Increases or decreases in fair value during the current year, however do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

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

ACKNOWLEDGEMENTS

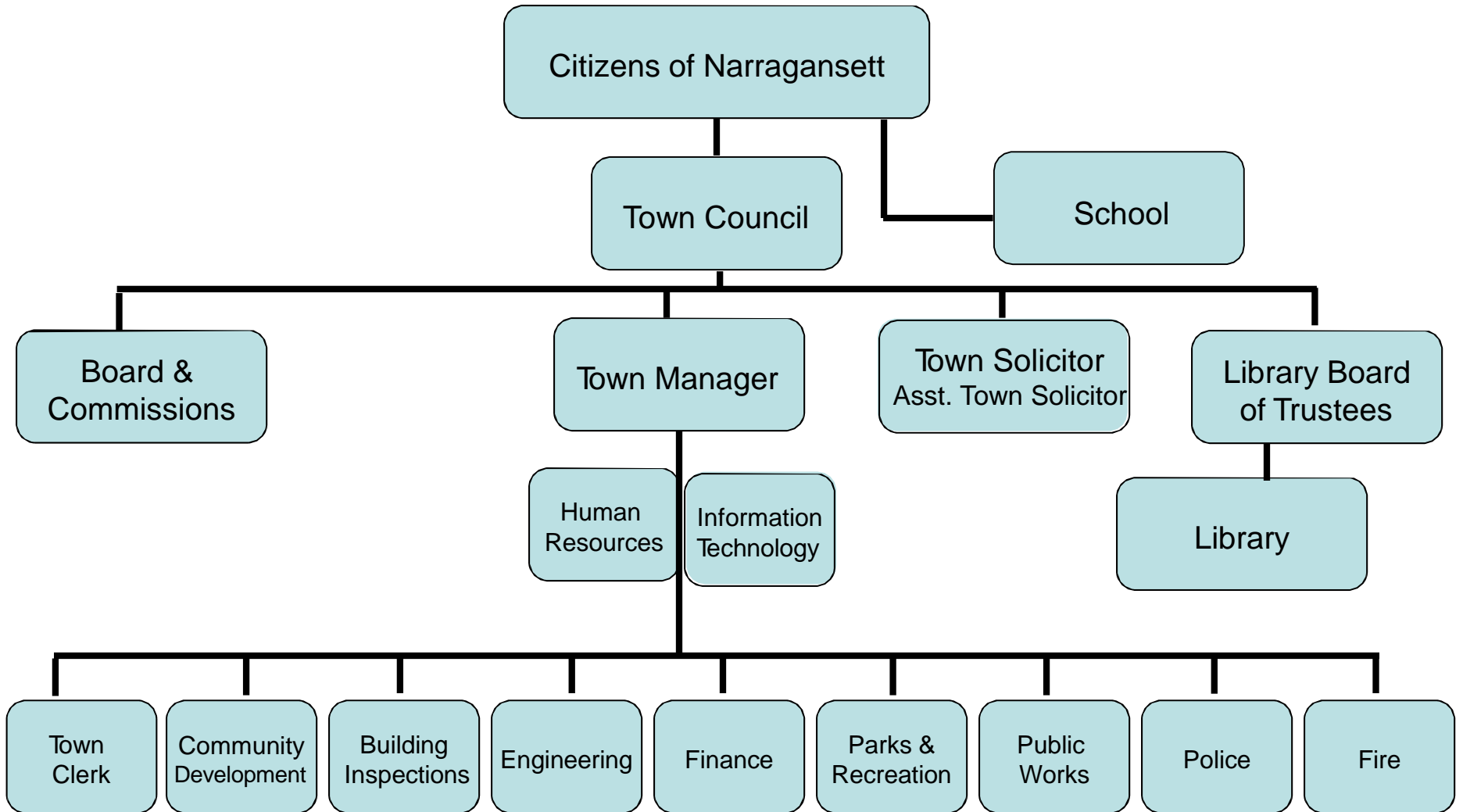
The preparation of this report was made possible by the efficient and dedicated services of the Controller, Matthew LeValley, and the entire staff of the Finance Department. I sincerely appreciate their efforts in assisting me with preparing this annual comprehensive financial report.

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

Respectfully submitted,

Christine A. Wilson
Finance Director

Governmental Organization



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

JUNE 30, 2022

Elected Officials

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

Appointed Officials

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

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

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

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Narragansett, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of June 30, 2022, 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 7 to the financial statements, the Town of Narragansett, Rhode Island implemented GASB Statement No. 87, *Leases*, during fiscal year 2022. Our opinions were not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Narragansett, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Narragansett, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Town of Narragansett, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Narragansett, Rhode Island's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Narragansett, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, the combining fiduciary fund financial statements, the Annual Supplemental Transparency Report (MTP2), and other supplementary information are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023 on our consideration of the Town of Narragansett, Rhode Island 's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Narragansett, Rhode Island's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Narragansett, Rhode Island 's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 30, 2023

MANAGEMENT'S DISCUSSION AND ANALYSIS

As Finance Director for the Town of Narragansett (the Town), the following narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2022 (FY 2022) has been prepared. The Town administration encourages all to consider the information presented herein in conjunction with the additional information furnished in the *Letter of Transmittal*, which can be found at the beginning of this report.

Financial Highlights

At the end of the current fiscal year, the total fund balance for the General Fund was \$26,141,806 or 41.2% of the total 2022 budgeted revenues. This is an increase of \$1,889,957 from the prior year fund balance.

The total unassigned fund balance of the General Fund is \$12,375,435 or 19.5% of the total 2022 budgeted revenues. This is a decrease of \$2,219,093 from the prior year unassigned fund balance.

The total assigned, committed, restricted or nonspendable fund balance of the General Fund is \$13,766,371. This is an increase of \$4,109,050 from the prior year total assigned, committed, restricted or nonspendable fund balance.

The Town General Fund ended the fiscal year 2022 with a budgetary operating surplus of \$863,334 with zero use of Unassigned Fund Balance.

As reported in the government wide financial statements, the assets and deferred outflows of resources of the Town of Narragansett exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$48,464,603. The Town's capital asset base has been developed from both the current operations and debt. The Town has recorded its property and equipment at original values in order to insure proper asset management.

The Town's total net position increased by \$4,204,657 for the fiscal year ended June 30, 2022.

Overview of the Financial Statements

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

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

The government-wide financial statements can be found on pages 15 and 16 of this report.

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

for each of these nonmajor governmental funds is provided in the form of *combining statements* and can be found on pages 103-110 of this report.

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

The basic governmental funds financial statements can be found on pages 17-20 of this report.

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

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

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

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

The proprietary fund financial statements can be found on pages 21-24 of this report.

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

The fiduciary fund financial statements can be found on pages 25-26 of this report.

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

The notes to the financial statements can be found on pages 27-83 of this report.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Overview of the Financial Statements (Continued)

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information comparing budget to actual revenues and expenditures for the General Fund, and concerning the Town’s progress in funding its obligations to provide pension and other postemployment benefits to its enrolled employees. Required supplementary information can be found on pages 84-102 of this report.

Government-wide Financial Analysis

Net Position: As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, the government-wide assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,464,603 at the close of this reporting period.

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

Town of Narragansett’s Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 51,546,062	\$ 39,512,312	\$ 10,802,036	\$ 12,541,867	\$ 62,348,098	\$ 52,054,179
Capital assets	\$ 100,327,139	\$ 100,643,897	\$ 32,347,987	\$ 33,526,474	\$ 132,675,126	\$ 134,170,371
Total assets	\$ 151,873,201	\$ 140,156,209	\$ 43,150,023	\$ 46,068,341	\$ 195,023,224	\$ 186,224,550
Deferred outflows of resources	\$ 28,307,178	\$ 16,421,172	\$ -	\$ -	\$ 28,307,178	\$ 16,421,172
Current liabilities	\$ 8,684,309	\$ 6,247,065	\$ 698,604	\$ 1,104,639	\$ 9,382,913	\$ 7,351,704
Noncurrent liabilities	\$ 146,816,887	\$ 127,958,780	\$ 735,073	\$ 859,346	\$ 147,551,960	\$ 128,818,126
Total liabilities	\$ 155,501,196	\$ 134,205,845	\$ 1,433,677	\$ 1,963,985	\$ 156,934,873	\$ 136,169,830
Deferred inflows of resources	\$ 17,219,270	\$ 21,393,587	\$ 711,656	\$ 822,359	\$ 17,930,926	\$ 22,215,946
Net position:						
Net investment in capital assets	\$ 74,516,247	\$ 74,886,690	\$ 31,828,680	\$ 32,841,167	\$ 106,344,927	\$ 107,727,857
Restricted	\$ 12,022,902	\$ 9,233,808	\$ -	\$ -	\$ 12,022,902	\$ 9,233,808
Unrestricted	\$ (79,079,236)	\$ (83,142,549)	\$ 9,176,010	\$ 10,440,830	\$ (69,903,226)	\$ (72,701,719)
Total net position	\$ 7,459,913	\$ 977,949	\$ 41,004,690	\$ 43,281,997	\$ 48,464,603	\$ 44,259,946

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

At June 30, 2022, the Town is able to report positive balances in both categories of net position for its business-type activities. For governmental activities, the deficit in the Town's unrestricted net position decreased, due principally to the impact of fiscal 2022 capital asset and long-term liability transactions and the resulting effect on unrestricted net position.

Governmental Activities: Governmental activities increased the Town's net position by \$6,481,964.

Town of Narragansett's Changes in Net Position.

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 7,855,596	\$ 7,258,733	\$ 8,938,605	\$ 8,920,021	\$ 16,794,201	\$ 16,178,754
Operating grants and contributions	6,172,039	7,984,286	-	-	6,172,039	7,984,286
Capital grants and contributions	2,057,034	1,000,322	-	-	2,057,034	1,000,322
General revenues:						
Property taxes	56,241,447	55,044,095	-	-	56,241,447	55,044,095
State aid and in lieu of taxes	2,675,804	2,106,004	-	-	2,675,804	2,106,004
Miscellaneous and interest	(240,029)	470,596	40,600	57,591	(199,429)	528,187
Total revenues	<u>74,761,891</u>	<u>73,864,036</u>	<u>8,979,205</u>	<u>8,977,612</u>	<u>83,741,096</u>	<u>82,841,648</u>
Expenses:						
General government	3,253,427	2,825,664	-	-	3,253,427	2,825,664
Financial administration	1,755,532	1,649,211	-	-	1,755,532	1,649,211
Public safety	19,608,238	16,021,638	-	-	19,608,238	16,021,638
Public works	4,966,743	4,916,300	-	-	4,966,743	4,916,300
Social Services	77,314	133,742	-	-	77,314	133,742
Parks and recreation	2,660,069	2,014,316	-	-	2,660,069	2,014,316
Plan, engineer & inspection	1,340,476	1,172,385	-	-	1,340,476	1,172,385
Library	1,067,719	922,812	-	-	1,067,719	922,812
Education	32,642,135	33,325,620	-	-	32,642,135	33,325,620
Interest on Long term debt	908,274	807,181	-	-	908,274	807,181
Water Fund	-	-	2,390,354	2,372,320	2,390,354	2,372,320
Sewer Fund	-	-	6,372,563	5,028,665	6,372,563	5,028,665
Beach Fund	-	-	2,467,729	2,310,494	2,467,729	2,310,494
Middlebridge Recreation	-	-	25,866	25,408	25,866	25,408
Total expenses	<u>68,279,927</u>	<u>63,788,869</u>	<u>11,256,512</u>	<u>9,736,887</u>	<u>79,536,439</u>	<u>73,525,756</u>
Change in net position	6,481,964	10,075,167	(2,277,307)	(759,275)	4,204,657	9,315,892
Net position, beginning of year	977,949	(9,097,218)	43,281,997	44,041,272	44,259,946	34,944,054
Net position, end of year	<u>\$ 7,459,913</u>	<u>\$ 977,949</u>	<u>\$ 41,004,690</u>	<u>\$ 43,281,997</u>	<u>\$ 48,464,603</u>	<u>\$ 44,259,946</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Government-wide Financial Analysis (Continued)

Property taxes levied for FY 2021-2022 based on the December 31, 2020 grand list increased by \$1,146,230 to \$56,035,516 from the amount levied for 2020-2021 of \$54,889,286. This was an increase of 2.0%, below the State mandated cap increase of 4%, which is the maximum allowable increase permitted under state law. Chapter 253 of the Public Laws of 2006 (known as Senate 3050) entitled “Relating to Taxation – Property Taxes” modified the calculation of the property tax cap beginning in fiscal year 2008, changed the criteria for exemptions from the property tax cap, limited the increase that School Committees could request from municipal funds in their annual budget proposal and amended the definition of “state mandates.” The statewide property tax cap became effective on July 1, 2007. This cap limited the property tax levy increase to 5.25% in fiscal year 2008 and set in place a .25% reduction for each successive fiscal year until fiscal year 2013, when the cap will be set at 4.0%. The amount of current year taxes to be collected for FY 2022 was \$55,219,407 which was based on a rate of collection of 98.5%. Current year collections were \$55,636,634 compared to the budgeted amount of \$55,219,407, an increase of \$417,227 or 0.75%.

Business-type activities: Business-type activities decreased the Town’s net position by \$2,277,307. Key elements of the decrease are as follows:

- a. Water Fund: The net position of the Water enterprise is up \$105,887 or 1.8%.
- b. Sewer Fund: The net position for the Sewer enterprise is down \$2,562,036 or 10.0%.
- c. Beach Fund: The net position for the Beach enterprise is up \$117,049 or 1.2%.
- d. Middlebridge: The net position for the Middlebridge Fund is up \$61,793 or 4.3%.

Financial Analysis of the Town’s Funds

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

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

As of the end of the reporting period, the Town governmental funds reported combined ending fund balances of \$39,822,275. Approximately 31% of this total amount or \$12,375,435 constitutes *unassigned fund balance*, which is available for spending at the Town’s discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, *unassigned* fund balance of the General Fund was \$12,375,435, while total fund balance was \$26,141,806. As a measure of the General Fund’s liquidity, it may be useful to compare both *unassigned* fund balance and total fund balance to total fund expenditures and transfers. Unassigned fund balance of \$12,375,435 represents 18.1% of total General Fund expenditures and transfers of \$68,476,384, while total fund balance represents 38.2% of the same amount.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Town's Funds (Continued)

The Town's General Fund – Fund Balance increased by \$1,889,957 due to several reasons; the net between the lower expenditures in the operating budget of \$820,033 and higher revenues than budgeted of \$43,301, with \$0 use of of fund balance in the Town general fund. There is a school operating surplus of \$1,002,704.

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

- a. Water Fund: The unrestricted net position of the Water Fund at June 30, 2022 was \$3,581,458.
- b. Sewer Fund: The unrestricted net position of the Sewer Fund at June 30, 2022 was \$928,827.
- c. Beach Fund: The unrestricted net position of the Beach Fund at June 30, 2022 was \$4,490,522.
- d. Middlebridge Fund: The unrestricted net position of the Middlebridge Recreation Fund at June 30, 2022 was \$175,203.

General Fund Budgetary Highlights

The general fund operating budget shows an operating surplus of \$863,334. This represents 1.4% of the \$63,378,162 budget as approved by the Town Council. The surplus is a result of high property tax collection rate, increase in construction and home improvements, higher than anticipated revenues for beach parking fees, hotel and meal tax, and lower than anticipated expenditures.

The Town received an allocation of \$4,587,921 in federal American Rescue Plan Act (ARPA) funding. The Town Council has authorized four major projects that will support renovations to Fire Stations 2 & 3, Scarborough Wastewater Treatment Facility Groin restoration, Water System improvements, and Town Hall HVAC/Renovations. In addition, the Town Council has supported studies on the continuation of the bike path, Narrow River dredging project and Affordable Housing.

The Town has until December 2024 to obligate all of the ARPA funds and until December 2026 to spend said funds.

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

1. Capital assets: The Town’s investment in capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$132,675,126 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system improvements, machinery and equipment, park facilities, roads and bridges. The total decrease in the Town’s investment in capital assets, net of accumulated depreciation, for FY2022 was \$1,495,245, or 1.11% (a .31% decrease for governmental activities and a 3.52% decrease for business-type activities).

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$44,866,624	\$44,866,624	\$3,186,280	\$3,186,280	\$48,052,904	\$48,052,904
Construction in progress	2,256,895	2,166,414	165,433	116,355	2,422,328	2,282,769
Buildings and improvements	24,523,492	25,870,268	10,982,381	11,698,107	35,505,873	37,568,375
Machinery and equipment	2,632,308	2,804,299	1,527,377	1,372,292	4,159,685	4,176,591
Vehicles	3,383,435	2,942,542	143,477	205,664	3,526,912	3,148,206
Infrastructure	22,664,385	21,993,750	16,343,039	16,947,776	39,007,424	38,941,526
Total	<u>\$100,327,139</u>	<u>\$100,643,897</u>	<u>\$32,347,987</u>	<u>\$33,526,474</u>	<u>\$132,675,126</u>	<u>\$134,170,371</u>

2. Debt administration: At the end of the fiscal year, the Town’s governmental activities had total bonds, loans, notes and financed purchase payable outstanding of \$29,829,129, all of which is backed by the full faith and credit of the Town. Total debt increased from \$6,265,000 General Obligation Bond additions and decreased from retirements of \$2,218,885 during FY 2022.

The Town maintains a “AA+” from Standard & Poor’s and an “Aa2” from Moody’s for general obligation debt.

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds & notes	\$29,285	\$25,050	\$ -	\$ -	\$29,285	\$25,050
Loans	519	708	519	685	1,038	1,393
Finance purchase	25	32	-	-	25	32
Total	<u>\$29,829</u>	<u>\$25,790</u>	<u>\$519</u>	<u>\$685</u>	<u>\$30,348</u>	<u>\$26,475</u>

MANAGEMENT’S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration (Continued)

Except as provided below, under Rhode Island general laws, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The 3% debt limit of the Town is \$182,743,793 based on net assessed valuations of \$6,091,459,769 as of December 31, 2020. As of June 30, 2022, the Town had \$182,034,793 of debt that could be issued under the 3% debt limit provision.

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

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

Current general obligation debt for Governmental Activities of \$29,804,099 and debt service of \$3,097,545 for FY 2022 equates to the following (excludes financed purchases, compensated absences, pollution remediation obligations and pension and OPEB obligations):

4.89% Debt service as a Percent of the Operating Budget (FY 2022 budget was \$63,378,162 while debt service was \$3,097,545)

.49% Outstanding general obligation debt as a percentage of Net Assessed valuation \$6,091,459,769

5.53% Debt service as a percent of net tax levy of \$56,035,516

\$2,051 Outstanding general obligation debt per capita of 14,532

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

MAXIMUM TO STAY WITHIN DEBT LIMITS

	LIMITS	CURRENT	
Debt service at 7% of operating budget	\$4,436,471	\$ 3,097,545	70.0%
Debt at 2.5% of assessed value	\$152,286,494	\$ 29,804,099	19.6%
Debt service at 8% of the tax levy	\$4,482,841	\$ 3,097,545	69.1%
Debt per capita at \$2,500	\$2,500	\$ 2,051	82.0%

The approval of a bond authorization for a new library in the amount of \$5.8 million for the purpose of a new library building continues to move forward. The Pier Market building which had been purchased for a total of \$2,400,000 for a new library sight. A bond was issued February 2021 in the amount of \$2,400,000 to reimburse the Town's General Fund advancement. In the 2021-2022 fiscal year the Town issued a bond for the remaining authorized amount for the construction of the new library sight. The Request for Proposal construction bid was awarded to E.W. Burman, Inc. with a projected completion date of November 2023.

Subsequent Fiscal Year 2022-2023 Budget and Tax Rates

The Town of Narragansett's total general fund budget for fiscal year 2022-2023 is \$66,946,831, which reflects an increase of \$3,568,669 from the fiscal year 2021-2022 budget. The Town's tax rates for fiscal year 2022-2023 are residential real estate \$9.00 per thousand of valuation, and commercial real estate and property \$12.14 per thousand of valuation. The State of RI accelerated the Motor Vehicle (MV) phase out program and eliminated the MV tax in the 2023 fiscal year.

Requests for Information

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

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

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 17,918,195	\$ 8,134,518	\$ 26,052,713
Investments	24,410,554	-	24,410,554
Accrued interest receivable	-	8,422	8,422
Real estate and personal property tax receivable, net	570,885	-	570,885
Water and sewer use and assessments receivable	-	1,899,746	1,899,746
Due from federal and state government	1,047,335	-	1,047,335
Lease receivable	209,977	49,129	259,106
Other receivables	678,220	22,379	700,599
Inventories	68,216	-	68,216
Prepaid expenses	444,780	-	444,780
Total current assets	45,348,162	10,114,194	55,462,356
Noncurrent assets:			
Sewer assessments receivable	-	667,889	667,889
Lease receivable	2,657,158	19,953	2,677,111
Capital assets: (Note 2)			
Land and land easements	44,866,624	3,186,280	48,052,904
Construction in progress	2,256,895	165,433	2,422,328
Depreciable buildings, property, equipment, infrastructure, net	53,203,620	28,996,274	82,199,894
Other assets	3,540,742	-	3,540,742
Total noncurrent assets	106,525,039	33,035,829	139,560,868
Total assets	151,873,201	43,150,023	195,023,224
Deferred outflows of resources:			
Deferred amounts on refunding	205,757	-	205,757
Deferred pension amounts	18,565,257	-	18,565,257
Deferred other post-employment benefit amounts	9,536,164	-	9,536,164
Total deferred outflows of resources	28,307,178	-	28,307,178
Liabilities:			
Current Liabilities:			
Accounts payable and accrued liabilities	2,571,593	369,801	2,941,394
Accrued interest payable	203,176	3,581	206,757
Unearned revenue	2,314,775	-	2,314,775
Customer deposits payable	-	81,725	81,725
Financed purchase payable	6,675	-	6,675
Compensated absences payable	941,071	74,497	1,015,568
Pollution remediation obligations	87,098	-	87,098
Long-term debt - due within one year (Note 8)	2,559,921	169,000	2,728,921
Total current liabilities	8,684,309	698,604	9,382,913
Noncurrent Liabilities:			
Long-term debt - due in more than one year (Note 8)	29,366,404	350,307	29,716,711
Financed purchase payable	18,355	-	18,355
Compensated absences payable	3,632,690	384,766	4,017,456
Pollution remediation obligations	1,249,369	-	1,249,369
Net pension liabilities	80,138,526	-	80,138,526
Net other post-employment benefit liabilities	32,411,543	-	32,411,543
Total noncurrent liabilities	146,816,887	735,073	147,551,960
Total liabilities	155,501,196	1,433,677	156,934,873
Deferred Inflows of Resources:			
Deferred property taxes	36,601	-	36,601
Deferred pension amounts	8,029,307	-	8,029,307
Deferred other post-employment benefit amounts	6,286,227	-	6,286,227
Deferred sewer assessments	-	637,259	637,259
Deferred pretreatment fees	-	5,315	5,315
Lease related	2,867,135	69,082	2,936,217
Total deferred inflows of resources	17,219,270	711,656	17,930,926
Net Position:			
Net investment in capital assets	74,516,247	31,828,680	106,344,927
Restricted for:			
Capital	99,291	-	99,291
Library	1,578,392	-	1,578,392
Education programs	9,332,645	-	9,332,645
Public safety programs	96,195	-	96,195
Historical records preservation	290,978	-	290,978
Community service programs	520,526	-	520,526
Parks and recreation programs	66,156	-	66,156
Other programs	38,719	-	38,719
Unrestricted	(79,079,236)	9,176,010	(69,903,226)
Total net position	\$ 7,459,913	\$ 41,004,690	\$ 48,464,603

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

TOWN OF NARRAGANSETT, RHODE ISLAND

Statement of Activities

For the Fiscal Year Ended June 30, 2022

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Position</i>		
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
Governmental Activities:							
General government	\$ 3,253,427	\$ 2,174,832	\$ -	\$ -	\$ (1,078,595)	\$ -	\$ (1,078,595)
Financial administration	1,755,532	970,776	-	-	(784,756)	-	(784,756)
Public safety	19,608,238	864,388	338,864	67,944	(18,337,042)	-	(18,337,042)
Public works	4,966,743	44,225	61,196	-	(4,861,322)	-	(4,861,322)
Social services	77,314	-	65,905	-	(11,409)	-	(11,409)
Parks and recreation	2,660,069	677,189	74,198	-	(1,908,682)	-	(1,908,682)
Planning, engineering and inspection	1,340,476	438,888	-	33,789	(867,799)	-	(867,799)
Library	1,067,719	4,486	98,520	1,515,000	550,287	-	550,287
Education	32,642,135	2,680,812	5,078,657	440,301	(24,442,365)	-	(24,442,365)
Interest on long-term debt	908,274	-	454,699	-	(453,575)	-	(453,575)
Total governmental activities	68,279,927	7,855,596	6,172,039	2,057,034	(52,195,258)	-	(52,195,258)
Business-Type Activities:							
Water	2,390,354	2,482,833	-	-	-	92,479	92,479
Sewer	6,372,563	3,801,549	-	-	-	(2,571,014)	(2,571,014)
Beach	2,467,729	2,567,123	-	-	-	99,394	99,394
Middlebridge Recreation	25,866	87,100	-	-	-	61,234	61,234
Total business-type activities	11,256,512	8,938,605	-	-	-	(2,317,907)	(2,317,907)
Total	\$ 79,536,439	\$ 16,794,201	\$ 6,172,039	\$ 2,057,034	(52,195,258)	(2,317,907)	(54,513,165)
General Revenues:							
Taxes:							
Property taxes					56,241,447	-	56,241,447
State aid and in lieu of taxes, not restricted for a specific purpose					2,675,804	-	2,675,804
Investment earnings					(439,976)	40,600	(399,376)
Miscellaneous					199,947	-	199,947
Total general revenues					58,677,222	40,600	58,717,822
Change in net position					6,481,964	(2,277,307)	4,204,657
Net position - beginning of year					977,949	43,281,997	44,259,946
Net position - end of year					\$ 7,459,913	\$ 41,004,690	\$ 48,464,603

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

TOWN OF NARRAGANSETT, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2022*

	<i>General Fund</i>	<i>American Rescue Plan Act Fund</i>	<i>Other Nonmajor Governmental Funds</i>	<i>Total Governmental Funds</i>
Assets				
Cash	\$ 4,290,598	\$ 2,302,390	\$ 11,514,507	\$ 18,107,495
Investments	24,410,554	-	-	24,410,554
Real estate and personal property tax receivable, net	570,885	-	-	570,885
Due from federal and state governments	214,992	-	832,343	1,047,335
Due from other funds	1,086,233	-	3,983,324	5,069,557
Lease receivable	2,867,135	-	-	2,867,135
Other receivables	209,746	-	253,809	463,555
Inventory	68,216	-	-	68,216
Prepaid expenditures	444,780	-	-	444,780
Other assets	66,672	-	-	66,672
Advance to other funds	1,082,030	-	-	1,082,030
Total assets	<u>\$ 35,311,841</u>	<u>\$ 2,302,390</u>	<u>\$ 16,583,983</u>	<u>\$ 54,198,214</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities:				
Cash overdraft	\$ -	\$ -	\$ 189,300	\$ 189,300
Accounts payable and accrued expenditures	1,669,618	-	506,415	2,176,033
Due to other funds	3,983,324	-	871,568	4,854,892
Other liabilities	225,871	-	-	225,871
Unearned revenue	5,826	2,293,960	14,989	2,314,775
Advances from other funds	-	-	1,082,030	1,082,030
Total liabilities	<u>5,884,639</u>	<u>2,293,960</u>	<u>2,664,302</u>	<u>10,842,901</u>
Deferred Inflows of Resources:				
Unavailable-property taxes	345,543	-	-	345,543
Unavailable revenue-loans	-	-	247,642	247,642
Unavailable revenue-other revenue	72,718	-	-	72,718
Lease related	2,867,135	-	-	2,867,135
Total deferred inflows of resources	<u>3,285,396</u>	<u>-</u>	<u>247,642</u>	<u>3,533,038</u>
Fund Balances:				
Nonspendable:				
Inventory	68,216	-	-	68,216
Prepaid expenditures	444,780	-	-	444,780
Long-term interfund advance	1,082,030	-	-	1,082,030
Restricted for:				
Education programs	8,731,950	-	600,695	9,332,645
Library programs	60,422	-	4,442,936	4,503,358
Capital projects	98,962	-	2,758,970	2,857,932
Public safety programs	-	-	96,195	96,195
Historical records preservation	-	-	290,978	290,978
Community service programs	-	-	272,884	272,884
Parks and recreation programs	-	-	66,156	66,156
Other programs	-	-	38,719	38,719
Committed for:				
Capital projects	50,000	-	1,882,550	1,932,550
Debt service	-	-	206,457	206,457
Assigned to:				
Parks and recreation programs	344,540	-	-	344,540
Towers	210,295	-	-	210,295
Kinney Bungalow	90,439	-	-	90,439
Sunset Farm	4,401	-	-	4,401
Capital projects	-	-	3,015,499	3,015,499
Other	3,910	8,430	-	12,340
2023 budget	2,576,426	-	-	2,576,426
Unassigned	12,375,435	-	-	12,375,435
Total fund balances	<u>26,141,806</u>	<u>8,430</u>	<u>13,672,039</u>	<u>39,822,275</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 35,311,841</u>	<u>\$ 2,302,390</u>	<u>\$ 16,583,983</u>	<u>\$ 54,198,214</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total Fund Balances - Total Governmental Funds	\$ 39,822,275
 <i>Amounts reported for Governmental Activities in the Statement of Net Position are different because:</i>	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 2 to the financial statements.	100,327,139
Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the Governmental Funds financial statements.	320,360
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide financial statements, but are reported as deferred inflows of resources in the Governmental Funds financial statements.	308,942
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(203,176)
Deferred pension and other post-employment benefit amounts are not reported in the Governmental Funds financial statements, but are reported in the Government-Wide financial statements as follows:	
Deferred outflows of resources	28,101,421
Deferred inflows of resources	(14,315,534)
Long-term liabilities (including bonds, notes, loans, and financed purchase payable, compensated absences, pollution remediation obligations, net pension liabilities and net other post employment benefit liabilities) are not due and payable in the current period and therefore are not reported in the Governmental Funds Balance Sheet. See note 8 to the financial statements.	(150,411,652)
Deferred amounts on refunding are not reported in the Governmental Fund financial statements, but are reported net of accumulated amortization as deferred outflows of resources in the Government-Wide financial statements.	205,757
The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The assets and liabilities of the Internal Service Fund are included in Governmental Activities in the Government-Wide Statement of Net Position.	3,304,381
 Net Position of Governmental Activities	 <u>\$ 7,459,913</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

	<u>General Fund</u>	<u>American Rescue Plan Act Fund</u>	<u>Other Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
General property taxes and payments in lieu of taxes	\$ 56,939,720	\$ -	\$ -	\$ 56,939,720
State and federal aid	6,218,209	-	-	6,218,209
Charges for services	7,530,353	-	145,024	7,675,377
Operating grants and contributions	74,843	-	2,875,280	2,950,123
Capital grants and contributions	53,573	-	2,003,461	2,057,034
Investment and interest income	(472,951)	8,430	24,545	(439,976)
Other revenues	22,594	-	116,735	139,329
Total revenues	<u>70,366,341</u>	<u>8,430</u>	<u>5,165,045</u>	<u>75,539,816</u>
Expenditures:				
<i>Current:</i>				
General government	2,576,869	-	12,598	2,589,467
Financial administration	1,483,371	-	-	1,483,371
Public safety	16,017,184	-	344,320	16,361,504
Public works	2,983,698	-	-	2,983,698
Social services	-	-	77,314	77,314
Parks and recreation	1,878,142	-	113,277	1,991,419
Planning, engineering and inspection	1,211,301	-	-	1,211,301
Library	986,536	-	-	986,536
Food service	-	-	385,018	385,018
Education	31,065,042	-	1,966,195	33,031,237
Town-wide	610,595	-	-	610,595
Other	3,429,268	-	-	3,429,268
Debt Service	-	-	3,238,408	3,238,408
Capital outlay	-	-	4,985,166	4,985,166
Total expenditures	<u>62,242,006</u>	<u>-</u>	<u>11,122,296</u>	<u>73,364,302</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>8,124,335</u>	<u>8,430</u>	<u>(5,957,251)</u>	<u>2,175,514</u>
Other financing sources (uses):				
Bonds issued	-	-	6,265,000	6,265,000
Premium on bonds issued	-	-	409,825	409,825
Transfers in	-	-	6,234,378	6,234,378
Transfers out	(6,234,378)	-	-	(6,234,378)
Total other financing sources (uses)	<u>(6,234,378)</u>	<u>-</u>	<u>12,909,203</u>	<u>6,674,825</u>
Net change in fund balances	1,889,957	8,430	6,951,952	8,850,339
Fund balances (deficits)- beginning of year-restated	<u>24,251,849</u>	<u>-</u>	<u>6,720,087</u>	<u>30,971,936</u>
Fund balances - end of year	<u>\$ 26,141,806</u>	<u>\$ 8,430</u>	<u>\$ 13,672,039</u>	<u>\$ 39,822,275</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended June 30, 2022

Net Changes in Fund Balances - Total Governmental Funds	\$ 8,850,339
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds financial statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital asset additions recorded in the current period.	4,813,151
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Funds financial statements.	(5,129,909)
Long-term compensated absences are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, long-term compensated absences are not reported as expenditures in Governmental Funds financial statements. This is the amount of the change in long-term compensated absences in the current period.	(194,437)
Debt and financed purchase proceeds provide current financial resources to Governmental Funds, but issuing debt and financed purchase increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt and financed purchase principal is an expenditure in the Government Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position.	
This amount represents debt issued during the current period.	(6,265,000)
This amount represents debt and financed purchase principal payments during the current period.	2,225,560
Accrued interest on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in Governmental Funds financial statements. The following amount represents the change in accrued interest from prior year.	(41,349)
Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide financial statements. Deferred amounts on refunding are expenditures in the Governmental Funds, but are deferred and amortized in the Government-Wide financial statements.	
This amount of premium on debt issued in the current period.	(409,825)
This amount represents amortization of premium on debt during the current period.	182,709
This amount represents amortization of deferred amounts on refunding during the current period.	(30,111)
Other long-term liabilities are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, other long-term liabilities are not reported as expenditures in Governmental Funds financial statements.	
This amount represents the change in pollution remediation obligations during the current period.	85,574
This amount represents the change in the net pension liabilities and related deferred pension amounts during the current period.	81,175
This amount represents the change in the net OPEB liabilities and related deferred OPEB amounts during the current period.	1,915,468
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.	410,180
Revenues in the Government-Wide Statement of Activities that are not measurable and available in Governmental Funds are not reported as revenue in the Governmental Funds.	(11,561)
Change in Net Position of Governmental Activities	<u>\$ 6,481,964</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2022

	<i>Business-Type Activities</i>					<i>Governmental</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
Assets						
Current assets:						
Cash and cash equivalents	\$ 3,132,177	\$ 178,635	\$ 4,646,673	\$ 177,033	\$ 8,134,518	\$ -
Accounts receivable:						
Water and sewer use fees	800,945	1,045,910	-	-	1,846,855	-
Sewer assessment	-	52,891	-	-	52,891	-
Accrued interest	-	8,422	-	-	8,422	-
Other	-	3,636	18,743	-	22,379	-
Lease receivable	-	-	-	49,129	49,129	-
Total current assets	3,933,122	1,289,494	4,665,416	226,162	10,114,194	-
Noncurrent assets:						
Sewer assessments receivable	-	667,889	-	-	667,889	-
Lease receivable	-	-	-	19,953	19,953	-
Health insurance deposits	-	-	-	-	-	3,474,070
Capital assets:						
Non-depreciable assets	176,970	308,873	1,813,370	1,052,500	3,351,713	-
Depreciable assets - net	2,364,804	22,445,552	3,902,660	283,258	28,996,274	-
Total noncurrent assets	2,541,774	23,422,314	5,716,030	1,355,711	33,035,829	3,474,070
Total assets	6,474,896	24,711,808	10,381,446	1,581,873	43,150,023	3,474,070
Liabilities						
Current liabilities:						
Accounts payable and accrued expenses	142,923	135,704	90,619	555	369,801	-
Accrued interest payable	-	3,581	-	-	3,581	-
Claims payable	-	-	-	-	-	169,689
Accrued compensated absences	36,394	36,489	1,614	-	74,497	-
Customer and security deposits payable	-	-	80,450	1,275	81,725	-
Current portion of bonds, notes and loans payable	-	169,000	-	-	169,000	-
Total current liabilities	179,317	344,774	172,683	1,830	698,604	169,689
Noncurrent liabilities:						
Accrued compensated absences	172,347	210,208	2,211	-	384,766	-
Bonds, notes and loans payable	-	350,307	-	-	350,307	-
Total noncurrent liabilities	172,347	560,515	2,211	-	735,073	-
Total liabilities	351,664	905,289	174,894	1,830	1,433,677	169,689
Deferred Inflows of Resources						
Deferred sewer assessments	-	637,259	-	-	637,259	-
Deferred pretreatment fees	-	5,315	-	-	5,315	-
Lease related	-	-	-	69,082	69,082	-
Total deferred inflows of resources	-	642,574	-	69,082	711,656	-
Net Position						
Net investment in capital assets	2,541,774	22,235,118	5,716,030	1,335,758	31,828,680	-
Unrestricted	3,581,458	928,827	4,490,522	175,203	9,176,010	3,304,381
Total net position	\$ 6,123,232	\$ 23,163,945	\$ 10,206,552	\$ 1,510,961	\$ 41,004,690	\$ 3,304,381

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<i>Business-Type Activities</i>				<i>Total Enterprise Funds</i>	<i>Governmental Activities</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>		<i>Internal Service Fund Healthcare Fund</i>
Operating revenues						
Assessments and user fees	\$ 2,414,788	\$ 3,757,091	\$ -	\$ -	\$ 6,171,879	\$ -
Admittance and rental fees	-	-	2,552,271	86,650	2,638,921	-
Charges for insurance	-	-	-	-	-	3,339,256
Other revenues	68,045	44,458	14,852	450	127,805	293,331
Total operating revenues	<u>2,482,833</u>	<u>3,801,549</u>	<u>2,567,123</u>	<u>87,100</u>	<u>8,938,605</u>	<u>3,632,587</u>
Operating expenses						
Salaries and benefits	924,269	1,467,186	1,099,952	-	3,491,407	-
Materials, supplies and maintenance	673,218	2,608,350	190,905	3,266	3,475,739	-
Utilities	23,601	337,204	43,640	1,794	406,239	-
Health and dental claims	-	-	-	-	-	2,960,038
Administrative and miscellaneous	421,654	1,065,327	812,057	6,671	2,305,709	262,369
Depreciation expense	347,612	883,025	321,175	14,135	1,565,947	-
Total operating expenses	<u>2,390,354</u>	<u>6,361,092</u>	<u>2,467,729</u>	<u>25,866</u>	<u>11,245,041</u>	<u>3,222,407</u>
Operating income (loss)	<u>92,479</u>	<u>(2,559,543)</u>	<u>99,394</u>	<u>61,234</u>	<u>(2,306,436)</u>	<u>410,180</u>
Nonoperating revenues (expenses)						
Investment income	13,408	8,978	17,655	559	40,600	-
Interest expense	-	(11,471)	-	-	(11,471)	-
Total nonoperating revenues (expenses)	<u>13,408</u>	<u>(2,493)</u>	<u>17,655</u>	<u>559</u>	<u>29,129</u>	<u>-</u>
Change in net position	105,887	(2,562,036)	117,049	61,793	(2,277,307)	410,180
Total net position - beginning of year	<u>6,017,345</u>	<u>25,725,981</u>	<u>10,089,503</u>	<u>1,449,168</u>	<u>43,281,997</u>	<u>2,894,201</u>
Total net position - end of year	<u>\$ 6,123,232</u>	<u>\$ 23,163,945</u>	<u>\$ 10,206,552</u>	<u>\$ 1,510,961</u>	<u>\$ 41,004,690</u>	<u>\$ 3,304,381</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<i>Business-Type Activities</i>					<i>Governmental Activities</i>
	<i>Water Fund</i>	<i>Sewer Fund</i>	<i>Beach Fund</i>	<i>Middlebridge Recreation Fund</i>	<i>Total Enterprise Funds</i>	<i>Internal Service Fund Healthcare Fund</i>
<i>Cash flows from operating activities</i>						
Receipts from customers	\$ 1,935,038	\$ 3,067,266	\$ 2,589,457	\$ 87,450	\$ 7,679,211	\$ -
Receipts from interfund charges for insurance	-	-	-	-	-	3,339,256
Other operating receipts	50,330	44,458	14,852	450	110,090	293,331
Receipts of customer deposits	-	-	97,955	-	97,955	-
Payment of health insurance deposits	-	-	-	-	-	(449,544)
Payments to suppliers for goods and services	(884,554)	(3,110,942)	(730,270)	(13,129)	(4,738,895)	(262,369)
Payments to employees for services	(948,564)	(1,418,486)	(1,157,879)	-	(3,524,929)	-
Payments to other funds for services provided	(227,799)	(852,126)	(530,347)	-	(1,610,272)	-
Payments for health and dental claims	-	-	-	-	-	(2,920,674)
Return of customer deposits	-	-	(78,705)	-	(78,705)	-
<i>Net cash provided by (used for) operating activities</i>	<u>(75,549)</u>	<u>(2,269,830)</u>	<u>205,063</u>	<u>74,771</u>	<u>(2,065,545)</u>	<u>-</u>
<i>Cash flows from capital and related financing activities</i>						
Acquisition and construction of capital assets	(108,057)	(283,875)	(103,482)	(56,740)	(552,154)	-
Payment of interest on bonds and loans	-	(12,587)	-	-	(12,587)	-
Payment of principal on bonds and loans	-	(166,000)	-	-	(166,000)	-
<i>Net cash used for capital and related financing activities</i>	<u>(108,057)</u>	<u>(462,462)</u>	<u>(103,482)</u>	<u>(56,740)</u>	<u>(730,741)</u>	<u>-</u>
<i>Cash flows from investing activities</i>						
Interest on investments	13,408	8,978	17,655	559	40,600	-
<i>Net cash provided by investing activities</i>	<u>13,408</u>	<u>8,978</u>	<u>17,655</u>	<u>559</u>	<u>40,600</u>	<u>-</u>
<i>Net increase (decrease) in cash and cash equivalents</i>	<u>(170,198)</u>	<u>(2,723,314)</u>	<u>119,236</u>	<u>18,590</u>	<u>(2,755,686)</u>	<u>-</u>
<i>Cash and cash equivalents - beginning of year</i>	<u>3,302,375</u>	<u>2,901,949</u>	<u>4,527,437</u>	<u>158,443</u>	<u>10,890,204</u>	<u>-</u>
<i>Cash and cash equivalents - end of year</i>	<u>\$ 3,132,177</u>	<u>\$ 178,635</u>	<u>\$ 4,646,673</u>	<u>\$ 177,033</u>	<u>\$ 8,134,518</u>	<u>\$ -</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

	<u>Business-Type Activities</u>					<u>Governmental</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Beach Fund</u>	<u>Middlebridge Recreation Fund</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Fund Healthcare Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities						
Operating income (loss)	\$ 92,479	\$ (2,559,543)	\$ 99,394	\$ 61,234	\$ (2,306,436)	\$ 410,180
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	347,612	883,025	321,175	14,135	1,565,947	-
Changes in assets, liabilities and deferred inflows of resources:						
(Increase) decrease in accounts receivable	(474,436)	(510,040)	36,905	800	(946,771)	-
(Increase) decrease in lease receivable	-	-	-	52,293	52,293	-
(Increase) decrease in health insurance deposits	-	-	-	-	-	(449,544)
Increase (decrease) in accounts payable and accrued expenses	(33,580)	32,279	(267,162)	(1,398)	(269,861)	-
Increase (decrease) in accrued compensated absences	(7,624)	64,234	(4,499)	-	52,111	-
Increase (decrease) in claims payable	-	-	-	-	-	39,364
Increase (decrease) in deposits payable	-	-	19,250	-	19,250	-
Increase (decrease) in deferred inflows	-	(179,785)	-	(52,293)	(232,078)	-
Net cash provided by (used for) operating activities	<u>\$ (75,549)</u>	<u>\$ (2,269,830)</u>	<u>\$ 205,063</u>	<u>\$ 74,771</u>	<u>\$ (2,065,545)</u>	<u>\$ -</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<i>Pension Trust Funds</i>	<i>Other Post- Employment Benefit Trust Funds</i>	<i>Private- Purpose Trust Funds</i>
Assets			
Cash and cash equivalents	\$ 5,350,817	\$ 2,613,668	\$ 73,103
Investments at fair value:			
U.S. government obligations	6,043,297	-	-
Corporate bonds	5,089,669	-	-
Mortgage backed securities	527,713	-	-
Common stock	22,655,469	5,635,050	-
Mutual and exchange traded funds - equities	50,975,948	1,204,223	11,370
Mutual and exchange traded funds - fixed income	21,942,189	4,231,908	-
Pooled investments	-	1,880,805	-
Total investments	107,234,285	12,951,986	11,370
Contribution receivable	78,520	463,727	-
Accrued interest receivable	73,438	-	-
Total assets	112,737,060	16,029,381	84,473
Liabilities			
Accounts payable and accrued expenses	563	173,011	-
Due to other funds	214,665	-	-
Total liabilities	215,228	173,011	-
Net Position			
Restricted for pension benefits, post-employment benefits and other purposes	\$ 112,521,832	\$ 15,856,370	\$ 84,473

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022

	<u>Pension Trust Funds</u>	<u>Other Post- Employment Benefit Trust Funds</u>	<u>Private- Purpose Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 7,360,037	\$ 5,010,921	\$ -
Plan member	1,694,269	-	-
Total contributions	<u>9,054,306</u>	<u>5,010,921</u>	<u>-</u>
Investment income:			
Net increase (decrease) in fair value of investments	(17,551,992)	(1,999,718)	(1,430)
Interest and dividends	2,285,696	204,452	1,071
Less: investment expense	(493,960)	(96,674)	-
Net investment income	<u>(15,760,256)</u>	<u>(1,891,940)</u>	<u>(359)</u>
Total additions	<u>(6,705,950)</u>	<u>3,118,981</u>	<u>(359)</u>
Deductions			
Benefits	7,526,521	3,063,266	-
Refunds of contributions	138,724	-	-
Administrative expenses	50,584	35,150	-
Total deductions	<u>7,715,829</u>	<u>3,098,416</u>	<u>-</u>
Change in net position	(14,421,779)	20,565	(359)
Net position - beginning of year	<u>126,943,611</u>	<u>15,835,805</u>	<u>84,832</u>
Net position - end of year	<u>\$ 112,521,832</u>	<u>\$ 15,856,370</u>	<u>\$ 84,473</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

The Town Pension Trust, the Police Pension Trust, the Town Other Post-Employment Benefits Trust, and the School Other Post-Employment Benefits Trust are pension and other post-employment benefit plans established by trust agreements as discussed in Note 13 A and B and Note 16 B and C to the financial statements. The fiscal year of the Town Pension Trust, the Police Pension Trust, the Town Other Post-Employment Benefits Trust, and the School Other Post-Employment Benefits Trust ends on June 30. The Town Pension Trust, the Police Pension Trust, the Town Other Post-Employment Benefits Trust, and the School Other Post-Employment Benefits Trust do not issue separate financial statements.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

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

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

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

Fund Financial Statements

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

Governmental Fund Financial Statements

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

TOWN OF NARRAGANSETT, RHODE ISLAND

Notes to Financial Statements

June 30, 2022

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 those 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.

American Rescue Plan Act Fund – The American Rescue Plan Act Fund is used to account for federal ARPA funds received by the Town.

Proprietary Fund Financial Statements

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

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

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

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

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

The Town has one Internal Service Fund as follows:

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

Fiduciary Fund Financial Statements

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- 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. 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 were effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, paragraphs 11b, 13 and 14, effective for the Town’s fiscal year ending June 30, 2022.
- 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 were effective upon issuance.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for the Town’s fiscal year ending June 30, 2022.
- GASB Statement No. 99 – *Omnibus 2022*, effective upon issuance, except for requirements related to leases, PPPs and SBITAs which are effective for the Town’s fiscal year ending June 30, 2023 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 which are effective for the Town’s fiscal year ending June 30, 2024.

The adoption of GASB Statement No. 87, 89, and 98, and portions of GASB Statement No. 92, 93, 97 and 99 applicable in fiscal year 2022 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. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- 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. 99 – *Omnibus 2022*, requirements related to leases, PPPs and SBITAs effective for the Town’s fiscal year ending June 30, 2023 and requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 effective for the Town’s fiscal year ending June 30, 2024.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

- GASB Statement No. 100 – Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 101 – Compensated Absences, effective for the Town’s fiscal year ending June 30, 2025.

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

D. CASH EQUIVALENTS

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

E. INVESTMENTS

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

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

G. UNBILLED SERVICES RECEIVABLE

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

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

I. INVENTORY

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

J. CAPITAL ASSETS AND DEPRECIATION

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

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

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

K. DEBT PREMIUMS

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

L. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net assets 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

In the Governmental Fund Financial Statements, deferred inflows of resources are reported for receivables recorded in the Governmental Fund Financial Statements for which the revenue is not available, or amounts received before the period for which property taxes are levied.

In the Government-Wide Financial Statements, deferred inflows of resources are reported for amounts received before the period for which property taxes or revenues are levied or due and deferred amounts related to refunding debt issues which will be amortized as a component of interest expense in future years. Deferred outflows of resources and deferred inflows of resources are also reported for amounts related to the Town’s pension plans and other post-employment benefit plans that will be amortized as a component of pension and other post-employment benefit expense in future years.

M. PROPERTY TAXES

The Town is permitted by Rhode Island General Law to levy property taxes. Current tax collections for the Town were approximately 99.22% of the total 2021 levy. The tax rate of the Town is established in accordance with Town Ordinance.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

The Town's fiscal 2021-2022 property taxes were levied on June 17, 2021, on assessed valuation as of December 31, 2020. Upon levy, taxes are due and payable between July 1 and July 31 or may be paid quarterly on July 31, October 31, January 31 and April 30. Failure to mail payments by due dates will result in a lien on the taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at 100% of the full and fair value for real estate and tangible personal property and 80% of the value, as determined by the RI Vehicle Valuation Commission, for motor vehicles. A full revaluation of all property was completed as of December 31, 2020.

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

N. LEASES

The Town is lessor for noncancellable leases of building space and land. The Town recognizes leases receivable and deferred inflows of resources in the Government-Wide and Governmental Fund Financial Statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the Town determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The Town uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and periods covered by the lessee or Town's option to extend the lease if it is reasonably certain, based on all relevant factors, that the lessee or Town will exercise that option. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

O. 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 on June 30. Sick leave benefits are based on the sick leave accumulated on 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.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

The liability is calculated at the rate of pay in effect on June 30, 2022.

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

P. 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.

Q. PENSIONS

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

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

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

S. ESTIMATES

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 2 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	<u><i>Beginning Balance</i></u>	<u><i>Additions</i></u>	<u><i>Retirements</i></u>	<u><i>Ending Balance</i></u>
Governmental Activities:				
Nondepreciable assets:				
Land and land easements	\$ 44,866,624	\$ -	\$ -	\$ 44,866,624
Construction in progress	2,166,414	2,286,626	2,196,145	2,256,895
	<u>47,033,038</u>	<u>2,286,626</u>	<u>2,196,145</u>	<u>47,123,519</u>
Depreciable assets:				
Land improvements and infrastructure	57,155,693	2,240,018	-	59,395,711
Buildings and improvements	60,457,670	868,048	-	61,325,718
Machinery and equipment	8,808,869	291,067	-	9,099,936
Vehicles	9,571,047	1,323,537	-	10,894,584
	<u>135,993,279</u>	<u>4,722,670</u>	<u>-</u>	<u>140,715,949</u>
Total capital assets	<u>183,026,317</u>	<u>7,009,296</u>	<u>2,196,145</u>	<u>187,839,468</u>
Less accumulated depreciation for:				
Land improvements and infrastructure	35,161,943	1,569,383	-	36,731,326
Buildings and improvements	34,587,402	2,214,824	-	36,802,226
Machinery and equipment	6,004,570	463,058	-	6,467,628
Vehicles	6,628,505	882,644	-	7,511,149
	<u>82,382,420</u>	<u>5,129,909</u>	<u>-</u>	<u>87,512,329</u>
Governmental activities capital assets, net	<u>\$ 100,643,897</u>	<u>\$ 1,879,387</u>	<u>\$ 2,196,145</u>	<u>\$ 100,327,139</u>
Business-Type Activities:				
Nondepreciable assets:				
Land	\$ 3,186,280	\$ -	\$ -	\$ 3,186,280
Construction in progress	116,355	120,620	71,542	165,433
	<u>3,302,635</u>	<u>120,620</u>	<u>71,542</u>	<u>3,351,713</u>
Depreciable assets:				
System improvements and infrastructure	38,388,061	-	-	38,388,061
Buildings and improvements	24,353,971	85,510	-	24,439,481
Machinery and equipment	3,778,681	252,872	-	4,031,553
Vehicles	755,933	-	-	755,933
	<u>67,276,646</u>	<u>338,382</u>	<u>-</u>	<u>67,615,028</u>
Total capital assets	<u>70,579,281</u>	<u>459,002</u>	<u>71,542</u>	<u>70,966,741</u>
Less accumulated depreciation for:				
System improvements and infrastructure	21,440,285	604,737	-	22,045,022
Buildings and improvements	12,655,864	801,236	-	13,457,100
Machinery and equipment	2,406,389	97,787	-	2,504,176
Vehicles	550,269	62,187	-	612,456
	<u>37,052,807</u>	<u>1,565,947</u>	<u>-</u>	<u>38,618,754</u>
Business-type activities capital assets, net	<u>\$ 33,526,474</u>	<u>\$ (1,106,945)</u>	<u>\$ 71,542</u>	<u>\$ 32,347,987</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Depreciation expense was charged to governmental functions as follows:

General government	\$ 246,029
Public safety	561,286
Public works	1,781,121
Parks and recreation	406,598
Public libraries	11,776
Education	2,123,099
Total Depreciation Expense	\$ 5,129,909

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

Water	\$ 347,612
Sewer	883,025
Beach	321,175
Middlebridge Recreation	14,135
Total Depreciation Expense	\$ 1,565,947

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value which approximates \$182,743,793. As of June 30, 2022, the Town's debt subject to the legal debt margin is \$709,000 and the Town is under the debt limit by \$182,034,793. The debt subject to the debt limitation is based on the type of debt that is issued.

NOTE 4 – CASH DEPOSITS

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

	<i>Carrying Amount</i>
Total Deposits	\$32,167,505
Add: Petty Cash	13,358
Add: Investments classified as cash equivalents	2,408,644
Less: Cash and cash equivalents classified as investments	(499,206)
Total Cash and Cash Equivalents Reported in the Financial Statements	\$34,090,301

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.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

As of June 30, 2022 \$13,077,465 of the Town’s bank balance of \$33,910,299 was exposed to custodial credit risk as follows:

	Bank Balance
Insured (federal depository insurance funds)	\$20,832,834
Collateralized with securities held by pledging financial institution or its agent, in the Town’s name	8,381,302
Collateralized with securities held by pledging financial institution or its agent, but not in the Town’s name	2,799,526
Uninsured and uncollateralized	1,896,637
Total	\$33,910,299

Under Rhode Island General Laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. On June 30, 2022, the Town's uncollateralized deposits with institutions were \$1,896,637. These deposits are held by institutions that meet the minimum capital standards prescribed by the federal regulators.

NOTE 5 – INVESTMENTS

The Town has investment policies for its operating funds. Operating funds include all funds except retirement funds, other pension employees’ benefits, the proceeds of certain debt issues and the assets of trust funds and endowments. Permitted investments include: U.S. Treasury obligations which carry the full faith and credit guarantee of the United States; U.S. government agency and instrumentality obligations that have a liquid market readily determinable market value; certificates of deposit; bankers’ acceptances; investment-grade commercial paper; investment-grade corporate bonds with a minimum Baa2/BBB credit rating and no more than 7 years until maturity; investment-grade obligations of state, provincial and local governments and public authorities; repurchase agreements whose underlying purchased securities consist of the aforementioned instruments; money market mutual funds regulated by the SEC whose portfolios consist of dollar-denominated securities; and local government investment pools either state-administered or developed through joint powers statutes and other intergovernmental agreement legislation whose weighted average maturity does not exceed 90 days. All marketable securities are to be held by the counterparty in the Town’s name. The following investment guidelines apply to operating funds:

- Tier 1 - Liquidity Investment Portfolio – shall be a minimum of 25% of operating fund assets and may be invested in bank deposits and money market funds with daily liquidity.
- Tier 2 – Short-Term Reserve Portfolio – may be a maximum of 75% of operating fund assets and may be invested in bank deposits, money market funds with daily liquidity, U.S.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

government treasuries, agency mortgage-backed securities and municipal bonds (minimum Aa3/AA- credit rating). A minimum of 10% shall be invested in U.S. government treasuries. A minimum of 30% shall be invested in U.S. government treasuries and agency guaranteed mortgages. The portfolio duration must not exceed 5 years and no bond's duration may exceed 6 years at time of purchase.

- Tier 3 – Intermediate-Term Reserve Portfolio – may be a maximum of 50% of operating fund assets and may be invested in bank deposits, money market funds with daily liquidity, U.S. government treasuries, agency mortgage-backed securities, municipal bonds (minimum Aa3/AA- credit rating, maximum duration of 7 years), investment-grade corporate bonds (minimum Baa2/BBB credit rating, maximum duration of 7 years), exchange traded funds that fit pool criteria and mutual funds that fit pool criteria. A minimum of 10% shall be invested in U.S. government treasuries and agency mortgage-backed securities. A maximum of 25% may be invested in investment-grade corporate bonds with a minimum Baa2/BBB credit rating and no more than a 7-year maturity. A maximum of 75% may be invested in taxable municipal bonds with a minimum A3/A- credit rating and no more than a 7-year duration. The portfolio duration must not exceed 5 years and no bond's duration may exceed 7 years at time of purchase.

The Town has the following investment policies for the Pension Trust Funds:

- Equities (including convertible securities) may represent up to 70% of the account's market value with a minimum requirement of 25%.
- International Securities should not exceed 20% of the total plan assets.
- Fixed income (including preferred stocks) is not to exceed 75% of the account's market value with a minimum requirement of 30%.
- Cash equivalents (including all senior debt securities with under 1 year to maturity) may be held to a maximum of 30% of the account's market value.
- No manager shall hold greater than 15% of the total pension plan assets, calculated on an annual basis.
- Manager's investments in any one equity security (except mutual funds, exchange traded funds (ETFs), and U.S. Government and Agency securities) should not exceed 5% at cost of the total market value of the respective manager's portfolio and should not exceed 10% of the portfolio at any time.
- No more than 25% of the equity portfolio should be invested in any one of the following S&P 500 sectors: consumer cyclical, consumer staple, basic industrial, transportation, energy, capital goods and construction, utilities, finance, health care, and technology.
- Fixed income investments will be diversified by industry and by maturity. Not more than 5% of the portfolio value will be invested in any one issuer with the exception of the U.S. Government or its agencies.
- Average effective duration for the fixed income portfolio will not exceed six (6) years.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

- Fixed income investments must be rated at least Baa2 or its equivalent by at least one recognized bond rating service. At least 80% of the fixed income portfolio must carry a rating of A or its equivalent by one rating agency.
- Current holdings that are not rated at least Baa2 or its equivalent by one rating agency must be sold within a reasonable period of time, not to exceed six (6) months.
- The Manager is prohibited from investing in private placements and from speculating in fixed income or interest rate futures.
- The Managers may invest in commercial paper, repurchase agreements, Treasury Bills, certificate of deposits, and money market funds. All such assets must represent maturities of one year or less at time of purchase. Commercial paper must be rated P-1 or A-1 by Standards & Poor's or Moody's respectively.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

As of June 30, 2022 the Town had the following investments:

<u>Investments</u>	<u>Fair Value</u>	<u>Rating (Moody's/S&P)</u>
Corporate Bonds	\$ 373,721	Aaa
Corporate Bonds	173,683	Aa2
Corporate Bonds	95,893	Aa3
Corporate Bonds	916,905	A1
Corporate Bonds	1,662,836	A2
Corporate Bonds	982,283	A3
Corporate Bonds	889,581	Baa1
Corporate Bonds	1,217,446	Baa2
Corporate Bonds	104,456	Baa3
Corporate Bonds	35,543	WR
Municipal Bonds	1,583,593	Aaa
Municipal Bonds	2,939,779	Aa1
Municipal Bonds	4,173,290	Aa2
Municipal Bonds	744,553	Aa3
Municipal Bonds	345,628	A3
Municipal Bonds	1,111,110	Not rated
US Government Obligations	8,410,217	Aaa
Mortgage-Backed Securities	3,049,953	Aaa
Mortgage-Backed Securities	863,036	WR
Mortgage-Backed Securities	2,433	Not rated
Mutual Funds & ETFs - Fixed Income	1,849,745	AAA
Mutual Funds & ETFs - Fixed Income	1,741,575	AA
Mutual Funds & ETFs - Fixed Income	5,696,102	AA-
Mutual Funds & ETFs - Fixed Income	586,710	A+
Mutual Funds & ETFs - Fixed Income	3,726,082	A
Mutual Funds & ETFs - Fixed Income	7,908,813	A-
Mutual Funds & ETFs - Fixed Income	488,284	BBB+
Mutual Funds & ETFs - Fixed Income	662,867	B+
Mutual Funds & ETFs - Fixed Income	619,079	B-
Mutual Funds & ETFs - Fixed Income	2,894,840	Not rated
Mutual Funds & ETFs - Equities	52,191,541	Not applicable
Common Stock	28,290,519	Not applicable
Money Market Funds	8,304,732	Aaa-mf
Trust OPEB Funding Program	1,880,805	Not rated
	<hr/>	
	146,517,633	
Add: Cash classified as investments	499,206	
Less: Investment classified as cash and cash equivalents	<hr/> (2,408,644) <hr/>	
Total investments reported in the financial statements	<hr/> \$ 144,608,195 <hr/>	

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>					
		<u>Less than 1 Year</u>	<u>1-5 Years</u>	<u>6-10 Years</u>	<u>11-15 Years</u>	<u>16-20 Years</u>	<u>20-25 Years</u>
Corporate Bonds	\$ 6,452,347	\$ 307,780	\$ 3,138,769	\$ 2,828,603	\$ 177,195	\$ -	\$ -
Municipal Bonds	10,897,953	84,436	8,299,279	2,514,238	-	-	-
US Government Obligations	8,410,217	731,384	6,727,531	951,302	-	-	-
Mortgage-Backed Securities	3,915,422	430,001	3,159,244	-	326,177	-	-
Mutual Funds & ETFs -							
Fixed Income	18,857,721	-	2,100,852	10,097,248	2,801,897	3,726,082	131,642
Money Market Funds	8,304,732	8,304,732	-	-	-	-	-
Total	\$ 56,838,392	\$ 9,858,333	\$ 23,425,675	\$ 16,391,391	\$ 3,305,269	\$ 3,726,082	\$ 131,642

Mutual fund and exchange traded fund maturity is based on average maturity of the fund. \$7,316,376 of the Town’s mutual funds and exchange traded funds do not have average maturity information available.

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

<i>Currency</i>	<i>Fair Value</i>	
	<i>Equities</i>	<i>Fixed Income Securities</i>
Australian dollar	\$ -	\$ 44,880
Canadian dollar	-	651,634
Euro	841,600	101,788
Mexican peso	-	40,782
Pound sterling	119,394	178,434
Swiss franc	225,025	-
	\$ 1,186,019	\$ 1,017,518

The Town's investment in mutual funds and ETFs includes \$3,114,057 in international fixed income funds and \$16,239,840 in international equity funds.

NOTE 6 – FAIR VALUE MEASUREMENTS

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

The Town has the following recurring fair value measurements as of June 30, 2022:

<i>Investments by fair value level:</i>	<i>June 30, 2022</i>	<i>Fair Value Measurements Using:</i>		
		<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>
Common Stock	\$ 28,290,519	\$ 28,290,519	\$ -	\$ -
Mutual Funds & ETFs - Equities	52,191,541	52,191,541	-	-
Mutual Funds & ETFs - Fixed Income	26,174,097	26,174,097	-	-
Corporate Bonds - Domestic Investment Grade	5,434,829	-	5,434,829	-
Fixed Income - Global/Foreign	1,017,518	-	1,017,518	-
Fixed Income - Municipal Bonds	10,897,953	-	10,897,953	-
Fixed Income - US Government	8,410,217	-	8,410,217	-
Mortgage-Backed Securities	3,915,422	-	3,915,422	-
<i>Total investments measured by fair value level</i>	136,332,096	\$ 106,656,157	\$ 29,675,939	\$ -
<i>Investments measured at net asset value (NAV):</i>				
Money Market Funds	8,304,732			
Trust OPEB Funding Program	1,880,805			
<i>Total investments measured at fair value</i>	\$ 146,517,633			

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

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

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

NOTE 7 – LEASES RECEIVABLE

During the current fiscal year, the Town had seven lease agreements to lease building space and land to various third parties. The lease terms were initially 5 years with the Town's options to extend five of these leases for 1-4 additional terms in 5-year increments in accordance with individual lease agreements. The Town receives fixed monthly payments for five of the leases and payments for the other two leases are received based on payment dates and amounts listed in the individual lease agreements. The leases contain annual increases ranging between 0% and 5% in accordance with individual lease agreements. The Town recognized \$253,139 in lease revenue and \$37,720 in interest revenue during the fiscal year 2022 related to these leases. As of June 30, 2022, the Town's receivable for lease payments was \$2,936,217. Also, the Town has deferred inflows of resources associated with these leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflows of resources was \$2,936,217.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 8 – LONG TERM LIABILITIES

A. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds, notes, and loans payable:					
General obligation bonds	\$ 22,250,000	\$ 6,265,000	\$ 1,830,000	\$ 26,685,000	\$ 2,180,000
General obligation bonds and notes from direct placements	2,800,000	-	200,000	2,600,000	200,000
Loans from direct borrowings	707,984	-	188,885	519,099	179,921
	<u>25,757,984</u>	<u>6,265,000</u>	<u>2,218,885</u>	<u>29,804,099</u>	<u>2,559,921</u>
Plus amortized premium on bonds	1,895,110	409,825	182,709	2,122,226	-
Total bonds, notes and loans payable	<u>27,653,094</u>	<u>6,674,825</u>	<u>2,401,594</u>	<u>31,926,325</u>	<u>2,559,921</u>
Other liabilities:					
Financed purchase payable	31,705	-	6,675	25,030	6,675
Compensated absences	4,379,324	327,662	133,225	4,573,761	941,071
Pollution remediation obligations	1,422,041	-	85,574	1,336,467	87,098
Net pension liabilities	63,038,550	17,099,976	-	80,138,526	-
Net other post-employment benefit liabilities	34,714,036	-	2,302,493	32,411,543	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 131,238,750</u>	<u>\$ 24,102,463</u>	<u>\$ 4,929,561</u>	<u>\$ 150,411,652</u>	<u>\$ 3,594,765</u>
Business Type Activities:					
Loans payable:					
Loans from direct borrowings	\$ 685,307	\$ -	\$ 166,000	\$ 519,307	\$ 169,000
Total loans payable	<u>685,307</u>	<u>-</u>	<u>166,000</u>	<u>519,307</u>	<u>169,000</u>
Other liabilities:					
Compensated absences	407,151	64,235	12,123	459,263	74,497
Business-Type Activities Long-Term Liabilities	<u>\$ 1,092,458</u>	<u>\$ 64,235</u>	<u>\$ 178,123</u>	<u>\$ 978,570</u>	<u>\$ 243,497</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

B. GENERAL OBLIGATION BONDS AND NOTES PAYABLE DEBT SERVICE REQUIREMENTS

The debt service requirements on June 30, 2022, were as follows:

<u>Fiscal Year Ended June 30,</u>	<i>Governmental Activities General Obligation Bonds</i>		<i>Governmental Activities General Obligation Bonds and Notes from Direct Placements</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 2,180,000	\$ 982,548	\$ 200,000	\$ 40,792
2024	2,230,000	909,268	200,000	37,664
2025	2,280,000	813,574	200,000	34,536
2026	2,340,000	718,049	200,000	31,408
2027	2,400,000	613,324	200,000	28,280
2028-2032	8,215,000	1,734,883	960,000	94,480
2033-2037	4,965,000	686,619	640,000	25,280
2038-2042	2,075,000	164,250	-	-
	<u>\$ 26,685,000</u>	<u>\$ 6,622,515</u>	<u>\$ 2,600,000</u>	<u>\$ 292,440</u>

C. LOANS PAYABLE FROM DIRECT BORROWINGS DEBT SERVICE REQUIREMENTS

The debt service requirements on June 30, 2022, were as follows:

<u>Fiscal Year Ended June 30,</u>	<i>Governmental Activities Loans from Direct Borrowings</i>		<i>Business-Type Activities Loans from Direct Borrowings</i>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 179,921	\$ 5,471	\$ 169,000	\$ 9,137
2024	52,000	3,346	173,000	5,571
2025	52,000	2,342	177,307	1,879
2026	54,000	1,249	-	-
2027	34,000	789	-	-
2028-2031	106,000	(237)	-	-
	<u>\$ 477,921</u>	<u>\$ 12,960</u>	<u>\$ 519,307</u>	<u>\$ 16,587</u>

On July 11, 2005 and May 16, 2022, the Town entered into loan agreements with the RI Infrastructure Bank for \$250,000 and \$300,000, respectively, to be used to finance the Community Septic System Loan Program (CSSLP). The loans are evidenced by non-restoring line of credit promissory notes. The loans bear interest of 0% and discharge of the loans is the later of the date on which all loans made by the Town under the CSSLP have been paid back or July 1, 2022 or July 1, 2032, respectively. The balance of the loans as of June 30, 2022 is \$41,178 and the balance available to be drawdown is \$322,825.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

D. FINANCED PURCHASE PAYABLE

The Town acquired equipment valued at \$40,048 using a financed purchase agreement. The agreement bears interest of 0%.

Obligations of governmental activities under the financed purchase agreement on June 30, 2022 were as follows:

<u><i>Fiscal Year Ended June 30,</i></u>	<u><i>Principal</i></u>
2023	\$ 6,675
2024	6,675
2025	6,674
2026	5,006
	<u>\$ 25,030</u>

TOWN OF NARRAGANSETT, RHODE ISLAND

Notes to Financial Statements

June 30, 2022

E. BONDS, NOTES AND LOANS PAYABLE

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2021</u>	<u>New Issues</u>	<u>Refundings/ Maturities During Year</u>	<u>Outstanding June 30, 2022</u>
Governmental Activities:								
General Obligation Bonds:								
Road Bond	07/02/2014	2.00-4.00%	07/15/2034	\$ 4,100,000	\$ 2,870,000	\$ -	\$ 205,000	\$ 2,665,000
General Obligation Bond	11/08/2016	2.00-3.00%	11/01/2036	6,100,000	4,880,000	-	305,000	4,575,000
School Refunding	04/11/2017	3.00-5.00%	05/15/2029	12,029,000	10,000,000	-	1,070,000	8,930,000
Road Bond	05/08/2019	3.00-5.00%	05/15/2039	5,000,000	4,500,000	-	250,000	4,250,000
Road Bond	3/31/2022	3.00-4.00%	3/15/2042	3,000,000	-	3,000,000	-	3,000,000
Library Bond	3/31/2022	3.00-4.00%	3/15/2042	3,265,000	-	3,265,000	-	3,265,000
Total General Obligation Bonds					22,250,000	6,265,000	1,830,000	26,685,000
General Obligation Bonds and Notes from Direct Placements:								
Library Bond	02/04/2021	1.58%	02/01/36	2,400,000	2,400,000	-	160,000	2,240,000
Library Note	02/04/2021	1.50%	2/1/2031	400,000	400,000	-	40,000	360,000
Total General Obligation Bonds and Notes from Direct Placements					2,800,000	-	200,000	2,600,000
Loans from Direct Borrowings:								
Rose Hill Closing and Capping	09/03/2002	1.68%	09/01/2022	2,000,000	254,268	-	125,347	128,921
Narrow River	12/12/2007	1.64-2.04%	09/01/2029	600,000	299,000	-	31,000	268,000
Landfill Closure	12/15/2005	1.59-2.00%	09/01/2025	350,000	100,000	-	19,000	81,000
Community Septic System Loans	(1)	0%	(1)	(1)	54,716	-	13,538	41,178
Total Loans from Direct Borrowings					707,984	-	188,885	519,099
Total Governmental Activities					25,757,984	6,265,000	2,218,885	29,804,099
Business -Type Activities:								
Loans from Direct Borrowings:								
Briggs Farm Sewer Project	11/13/2003	0.97-2.12%	09/01/2024	-	685,307	-	166,000	519,307
Total Loans from Direct Borrowings					685,307	-	166,000	519,307
Total Business-Type Activities					685,307	-	166,000	519,307
Total Bonds, Notes and Loans Payable					\$ 26,443,291	\$ 6,265,000	\$ 2,384,885	\$ 30,323,406

(1) See Note 8 -C to the financial statements

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

F. POLLUTION REMEDIATION OBLIGATIONS

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

Rose Hill Regional Landfill – Rose Hill was previously operated by the Towns of South Kingstown and Narragansett. In September 2002, the US EPA, the Rhode Island Department of Environmental Management (RIDEM) and the Towns of Narragansett and South Kingstown entered into a Final Consent Decree for remediation of Rose Hill. Since then, the site has been capped and long-term groundwater and air monitoring has commenced to determine the effectiveness of the cap and what, if any, additional remediation actions may be necessary in the future. The current estimated total cost of completing the clean-up of Rose Hill is \$21,534,036. The Town's share of this obligation is estimated to be \$4,511,941. In prior years, the Town paid \$2,000,000 to the Federal Government to settle all past liabilities associated with Rose Hill and \$504,931 for its share of natural resource damages. The Final Consent Decree also requires reimbursement to the State of 30% of the costs associated with remediation of this landfill and ongoing operation and maintenance costs. These costs will be shared equally by the two towns. The Town has paid \$840,543 to date for its share of remediation of the landfill and operation and maintenance costs. The Town's remaining share of the estimated cost, totaling \$1,166,467 on June 30, 2022, will be paid to the State over a 15-year period. Accordingly, \$1,166,467 has been reported as a pollution remediation obligation in the government-wide financial statements.

West Kingston/URI Disposal Area Landfills – The West Kingston/URI Disposal Area Landfills, also known as the Plains Road Landfill (Plains Road), was added to the Superfund list in 1992. The Towns of Narragansett and South Kingstown and the University of Rhode Island (URI) were named as potentially responsible parties. The Towns of Narragansett and South Kingstown and URI have agreed to participate in the remediation of the site under State landfill closure regulations. A consent decree was entered for the site as well. The current estimated cost of completing the clean-up of Plains Road is \$7,477,520. The Town's share of this obligation is estimated to be \$1,678,538. The Town has paid \$1,508,538 to date related to its obligation with an estimated \$170,000 remaining for ongoing operation and maintenance costs on June 30, 2022. Accordingly, \$170,000 has been reported as a pollution remediation obligation in the government-wide financial statements.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 9 – INTERFUND RECEIVABLES AND PAYABLES

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

	<i>Due From:</i>			
<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Pension Trust Funds</i>	<i>Total</i>	
<i>Due To:</i>				
General Fund	\$ -	\$ 871,568	\$ 214,665	\$ 1,086,233
Nonmajor Governmental Funds	3,983,324	-	-	3,983,324
Total	\$ 3,983,324	\$ 871,568	\$ 214,665	\$ 5,069,557

The outstanding balances between funds 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.

	<i>Advances from: Nonmajor Governmental Funds</i>
<i>Advances to:</i>	
General Fund	\$ 1,082,030
Total	\$ 1,082,030

The amount payable to the General Fund relates to a working capital loan made to the Library Building Fund. None of the balance is scheduled to be collected in the subsequent year.

NOTE 10 – INTERFUND TRANSFERS

	<i>Transfer In: Nonmajor Governmental Funds</i>
<i>Transfer Out:</i>	
General Fund	\$ 6,234,378
Total	\$ 6,234,378

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.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 11 – NET POSITION/FUND BALANCES

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

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

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

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

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

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

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

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

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

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

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

Committed fund balances are established, modified, or rescinded by an ordinance or resolution adopted by the Town Council. The Town Council delegates to the Town Manager the authority to assign amounts to be used for specific purposes. 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 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for sewer assessments, sewer lot development fees and community development loans receivable. The real estate and personal property tax receivable includes an allowance for doubtful accounts of \$221,195.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities on June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental activities:				
General Fund	\$ 449,538	\$ 1,061,089	\$ 384,862	\$ 1,895,489
Other Governmental Funds	484,955	21,460	-	506,415
Internal Service Fund	-	169,689	-	169,689
Total	<u>\$ 934,493</u>	<u>\$ 1,252,238</u>	<u>\$ 384,862</u>	<u>\$ 2,571,593</u>
Business-Type activities:				
Water Fund	\$ 129,017	\$ 11,893	\$ 2,013	\$ 142,923
Sewer Fund	112,251	22,761	692	135,704
Beach Fund	54,547	36,072	-	90,619
Middlebridge Recreation Fund	555	-	-	555
Total	<u>\$ 296,370</u>	<u>\$ 70,726</u>	<u>\$ 2,705</u>	<u>\$ 369,801</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 13 – POST-EMPLOYMENT BENEFITS

A. TOWN PLAN

Plan Description

Plan Administration - The Town of Narragansett administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 16. On August 1, 2011, the Town Council authorized the creation of an OPEB Trust Fund. The Finance Director is responsible for administration of the plan in accordance with the Trust Agreement dated September 8, 2011 with Town Council oversight. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report.

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

Active employees (with and without coverage)	173
Retirees and beneficiaries	<u>162</u>
	<u><u>335</u></u>

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

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

- Council 94 – date of retirement on/after January 1, 2010 and prior to January 1, 2012 – 2% of monthly pension; date of retirement on/after January 1, 2012 – 10% of health and dental premiums; date of retirement on/after July 1, 2012 – 12% of health and dental premiums; date of retirement on/after July 1, 2013 – 15% of health and dental premiums; date of retirement on/after July 1, 2018 – 20% of health and dental premiums

TOWN OF NARRAGANSETT, RHODE ISLAND

Notes to Financial Statements

June 30, 2022

- Local 1033 – date of retirement after January 1, 2011 and prior to January 1, 2012 – 2% of monthly pension; retire after January 1, 2012 – 10% of health and dental premiums; retire after January 1, 2013 – 12% of health and dental premiums. For those hired prior to July 1, 1996 who: retire between July 1, 2014 and June 30, 2015 – 5% of health and dental premiums; retire between July 1, 2015 and June 30, 2016 – 10% of health and dental premiums; retire between July 1, 2016 and June 30, 2018 – 15% of health and dental premiums; retire after July 1, 2018 – 20% of health and dental premiums. For those hired on/after July 1, 1996 who retire on/after July 1, 2014 – 20% of health and dental premium.
- Non-Union – 2% of monthly pension

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

Firefighters – Employees who have 20 years of service are eligible for lifetime medical, dental and life insurance benefits if hired prior to July 1, 2013. Firefighters hired on/after July 1, 2013 must have 25 years of service to be eligible for benefits. Employees retiring prior to January 1, 2011 have no employee contribution. Employees retiring on/after January 1, 2011 but prior to January 1, 2017 must contribute 20% of their health premium (for retirees and spouses). These retirees will no longer be eligible for subsidized Medicare Supplement coverage. Employees retiring on/after January 1, 2017 will receive health coverage through a Blue Solutions HDHP plan with no contribution requirement.

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

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

Contributions - Contribution requirements are negotiated between the Town and the respective unions or are established by Town Ordinance for non-union employees. The Town is required to contribute the cost of medical, dental and life benefits, less the amount of any applicable retiree share of

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

premiums. For the year ended June 30, 2022, the Town’s contribution was based on the adopted budget which was more than the actuarially determined contribution. For the fiscal year ended June 30, 2022, the Town contributed \$4,155,176 to the plan. Administrative costs are paid from plan assets.

Summary of Significant Accounting Policies

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

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

Investments

Investment Policy – The Finance Director may invest funds held in the OPEB Trust Fund in accordance with the Trust Agreement and State Law in the following types of investments: common or preferred stocks, bonds, notes, debentures, mortgages, equipment or investment trust certificates, mutual funds or other pooled investment vehicles, and other evidence of indebtedness.

Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -14.17%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Town Plan

The components of the net OPEB liability of the Town on June 30, 2022, were as follows:

Total OPEB Liability	\$43,899,183
OPEB Plan Fiduciary Net Position	<u>(13,511,838)</u>
Net OPEB Liability	<u><u>\$30,387,345</u></u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	30.8%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	Age 20 - 10%; Age 30 - 6%; Age 40 – 4.5%; Age 50 – 4.25%; Age 55+ - 4%
Inflation	2%

TOWN OF NARRAGANSETT, RHODE ISLAND
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Investment Rate of Return	6.5% (prior year 7.15%)
Mortality	Police and Fire - SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020; Surviving Spouses – SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020; All Other – SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	37.6%	2.00%
Domestic Equity	39.0%	4.65%
International Equity	14.2%	5.28%
REITs	3.0%	4.50%
Commodities	1.2%	3.00%
Alternatives	3.0%	2.00%
Cash & Cash Equivalent	2.0%	0.50%
	<u>100.0%</u>	

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total OPEB liability as of June 30, 2022 were consistent with an actuarial experience study performed in 2021.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Discount Rate – The discount rate used to measure the OPEB liability was 6.5% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the greater of \$3,000,000 or the expected benefit payments. Based on those assumptions, the Town Plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The prior measurement date used a discount rate of 7.15%.

Town Plan - Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2021	\$45,547,640	\$13,520,006	\$32,027,634
Changes for the Year:			
Service cost	788,997	-	788,997
Interest on the total OPEB liability	3,224,200	-	3,224,200
Changes in benefits	-	-	-
Difference between expected and actual experience	(5,396,745)	-	(5,396,745)
Changes in assumptions	2,264,623	-	2,264,623
Employer contributions	-	4,155,176	(4,155,176)
Plan member contributions	-	-	-
Net investment income	-	(1,598,662)	1,598,662
Benefit payments, including employee refunds	(2,529,532)	(2,529,532)	-
Administrative expense	-	(35,150)	35,150
Other changes	-	-	-
Net changes	(1,648,457)	(8,168)	(1,640,289)
Balances as of June 30, 2022	\$43,899,183	\$13,511,838	\$30,387,345

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

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability	\$35,493,293	\$30,387,345	\$26,128,768

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the Town Plan, as well as what the Town Plan’s net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6.5%

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

decreasing to 3.5%) and 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	<i>1% Decrease (6.5% decreasing to <u>3.5%</u>)</i>	<i>Current Healthcare Cost Trend Rates (7.5% decreasing to <u>4.5%</u>)</i>	<i>1% Increase (8.5% decreasing to <u>5.5%</u>)</i>
Net OPEB Liability	\$26,075,422	\$30,387,345	\$35,558,561

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

For the year ended June 30, 2022, the Town recognized OPEB expense of \$2,634,897. On June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$857,154	\$5,271,220
Changes in assumptions	5,166,492	247,622
Net difference between projected and actual earnings on OPEB plan investments	<u>1,757,853</u>	<u>-</u>
Total	<u>\$7,781,499</u>	<u>\$5,518,842</u>

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

Year ended June 30:	
2023	\$189,577
2024	607,421
2025	514,850
2026	950,809

B. SCHOOL PLAN

Plan Description

Plan Administration - The Narragansett School System administers a single-employer, defined benefit post-employment benefit plan. This plan does not include the pension benefits discussed in Note 16. On May 17, 2017, the School Committee authorized the creation of an OPEB Trust Fund. The Director of Finance and Administration is responsible for administration of the plan in accordance with the Trust Agreement effective May 17, 2017 with School Committee oversight. The plan is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

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

Active employees (with and without coverage)	222
Retirees and beneficiaries	199
	<hr/>
	421
	<hr/>

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

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

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

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

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

Contributions - Contribution requirements are negotiated between the School System and the respective unions or are established by employee contract for non-union employees. The School System is required to contribute the cost of medical, dental and life insurance benefits, less the amount of any applicable retiree share of premiums. For the year ended June 30, 2022, the plan operated on a pay as you go basis, and no provision has been made to fund future benefits to be provided to plan members. For the fiscal year ended June 30, 2022, the School System contributed \$855,745 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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

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

Investments

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

Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -13.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the School Plan

The components of the net OPEB liability of the Town on June 30, 2022, were as follows:

Total OPEB Liability	\$4,368,730
OPEB Plan Fiduciary Net Position	<u>(2,344,532)</u>
Net OPEB Liability	<u>\$2,024,198</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	53.7%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Cost Method
Salary Increases	General wage inflation of 3.0% plus merit increases
Inflation	2.2% (prior year 1.9%)
Investment Rate of Return	6.5% (prior year 5.6%)
Mortality	Teachers and Administrators - SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2020; Support Employees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020; Surviving

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Spouses – SOA Pub-2010 Contingent Survivor
Headcount Weighted Mortality Table fully
generational using Scale MP-2020

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

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	33.0%	6.5%
Non-US Equity	21.0%	8.4%
U.S. Aggregate Bonds	15.0%	4.0%
Intermediate-Term Credit	10.0%	4.6%
Short-Term Credit	5.0%	4.2%
Intermediate-Term TIPS	10.0%	3.7%
REITs	6.0%	6.4%
	<hr style="width: 100%; border: 0.5px solid black;"/> 100.0%	

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total OPEB liability as of June 30, 2022 were consistent with an actuarial experience study performed in 2021.

Discount Rate – The discount rate used to measure the OPEB liability was 6.5% for the School Plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the School Plan’s net fiduciary position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The prior measurement date used a discount rate of 5.6%.

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School Plan - Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2021	\$5,002,201	\$2,315,799	\$2,686,402
Changes for the Year:			
Service cost	178,662	-	178,662
Interest on the total OPEB liability	271,632	-	271,632
Changes in benefits	-	-	-
Difference between expected and actual experience	(298,774)	-	(298,774)
Changes in assumptions	(251,257)	-	(251,257)
Employer contributions	-	855,745	(855,745)
Plan member contributions	-	-	-
Net investment income	-	(293,278)	293,278
Benefit payments, including employee refunds	(533,734)	(533,734)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	(633,471)	28,733	(662,204)
Balances as of June 30, 2022	\$4,368,730	\$2,344,532	\$2,024,198

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

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
Net OPEB Liability	\$2,304,642	\$2,024,198	\$1,767,917

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the School Plan, as well as what the School Plan's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (6.5% decreasing to 3.5%) and 1-percentage-point higher (8.5% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (6.5% decreasing to 3.5%)	Current Healthcare Cost Trend Rates (7.5% decreasing to 4.5%)	1% Increase (8.5% decreasing to 5.5%)
Net OPEB Liability	\$1,750,288	\$2,024,198	\$2,341,045

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

For the year ended June 30, 2022, the School System recognized OPEB expense of \$460,556. On June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$1,152,861	\$515,382
Changes in assumptions	440,159	252,003
Net difference between projected and actual earnings on OPEB plan investments	<u>161,645</u>	<u>-</u>
Total	<u>\$1,754,665</u>	<u>\$767,385</u>

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

Year ended June 30:

2023	\$139,826
2024	140,146
2025	136,379
2026	197,686
2027	125,239
Thereafter	248,004

C. AGGREGATE OPEB AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	<u>Deferred Outflows of Resources – OPEB Amounts</u>	<u>Deferred Inflows of Resources – OPEB Amounts</u>	<u>Net OPEB Liability</u>	<u>OPEB Expense</u>
Town Plan	\$7,781,499	\$5,518,842	\$30,387,345	\$2,634,897
School Plan	<u>1,754,665</u>	<u>767,385</u>	<u>2,024,198</u>	<u>460,556</u>
Total	<u>\$9,536,164</u>	<u>\$6,286,227</u>	<u>\$32,411,543</u>	<u>\$3,095,453</u>

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NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES

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

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

NOTE 15 – RISK MANAGEMENT

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

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

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

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

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

The claims liability of \$169,689 reported in the Internal Service Fund on June 30, 2022 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

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

	<u><i>Beginning Fiscal Year Liability</i></u>	<u><i>Current Year Claims and Changes In Estimate</i></u>	<u><i>Claims Payments</i></u>	<u><i>Balance Fiscal Year End</i></u>
2021-2022	\$130,325	\$2,960,038	\$2,920,674	\$169,689
2020-2021	\$294,299	\$2,768,918	\$2,932,892	\$130,325

NOTE 16 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plan

General Information about the Pension Plan

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

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

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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 on September 30, 2009 may retire with 10 years of service at age 60 or after 28 years of service at any age. The retirement eligibility age increases proportionately for other members reflecting years of service and other factors until it aligns with the Social Security Normal Retirement Age, which applies to any member with less than 5 years of service as of July 1, 2012. Members are vested after 5 years of service.

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2022, Narragansett School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Narragansett School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Narragansett School Department; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2022 for the State and Narragansett School Department, respectively. The Narragansett School Department contributed \$2,046,098, \$1,873,366, and \$1,845,961 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$1,389,607 for fiscal year 2022 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

On June 30, 2022, the Narragansett School Department reported a liability of \$15,616,295 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Narragansett School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was

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associated with the Narragansett School Department were as follows:

Narragansett School Department's proportionate share of the net pension liability	\$15,616,295
State's proportionate share of the net pension liability associated with the Narragansett School Department	<u>11,580,882</u>
Total net pension liability	<u><u>\$27,197,177</u></u>

The net pension liability was measured as of June 30, 2021, 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, 2020 rolled forward to June 30, 2021. The Narragansett School Department's proportion of the net pension liability was based on a projection of the Narragansett School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. On June 30, 2021, the Narragansett School Department's proportion was 0.66356363%.

For the year ended June 30, 2022, the Narragansett School Department recognized in the Government-Wide financial statements gross pension expense of \$761,475 and revenue of \$359,619 for support provided by the State. On June 30, 2022, the Narragansett School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$2,046,098
Change of assumptions	653,942
Differences between expected and actual Experience	156,746
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>508,285</u>
Total	<u><u>\$3,365,071</u></u>

Deferred inflows of resources:

Differences between expected and actual experience	\$504,416
Change of assumptions	343,419
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,405,673
Net difference between projected and actual earnings on pension plan investments	<u>3,655,179</u>
Total	<u><u>\$5,908,687</u></u>

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\$2,046,098 reported as deferred outflows of resources related to pensions resulting from the Narragansett School Department contributions in fiscal year 2022 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$(1,069,335)
2024	(1,000,150)
2025	(1,060,662)
2026	(1,246,733)
2027	(122,331)
Thereafter	(90,503)

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability on June 30, 2021 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, 2021 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term Target Asset Allocation</u>	<u>Long-Term Expected Arithmetic Real Rate of Return</u>
GROWTH		
Global Equity		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Subtotal	40.00%	
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
Subtotal	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.19%
REITS	1.00%	5.32%
Equity Options	2.00%	5.59%
EMD (50/50 Blend)	2.00%	1.96%
Liquid Credit	2.80%	3.19%
Private Credit	3.20%	3.19%
Subtotal	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Subtotal	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
Subtotal	8.00%	
Volatility Protection		
IG Corp. Credit	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
Subtotal	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 NARRAGANSETT, 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.

<i>1.00% Decrease</i>	<i>Current Discount Rate</i>	<i>1.00 Increase</i>
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$19,722,184	\$15,616,295	\$10,376,006

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

Defined Contribution Plan

Plan Description

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

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

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 Narragansett School Department recognized pension expense of \$75,270 for the fiscal year ended June 30, 2022. For financial reporting purposes, the State's share of contributions totaling \$51,770 for fiscal year 2022 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

B. POLICE PLAN

General Information about the Pension Plan

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

Plan Membership – As of July 1, 2021, membership data related to the pension plan was as follows:

Active members	-
Retired and beneficiaries	10
Terminated vested	-
	<hr/>
	10
	<hr/>

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

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

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

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

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

Contributions – Contribution requirements for the plan are established and may be amended by Town ordinance or union contract. Employees are not required to contribute to the Police Plan since there are no active members. The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The Town contribution for the year ended June 30, 2022 was \$267,000.

Summary of Significant Accounting Policies

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

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

Investments

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

Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -15.09%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability of the Town

The components of the net pension liability of the Town on June 30, 2022 were as follows:

Total Pension Liability	\$1,842,023
Plan Fiduciary Net Position	<u>(1,503,767)</u>
Town’s Net Pension Liability	<u>\$338,256</u>
Plan fiduciary net position as a percentage of the total pension liability	81.64%

Actuarial Assumptions – The total pension liability was determined as of June 30, 2022, based on an actuarial valuation performed as of July 1, 2021 rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

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Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Inflation	2%
Salary Increases	Not applicable
Investment Rate of Return	7.10%
Mortality	<ul style="list-style-type: none"> • Healthy – PubS-2010 Public Safety mortality table with generational improvements from 2010 based on the SOA Scale MP-2021 • Healthy Survivors - Pub-2010 Continuing Survivor mortality table with generational improvements from 2010 based on the SOA Scale MP-2021 • Disabled - PubS-2010 Disabled Public Safety mortality table with generational improvements from 2010 based on the SOA Scale MP-2021
Cost of Living Adjustment	3% for eligible retirees; 0% otherwise

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

- Investment rate of return was changed from 7.15% to 7.10%.
- The projection scale used with the mortality tables were changed from SOA Scale MP-2020 to SOA Scale MP-2021.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate of ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan’s target asset allocation as of June 30, 2022 (See the discussion of the pension plan’s investment policy in Note 5 – Investments) are summarized in the following table:

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

Discount Rate – The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7.15%.

Police Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2021	\$2,082,537	\$1,711,429	\$371,108
Changes for the Year:			
Service cost	-	-	-
Interest on the total pension liability	141,924	-	141,924
Changes in benefits	-	-	-
Difference between expected and actual experience	(199,151)	-	(199,151)
Changes in assumptions	11,882	-	11,882
Employer contributions	-	267,000	(267,000)
Employee contributions	-	-	-
Net investment income	-	(272,234)	272,234
Benefit payments, including employee refunds	(195,169)	(195,169)	-
Administrative expense	-	(7,259)	7,259
Other changes	-	-	-
Net changes	(240,514)	(207,662)	(32,852)
Balances as of June 30, 2022	\$1,842,023	\$1,503,767	\$338,256

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7.10%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.10%) or 1-percentage point higher (8.10%) than the current rate:

	1% Decrease	Current Discount	1% Increase
	<u>(6.10%)</u>	<u>Rate (7.10%)</u>	<u>(8.10%)</u>
Net Pension Liability	\$472,626	\$338,256	\$219,545

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended June 30, 2022, the Town recognized pension expense of \$(155,479). The Town reported deferred outflows of resources related to pensions from the following sources:

Deferred Outflows of Resources:

Net difference between projected and actual investment earnings	<u>\$124,261</u>
Total	<u><u>\$124,261</u></u>

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

Year Ending <u>June 30,</u>	
2023	\$11,625
2024	13,577
2025	19,677
2026	79,382

C. TOWN PENSION PLAN

General Information about the Pension Plan

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Plan Membership – As of July 1, 2021, membership data related to the pension plan was as follows:

Active members	248
Retired and beneficiaries	238
Terminated vested	31
	517

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

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

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

Beneficiaries of municipal employees receiving death benefits for nonoccupational causes shall be entitled to the greater of a) a refund of employee contributions with interest plus a lump-sum death

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

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

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

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
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- d) *Police Officers* – who retire on or after July 1, 2002 if employed before July 1, 2013, shall receive annual 3% compounded COLAs beginning on the earlier of July 1 of the year that the employee turns 52 years old or July 1 of the year that is the fifth anniversary of the police officer’s retirement. Police officers hired on or after July 1, 2013 shall receive annual 3% simple COLAs at retirement and when eligible. The COLA has been suspended for 8 years for active members as of July 1, 2013.

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

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

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

The Town contribution is an actuarially determined amount recommended by an independent actuary. The actuarially determined amount is the estimated amount to finance the costs of benefits earned by plan members during the year, with an additional amount to finance the unfunded accrued liability. The Town contribution for the year ended June 30, 2022 was \$7,093,037.

Summary of Significant Accounting Policies

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

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

Investments

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

Rate of Return – For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -12.56%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Net Pension Liability of the Town

The components of the net pension liability of the Town on June 30, 2022 were as follows:

Total Pension Liability	\$175,202,040
Plan Fiduciary Net Position	<u>(111,018,065)</u>
Town’s Net Pension Liability	<u>\$64,183,975</u>
Plan fiduciary net position as a percentage of the total pension liability	63.37%

Actuarial Assumptions – The total pension liability was determined as of June 30, 2022, based on an actuarial valuation performed as of July 1, 2021 rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Method
Actuarial Assumptions:	
Inflation	2%
Salary Increases	Age 20-24 - 10%; Age 25-29 – 8%; Age 30-34 - 6%; Age 35-39 - 5%; Age 40-44 – 4.5%; Age 45-54 – 4.25%; Age 55+ - 4%
Investment Rate of Return	7.10%
Mortality	<ul style="list-style-type: none"> • Healthy Public Safety – PubS-2010 Public Safety mortality table • Healthy School - PubT-2010 Teachers mortality table • Healthy All Other Non-Public Safety – PubG-2010 General mortality table • Healthy Survivors - Pub-2010 Continuing Survivor mortality table • Disabled Public Safety - PubS-2010 Disabled Public Safety mortality table • Disabled Non-Public Safety - PubNS-2010 Disabled Non-Public Safety mortality table • All tables with generational improvements from 2010 based on the SOA Scale MP-2021
Cost of Living Adjustment	<ul style="list-style-type: none"> • School Employees hired on or after July 1, 2015 - 2% once eligible

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

- Other Employees - 3% compounded or simple based on group and date of hire or retirement for eligible retirees

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

- Investment rate of return was changed from 7.15% to 7.10%.
- The projection scale used with the mortality tables were changed from SOA Scale MP-2020 to SOA Scale MP-2021.

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate of ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 (See the discussion of the pension plan's investment policy in Note 5 – Investments) are summarized in the following table:

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

Discount Rate – The discount rate used to measure the total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that the plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The prior measurement date used a discount rate of 7.15%.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Town Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2021	\$166,107,033	\$125,232,182	\$40,874,851
Changes for the Year:			
Service cost	3,258,089	-	3,258,089
Interest on the total pension liability	11,842,551	-	11,842,551
Changes in benefits	-	-	-
Difference between expected and actual experience	148,309	-	148,309
Changes in assumptions	1,316,134	-	1,316,134
Employer contributions	-	7,093,037	(7,093,037)
Employee contributions	-	1,694,269	(1,694,269)
Net investment income	-	(15,488,022)	15,488,022
Benefit payments, including employee refunds	(7,470,076)	(7,470,076)	-
Administrative expense	-	(43,325)	43,325
Other changes	-	-	-
Net changes	9,095,007	(14,214,117)	23,309,124
Balances as of June 30, 2022	<u>\$175,202,040</u>	<u>\$111,018,065</u>	<u>\$64,183,975</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Town, calculated using the discount rate of 7.10%, as well as what the Town’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.10%) or 1-percentage point higher (8.10%) than the current rate:

	1% Decrease (6.10%)	Current Discount Rate (7.10%)	1% Increase (8.10%)
Net Pension Liability	\$87,700,740	\$64,183,975	\$45,028,184

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

For the year ended June 30, 2022, the Town recognized pension expense of \$9,076,904. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

Deferred Outflows of Resources:

Differences between expected and actual experience	\$111,232
Changes of assumptions	3,111,045
Net difference between projected and actual investment earnings	<u>11,853,648</u>
Total	<u>\$15,075,925</u>

Deferred Inflows of Resources:

Differences between expected and actual experience	\$137,322
Changes of assumptions	<u>1,983,298</u>
Total	<u>\$2,120,620</u>

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

<u>Year Ending June 30,</u>	
2023	\$4,210,306
2024	1,939,760
2025	1,907,706
2026	4,897,533

D. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	<u>Deferred Outflows of Resources – Pension Amounts</u>	<u>Deferred Inflows of Resources – Pension Amounts</u>	<u>Net Pension Liability</u>	<u>Pension Expense</u>
Employees’ Retirement System of RI	\$3,365,071	\$5,908,687	\$15,616,295	\$761,475
Police Plan	124,261	-	338,256	(155,479)
Town Plan	<u>15,075,925</u>	<u>2,120,620</u>	<u>64,183,975</u>	<u>9,076,904</u>
Total	<u>\$18,565,257</u>	<u>\$8,029,307</u>	<u>\$80,138,526</u>	<u>\$9,682,900</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Financial Statements
June 30, 2022

NOTE 17 – RESTATEMENTS

The Town reported the following restatements in the Governmental Funds financial statements:

	<i>Governmental Funds</i>	
	<i>General Fund</i>	<i>Other Nonmajor Governmental Funds</i>
<i>Fund balance, June 30, 2021, as previously reported</i>	\$ 24,342,743	\$ 6,629,193
To reclassify financial activity for Pier Market property from Library Building Fund to the General Fund	(90,894)	90,894
<i>Fund balance, June 30, 2021, as restated</i>	\$ 24,251,849	\$ 6,720,087

REQUIRED SUPPLEMENTARY INFORMATION

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

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:						
Service cost	\$ 788,997	\$ 542,253	\$ 537,366	\$ 629,930	\$ 679,914	\$ 1,189,644
Interest	3,224,200	2,718,747	2,761,917	2,783,426	2,852,809	3,005,083
Changes of benefit terms	-	-	-	-	-	(6,256,712)
Differences between expected and actual experience	(5,396,745)	1,285,730	(1,463,284)	(1,110,915)	(2,686,363)	658,887
Changes of assumptions	2,264,623	5,032,190	-	(1,238,106)	(1,943,284)	1,293,986
Benefits payments	<u>(2,529,532)</u>	<u>(2,452,724)</u>	<u>(2,432,039)</u>	<u>(2,321,036)</u>	<u>(2,309,807)</u>	<u>(2,090,025)</u>
Net change in total OPEB liability	<u>(1,648,457)</u>	<u>7,126,196</u>	<u>(596,040)</u>	<u>(1,256,701)</u>	<u>(3,406,731)</u>	<u>(2,199,137)</u>
Total OPEB liability - beginning	<u>45,547,640</u>	<u>38,421,444</u>	<u>39,017,484</u>	<u>40,274,185</u>	<u>43,680,916</u>	<u>45,880,053</u>
Total OPEB liability - ending (a)	<u>\$ 43,899,183</u>	<u>\$ 45,547,640</u>	<u>\$ 38,421,444</u>	<u>\$ 39,017,484</u>	<u>\$ 40,274,185</u>	<u>\$ 43,680,916</u>
Plan fiduciary net position:						
Contributions - employer	\$ 4,155,176	\$ 3,650,696	\$ 3,801,999	\$ 4,115,135	\$ 3,547,796	\$ 3,176,785
Contributions - employee	-	-	-	-	-	-
Net investment income	(1,598,662)	1,761,317	231,747	299,866	327,071	338,238
Benefits payments	(2,529,532)	(2,452,724)	(2,432,039)	(2,321,036)	(2,309,807)	(2,090,025)
Administrative expense	(35,150)	(6,600)	(17,033)	(6,200)	(8,250)	(26,250)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(8,168)</u>	<u>2,952,689</u>	<u>1,584,674</u>	<u>2,087,765</u>	<u>1,556,810</u>	<u>1,398,748</u>
Plan fiduciary net position - beginning	<u>13,520,006</u>	<u>10,567,317</u>	<u>8,982,643</u>	<u>6,894,878</u>	<u>5,338,068</u>	<u>3,939,320</u>
Plan fiduciary net position - ending (b)	<u>\$ 13,511,838</u>	<u>\$ 13,520,006</u>	<u>\$ 10,567,317</u>	<u>\$ 8,982,643</u>	<u>\$ 6,894,878</u>	<u>\$ 5,338,068</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 30,387,345</u>	<u>\$ 32,027,634</u>	<u>\$ 27,854,127</u>	<u>\$ 30,034,841</u>	<u>\$ 33,379,307</u>	<u>\$ 38,342,848</u>
Plan fiduciary net position as a percentage of the total OPEB liability	30.78%	29.68%	27.50%	23.02%	17.12%	12.22%
Covered employee payroll	\$ 12,306,218	\$ 11,247,367	\$ 11,941,182	\$ 12,599,633	\$ 10,637,623	\$ 10,228,484
Town's net OPEB liability as a percentage of covered employee payroll	246.93%	284.76%	233.26%	238.38%	313.79%	374.86%

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB liability:						
Service cost	\$ 178,662	\$ 196,705	\$ 171,929	\$ 161,093	\$ 177,566	\$ 199,504
Interest	271,632	212,819	231,679	170,567	178,180	167,455
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	(298,774)	449,355	(46,469)	1,307,262	(262,942)	(241,063)
Changes of assumptions	(251,257)	309,572	119,117	227,291	(78,142)	15,824
Benefits payments	(533,734)	(446,416)	(466,760)	(454,529)	(315,478)	(399,334)
Net change in total OPEB liability	<u>(633,471)</u>	<u>722,035</u>	<u>9,496</u>	<u>1,411,684</u>	<u>(300,816)</u>	<u>(257,614)</u>
Total OPEB liability - beginning	<u>5,002,201</u>	<u>4,280,166</u>	<u>4,270,670</u>	<u>2,858,986</u>	<u>3,159,802</u>	<u>3,417,416</u>
Total OPEB liability - ending (a)	<u>\$ 4,368,730</u>	<u>\$ 5,002,201</u>	<u>\$ 4,280,166</u>	<u>\$ 4,270,670</u>	<u>\$ 2,858,986</u>	<u>\$ 3,159,802</u>
Plan fiduciary net position:						
Contributions - employer	\$ 855,745	\$ 520,545	\$ 934,346	\$ 454,529	\$ 315,478	\$ 1,522,122
Contributions - employee	-	-	-	-	-	-
Net investment income	(293,278)	414,368	79,363	82,452	75,090	23
Benefits payments	(533,734)	(446,416)	(466,760)	(454,529)	(315,478)	(399,334)
Administrative expense	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>28,733</u>	<u>488,497</u>	<u>546,949</u>	<u>82,452</u>	<u>75,090</u>	<u>1,122,811</u>
Plan fiduciary net position - beginning	<u>2,315,799</u>	<u>1,827,302</u>	<u>1,280,353</u>	<u>1,197,901</u>	<u>1,122,811</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 2,344,532</u>	<u>\$ 2,315,799</u>	<u>\$ 1,827,302</u>	<u>\$ 1,280,353</u>	<u>\$ 1,197,901</u>	<u>\$ 1,122,811</u>
Town's net OPEB liability - ending (a) - (b)	<u>\$ 2,024,198</u>	<u>\$ 2,686,402</u>	<u>\$ 2,452,864</u>	<u>\$ 2,990,317</u>	<u>\$ 1,661,085</u>	<u>\$ 2,036,991</u>
Plan fiduciary net position as a percentage of the total OPEB liability	53.67%	46.30%	42.69%	29.98%	41.90%	35.53%
Covered employee payroll	\$ 14,481,895	\$ 15,706,067	\$ 16,487,925	\$ 15,425,573	N/A	N/A
Town's net OPEB liability as a percentage of covered employee payroll	13.98%	17.10%	14.88%	19.39%	N/A	N/A

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Town Plan</u>										
Actuarially determined contribution	\$ 3,630,651	\$ 2,980,314	\$ 3,129,247	\$ 3,372,903	\$ 3,567,929	\$ 3,517,887	\$ 4,620,054	\$ 5,047,958	\$ 5,030,992	\$ 5,117,673
Contributions in relation to the actuarially determined contribution	4,155,176	3,650,696	3,801,999	4,115,135	3,547,796	3,176,785	2,911,234	2,346,138	2,510,011	2,516,858
Contribution deficiency (excess)	<u>\$ (524,525)</u>	<u>\$ (670,382)</u>	<u>\$ (672,752)</u>	<u>\$ (742,232)</u>	<u>\$ 20,133</u>	<u>\$ 341,102</u>	<u>\$ 1,708,820</u>	<u>\$ 2,701,820</u>	<u>\$ 2,520,981</u>	<u>\$ 2,600,815</u>
Covered employee payroll	\$ 12,306,218	\$ 11,247,367	\$ 11,941,182	\$ 12,599,633	\$ 10,637,623	\$ 10,228,484	\$ 9,808,380	\$ 9,522,699	\$ 9,377,308	\$ 9,104,183
Contributions as a percentage of covered employee payroll	33.76%	32.46%	31.84%	32.66%	33.35%	31.06%	29.68%	24.64%	26.77%	27.65%
<u>School Plan</u>										
Actuarially determined contribution	\$ 533,734	\$ 471,452	\$ 551,291	\$ 319,008	\$ 306,721	\$ 379,021	\$ 419,272	\$ 392,924	\$ 379,211	\$ 488,877
Contributions in relation to the actuarially determined contribution	855,745	520,545	934,346	454,529	315,478	1,522,122	335,099	307,430	275,520	301,939
Contribution deficiency (excess)	<u>\$ (322,011)</u>	<u>\$ (49,093)</u>	<u>\$ (383,055)</u>	<u>\$ (135,521)</u>	<u>\$ (8,757)</u>	<u>\$ (1,143,101)</u>	<u>\$ 84,173</u>	<u>\$ 85,494</u>	<u>\$ 103,691</u>	<u>\$ 186,938</u>
Covered employee payroll	\$ 14,481,895	\$ 15,706,067	\$ 16,487,925	\$ 15,425,573	Not available	Not available	Not available	Not available	\$ 16,032,959	\$ 15,565,980
Contributions as a percentage of covered employee payroll	5.91%	3.31%	5.67%	2.95%	Not available	Not available	Not available	Not available	1.72%	1.94%

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

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

	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
<i>Town Plan</i>						
Annual money-weighted rate of return, net of investment expense	<u><u>-14.17%</u></u>	<u><u>24.79%</u></u>	<u><u>2.36%</u></u>	<u><u>7.13%</u></u>	<u><u>9.56%</u></u>	<u><u>12.52%</u></u>
<i>School Plan</i>						
Annual money-weighted rate of return, net of investment expense	<u><u>-13.49%</u></u>	<u><u>23.55%</u></u>	<u><u>4.82%</u></u>	<u><u>6.88%</u></u>	<u><u>6.69%</u></u>	<u><u>0.00%</u></u>

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

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

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

<i>Fiscal Year</i>	<u>2022</u>	<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	0.66356363%	0.68208298%	0.66218679%	0.68353827%	0.69095908%	0.74560016%	0.75381396%	0.71867874%
Town's proportionate share of the net pension liability	\$ 15,616,295	\$ 21,792,591	\$ 21,128,849	\$ 21,717,707	\$ 21,793,447	\$ 22,245,559	\$ 20,752,519	\$ 17,492,643
State's proportionate share of the net pension liability associated with the Town	<u>11,580,882</u>	<u>16,192,429</u>	<u>15,827,696</u>	<u>16,199,850</u>	<u>16,470,610</u>	<u>15,234,941</u>	<u>14,177,469</u>	<u>11,995,511</u>
Total	<u>\$27,197,177</u>	<u>\$37,985,020</u>	<u>\$36,956,545</u>	<u>\$37,917,557</u>	<u>\$38,264,057</u>	<u>\$ 37,480,500</u>	<u>\$ 34,929,988</u>	<u>\$29,488,154</u>
Town's covered payroll	\$ 12,626,904	\$ 12,851,123	\$ 12,290,329	\$ 12,337,484	\$ 12,258,431	\$ 12,249,451	\$ 12,250,219	\$ 12,180,991
Town's proportionate share of the net pension liability as a percentage of its covered payroll	123.67%	169.58%	171.91%	176.03%	177.78%	181.60%	169.41%	143.61%
Plan fiduciary net position as a percentage of the total pension liability	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:									
Service cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	141,924	148,483	146,935	155,676	160,506	163,991	174,613	177,837	182,866
Changes of benefit terms	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience	(199,151)	(43,244)	16,675	(29,857)	22,730	50,752	(37,247)	(20,730)	-
Changes of assumptions	11,882	(37,813)	142,644	(5,710)	(5,407)	(14,486)	33,213	85,996	-
Benefits payments, including refunds of member contributions	(195,169)	(212,154)	(239,517)	(243,498)	(246,322)	(251,011)	(254,103)	(255,145)	(244,698)
Net change in total pension liability	<u>(240,514)</u>	<u>(144,728)</u>	<u>66,737</u>	<u>(123,389)</u>	<u>(68,493)</u>	<u>(50,754)</u>	<u>(83,524)</u>	<u>(12,042)</u>	<u>(61,832)</u>
Total pension liability - beginning	<u>2,082,537</u>	<u>2,227,265</u>	<u>2,160,528</u>	<u>2,283,917</u>	<u>2,352,410</u>	<u>2,403,164</u>	<u>2,486,688</u>	<u>2,498,730</u>	<u>2,560,562</u>
Total pension liability - ending (a)	<u>\$ 1,842,023</u>	<u>\$ 2,082,537</u>	<u>\$ 2,227,265</u>	<u>\$ 2,160,528</u>	<u>\$ 2,283,917</u>	<u>\$ 2,352,410</u>	<u>\$ 2,403,164</u>	<u>\$ 2,486,688</u>	<u>\$ 2,498,730</u>
Plan fiduciary net position:									
Contributions - employer	\$ 267,000	\$ 267,000	\$ 267,000	\$ 267,000	\$ 267,000	\$ 267,000	\$ 355,000	\$ 126,770	\$ 124,954
Contributions - employee	-	-	-	-	-	-	-	-	-
Net investment income	(272,234)	389,414	113,403	85,158	89,525	102,865	930	2,633	-
Benefits payments, including refunds of member contributions	(195,169)	(212,154)	(239,517)	(243,498)	(246,322)	(251,011)	(254,103)	(255,145)	(244,698)
Administrative expense	(7,259)	(7,760)	(7,030)	(6,310)	(5,795)	(5,180)	(4,540)	-	-
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(207,662)</u>	<u>436,500</u>	<u>133,856</u>	<u>102,350</u>	<u>104,408</u>	<u>113,674</u>	<u>97,287</u>	<u>(125,742)</u>	<u>(119,744)</u>
Plan fiduciary net position - beginning	<u>1,711,429</u>	<u>1,274,929</u>	<u>1,141,073</u>	<u>1,038,723</u>	<u>934,315</u>	<u>820,641</u>	<u>723,354</u>	<u>849,096</u>	<u>968,840</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,503,767</u>	<u>\$ 1,711,429</u>	<u>\$ 1,274,929</u>	<u>\$ 1,141,073</u>	<u>\$ 1,038,723</u>	<u>\$ 934,315</u>	<u>\$ 820,641</u>	<u>\$ 723,354</u>	<u>\$ 849,096</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 338,256</u>	<u>\$ 371,108</u>	<u>\$ 952,336</u>	<u>\$ 1,019,455</u>	<u>\$ 1,245,194</u>	<u>\$ 1,418,095</u>	<u>\$ 1,582,523</u>	<u>\$ 1,763,334</u>	<u>\$ 1,649,634</u>
Plan fiduciary net position as a percentage of the total pension liability	81.64%	82.18%	57.24%	52.81%	45.48%	39.72%	34.15%	29.09%	33.98%
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Town's net pension liability as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable

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

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total pension liability:									
Service cost	\$ 3,258,089	\$ 3,227,486	\$ 3,007,323	\$ 2,959,880	\$ 2,955,588	\$ 2,930,982	\$ 2,810,067	\$ 2,550,557	\$ 2,777,999
Interest	11,842,551	11,365,516	10,600,034	10,065,392	9,790,545	9,285,637	8,763,993	8,179,918	7,743,047
Changes of benefit terms	-	-	-	-	-	-	(420,257)	-	-
Differences between expected and actual experience	148,309	(137,231)	(274,825)	1,020,603	(1,087,571)	540,391	715,831	415,238	(138,666)
Changes of assumptions	1,316,134	(3,966,598)	8,495,783	(190,658)	(1,934,928)	(474,603)	3,440,952	2,569,581	(69,684)
Benefits payments, including refunds of member contributions	(7,470,076)	(7,038,342)	(6,774,989)	(6,179,160)	(5,642,039)	(4,946,770)	(4,846,536)	(4,369,538)	(4,151,080)
Net change in total pension liability	<u>9,095,007</u>	<u>3,450,831</u>	<u>15,053,326</u>	<u>7,676,057</u>	<u>4,081,595</u>	<u>7,335,637</u>	<u>10,464,050</u>	<u>9,345,756</u>	<u>6,161,616</u>
Total pension liability - beginning	<u>166,107,033</u>	<u>162,656,202</u>	<u>147,602,876</u>	<u>139,926,819</u>	<u>135,845,224</u>	<u>128,509,587</u>	<u>118,045,537</u>	<u>108,699,781</u>	<u>102,538,165</u>
Total pension liability - ending (a)	<u>\$ 175,202,040</u>	<u>\$ 166,107,033</u>	<u>\$ 162,656,202</u>	<u>\$ 147,602,876</u>	<u>\$ 139,926,819</u>	<u>\$ 135,845,224</u>	<u>\$ 128,509,587</u>	<u>\$ 118,045,537</u>	<u>\$ 108,699,781</u>
Plan fiduciary net position:									
Contributions - employer	\$ 7,093,037	\$ 6,268,731	\$ 6,176,556	\$ 6,133,571	\$ 5,957,877	\$ 5,399,268	\$ 5,190,005	\$ 4,999,356	\$ 3,237,890
Contributions - employee	1,694,269	1,660,956	1,588,541	1,558,428	1,583,751	1,474,196	1,427,810	1,465,617	1,272,360
Net investment income	(15,488,022)	23,847,807	1,787,246	5,516,278	5,063,944	7,844,533	(1,643,823)	472,799	10,071,983
Benefits payments, including refunds of member contributions	(7,470,076)	(7,038,342)	(6,774,989)	(6,179,160)	(5,642,039)	(4,946,770)	(4,846,536)	(4,369,538)	(4,151,082)
Administrative expense	(43,325)	(69,085)	(31,281)	(47,630)	(59,100)	(28,905)	(28,067)	(38,693)	(36,250)
Other	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	<u>(14,214,117)</u>	<u>24,670,067</u>	<u>2,746,073</u>	<u>6,981,487</u>	<u>6,904,433</u>	<u>9,742,322</u>	<u>99,389</u>	<u>2,529,541</u>	<u>10,394,901</u>
Plan fiduciary net position - beginning	<u>125,232,182</u>	<u>100,562,115</u>	<u>97,816,042</u>	<u>90,834,555</u>	<u>83,930,122</u>	<u>74,187,800</u>	<u>74,088,411</u>	<u>71,558,870</u>	<u>61,163,969</u>
Plan fiduciary net position - ending (b)	<u>\$ 111,018,065</u>	<u>\$ 125,232,182</u>	<u>\$ 100,562,115</u>	<u>\$ 97,816,042</u>	<u>\$ 90,834,555</u>	<u>\$ 83,930,122</u>	<u>\$ 74,187,800</u>	<u>\$ 74,088,411</u>	<u>\$ 71,558,870</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 64,183,975</u>	<u>\$ 40,874,851</u>	<u>\$ 62,094,087</u>	<u>\$ 49,786,834</u>	<u>\$ 49,092,264</u>	<u>\$ 51,915,102</u>	<u>\$ 54,321,787</u>	<u>\$ 43,957,126</u>	<u>\$ 37,140,911</u>
Plan fiduciary net position as a percentage of the total pension liability	63.37%	75.39%	61.82%	66.27%	64.92%	61.78%	57.73%	62.76%	65.83%
Covered payroll	\$ 14,697,899	\$ 14,916,381	\$ 14,152,836	\$ 13,952,640	\$ 13,835,881	\$ 13,626,448	\$ 12,984,298	\$ 12,188,272	\$ 12,466,246
Town's net pension liability as a percentage of covered payroll	436.69%	274.03%	438.74%	356.83%	354.82%	380.99%	418.37%	360.65%	297.93%

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

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<u>Employees' Retirement System of RI (1)</u>										
Actuarially determined contribution	\$ 2,046,098	\$ 1,873,366	\$ 1,845,961	\$ 1,679,749	\$ 1,660,661	\$ 1,642,280	\$ 1,706,931	\$ 1,666,194		
Contributions in relation to the actuarially determined contribution	2,046,098	1,873,366	1,845,961	1,679,749	1,660,661	1,642,280	1,706,931	1,666,194		
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		
Covered payroll	\$ 13,359,180	\$ 12,626,904	\$ 12,851,123	\$ 12,290,329	\$ 12,337,484	\$ 12,258,431	\$ 12,249,451	\$ 12,250,219		
Contributions as a percentage of covered payroll	15.32%	14.84%	14.36%	13.67%	13.46%	13.40%	13.93%	13.60%		
<u>Police Plan</u>										
Actuarially determined contribution	\$ 183,577	\$ 187,298	\$ 198,887	\$ 215,294	\$ 226,427	\$ 230,391	\$ 216,196	\$ 208,518	\$ 129,257	\$ 124,954
Contributions in relation to the actuarially determined contribution	267,000	267,000	267,000	267,000	267,000	267,000	355,000	126,770	124,954	102,200
Contribution deficiency (excess)	<u>\$ (83,423)</u>	<u>\$ (79,702)</u>	<u>\$ (68,113)</u>	<u>\$ (51,706)</u>	<u>\$ (40,573)</u>	<u>\$ (36,609)</u>	<u>\$ (138,804)</u>	<u>\$ 81,748</u>	<u>\$ 4,303</u>	<u>\$ 22,754</u>
Covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Contributions as a percentage of covered payroll	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<u>Town Plan</u>										
Actuarially determined contribution	\$ 7,011,892	\$ 6,343,867	\$ 6,080,003	\$ 6,057,902	\$ 5,858,887	\$ 5,428,475	\$ 5,082,997	\$ 4,881,459	\$ 5,619,927	\$ 5,432,159
Contributions in relation to the actuarially determined contribution	7,093,037	6,268,731	6,176,556	6,133,571	5,957,877	5,399,268	5,190,005	4,999,356	3,237,890	2,627,014
Contribution deficiency (excess)	<u>\$ (81,145)</u>	<u>\$ 75,136</u>	<u>\$ (96,553)</u>	<u>\$ (75,669)</u>	<u>\$ (98,990)</u>	<u>\$ 29,207</u>	<u>\$ (107,008)</u>	<u>\$ (117,897)</u>	<u>\$ 2,382,037</u>	<u>\$ 2,805,145</u>
Covered payroll	\$ 14,697,899	\$ 14,916,381	\$ 14,152,836	\$ 13,952,640	\$ 13,835,881	\$ 13,626,448	\$ 12,984,298	\$ 12,188,272	\$ 12,466,246	\$ 12,482,365
Contributions as a percentage of covered payroll	48.26%	42.03%	43.64%	43.96%	43.06%	39.62%	39.97%	41.02%	25.97%	21.05%

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

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

	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	<i>2014</i>
<i>Police Plan</i>									
Annual money-weighted rate of return, net of investment expense	<u><u>-15.09%</u></u>	<u><u>27.41%</u></u>	<u><u>8.62%</u></u>	<u><u>6.95%</u></u>	<u><u>7.91%</u></u>	<u><u>10.00%</u></u>	<u><u>0.09%</u></u>	<u><u>0.78%</u></u>	<u><u>0.00%</u></u>
<i>Town Plan</i>									
Annual money-weighted rate of return, net of investment expense	<u><u>-12.56%</u></u>	<u><u>24.15%</u></u>	<u><u>1.83%</u></u>	<u><u>6.18%</u></u>	<u><u>6.11%</u></u>	<u><u>10.69%</u></u>	<u><u>-2.29%</u></u>	<u><u>0.71%</u></u>	<u><u>15.81%</u></u>

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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes:				
Current year taxes	\$ 55,219,407	\$ 55,219,407	\$ 55,636,634	\$ 417,227
Prior year taxes	250,000	250,000	397,778	147,778
	<u>55,469,407</u>	<u>55,469,407</u>	<u>56,034,412</u>	<u>565,005</u>
Investment and interest revenues:				
Interest on delinquent taxes	170,000	170,000	195,809	25,809
Interest from investments	187,500	187,500	(474,903)	(662,403)
	<u>357,500</u>	<u>357,500</u>	<u>(279,094)</u>	<u>(636,594)</u>
Intergovernmental revenues:				
Motor vehicle phase-out	526,083	526,083	442,433	(83,650)
Federal PILOT	64,000	64,000	59,927	(4,073)
State beach parking	190,000	190,000	218,410	28,410
State telephone tax	193,671	193,671	191,412	(2,259)
State hotel tax	231,650	231,650	315,214	83,564
State meal and beverage tax	633,551	633,551	798,836	165,285
School housing aid	454,699	454,699	454,699	-
Disaster Grants	-	-	61,196	61,196
	<u>2,293,654</u>	<u>2,293,654</u>	<u>2,542,127</u>	<u>248,473</u>
Licenses and permits:				
Town clerk alcoholic beverages	30,000	30,000	29,054	(946)
Building permits	350,000	350,000	429,968	79,968
Road open permits	2,000	2,000	1,150	(850)
	<u>382,000</u>	<u>382,000</u>	<u>460,172</u>	<u>78,172</u>
Fines and forfeitures:				
Police fees and fines	15,000	15,000	25,046	10,046
Municipal court	400,000	400,000	404,688	4,688
	<u>415,000</u>	<u>415,000</u>	<u>429,734</u>	<u>14,734</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u> <u>(Budgetary</u> <u>Basis)</u>	<u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
PILOT & interfund revenues:				
Beach in lieu of taxes	233,424	233,424	233,424	-
Housing authority in lieu of taxes	1,590	1,590	1,590	-
Water in lieu of taxes	26,593	26,593	26,593	-
Wastewater in lieu of taxes	379,479	379,479	379,479	-
Charter school	8,000	8,000	8,486	486
Water administrative fees	201,206	201,206	201,206	-
Wastewater administrative fees	472,647	472,647	472,647	-
Beach administrative fees	296,923	296,923	296,923	-
Rental registration transfer	159,530	159,530	159,530	-
Vehicle maintenance	75,000	75,000	29,707	(45,293)
	<u>1,854,392</u>	<u>1,854,392</u>	<u>1,809,585</u>	<u>(44,807)</u>
Miscellaneous revenues:				
Police finger print receipts	4,000	4,000	2,900	(1,100)
Town clerk general receipts	750,000	750,000	1,051,072	301,072
Mooring fees	59,000	59,000	61,213	2,213
Variance and exception fees	10,000	10,000	8,920	(1,080)
Fire alarm inspection fees	10,000	10,000	11,430	1,430
VIN inspection fees	5,000	5,000	4,801	(199)
Police detail revenue	125,000	125,000	176,623	51,623
Cellular tower rentals	160,000	160,000	280,947	120,947
Miscellaneous receipts	40,000	40,000	83,407	43,407
Emergency medical services	500,000	500,000	517,174	17,174
Miscellaneous police receipts	20,000	20,000	6,938	(13,062)
Concessions	2,650	2,650	-	(2,650)
Fire marshal plan review	15,000	15,000	37,945	22,945
Recycling revenue & tipping fees	52,000	52,000	43,074	(8,926)
Miscellaneous fire department receipts	-	-	20,317	20,317
	<u>1,752,650</u>	<u>1,752,650</u>	<u>2,306,761</u>	<u>554,111</u>
Recreation revenues:				
Community center rental	8,000	8,000	9,355	1,355
Miscellaneous receipts	10,000	10,000	18,960	8,960
Basketball	40,000	40,000	22,491	(17,509)
Workshops	25,000	25,000	12,315	(12,685)
The Camp	70,000	70,000	47,990	(22,010)
Park rental	5,000	5,000	3,155	(1,845)
Concert revenue	-	-	3,500	3,500
	<u>158,000</u>	<u>158,000</u>	<u>117,766</u>	<u>(40,234)</u>
Other financing sources:				
Fund balance appropriation	695,559	695,559	-	(695,559)
Total revenues and other financing sources	<u>63,378,162</u>	<u>63,378,162</u>	<u>63,421,463</u>	<u>43,301</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2022

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Positive (Negative)</i>
	<i>Original</i>	<i>Final</i>		
Expenditures:				
General government:				
Town council	59,480	59,480	40,716	18,764
Town solicitor	165,000	165,000	195,134	(30,134)
Municipal court	259,487	259,487	231,034	28,453
Board of canvassers	158,322	158,322	108,620	49,702
Town manager	316,404	316,404	292,043	24,361
Human resources	153,966	153,966	140,770	13,196
Town clerk	503,802	503,802	492,380	11,422
Information technology	653,072	653,072	653,364	(292)
History commission	2,400	2,400	409	1,991
Conservation commission	6,250	6,250	-	6,250
Planning board	6,450	6,450	2,034	4,416
Zoning board of appeals	5,450	5,450	6,020	(570)
Pension board	12,000	12,000		12,000
Special appropriations	190,898	190,898	172,368	18,530
	<u>2,492,981</u>	<u>2,492,981</u>	<u>2,334,892</u>	<u>158,089</u>
Financial administration:				
Financial and purchasing	420,857	420,857	452,418	(31,561)
Accounting	492,975	492,975	476,727	16,248
Tax assessor	415,817	415,817	339,222	76,595
Tax collector	269,022	269,022	215,004	54,018
	<u>1,598,671</u>	<u>1,598,671</u>	<u>1,483,371</u>	<u>115,300</u>
Public safety:				
Police non-officer	427,302	427,302	410,919	16,383
Police administration	1,171,748	1,171,748	1,100,746	71,002
Police patrol	5,431,846	5,431,846	5,546,039	(114,193)
Police investigations	960,571	960,571	934,512	26,059
Animal control	216,407	216,407	187,833	28,574
Harbor master	51,778	51,778	47,518	4,260
Dispatch	1,091,399	1,091,399	1,080,441	10,958
Fire non-firefighter	91,341	91,341	92,984	(1,643)
Fire firefighters	6,472,606	6,472,606	6,585,760	(113,154)
Emergency management	27,865	27,865	30,432	(2,567)
	<u>15,942,863</u>	<u>15,942,863</u>	<u>16,017,184</u>	<u>(74,321)</u>
Public works:				
Public works administration	435,423	435,423	423,629	11,794
Recycling	51,849	51,849	40,944	10,905
Highway	1,943,932	1,943,932	1,516,926	427,006
Facilities maintenance	208,325	208,325	188,588	19,737
Vehicle maintenance	738,588	738,588	813,611	(75,023)
	<u>3,378,117</u>	<u>3,378,117</u>	<u>2,983,698</u>	<u>394,419</u>

(Continued)

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Continued)
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Parks and recreation:				
Parks and recreation administration	236,560	236,560	226,098	10,462
Parks maintenance	864,801	864,801	762,893	101,908
Recreation programs	318,604	318,604	217,220	101,384
Parks and recreation senior/community center	193,075	193,075	174,728	18,347
	<u>1,613,040</u>	<u>1,613,040</u>	<u>1,380,939</u>	<u>232,101</u>
Planning, engineering and inspection:				
Community development	509,944	509,944	469,648	40,296
Inspection services	371,667	371,667	394,239	(22,572)
Engineering	342,581	342,581	347,414	(4,833)
	<u>1,224,192</u>	<u>1,224,192</u>	<u>1,211,301</u>	<u>12,891</u>
Town-wide expenditures	<u>667,192</u>	<u>667,192</u>	<u>610,595</u>	<u>56,597</u>
Education appropriation	<u>27,069,400</u>	<u>27,069,400</u>	<u>27,069,400</u>	<u>-</u>
Library appropriation	<u>841,103</u>	<u>841,103</u>	<u>841,103</u>	<u>-</u>
Other:				
Contingency	300,000	300,000	-	300,000
OPEB contribution	2,637,225	2,637,225	3,162,268	(525,043)
Police Chapter 1666 pension contribution	267,000	267,000	267,000	-
Retirement and termination benefits	150,000	150,000	-	150,000
	<u>3,354,225</u>	<u>3,354,225</u>	<u>3,429,268</u>	<u>(75,043)</u>
Other financing uses:				
Transfers to other funds:				
Retained claims	12,000	12,000	12,000	-
Towers	50,000	50,000	50,000	-
Land conservation	50,000	50,000	50,000	-
Town Capital Projects Fund	1,967,640	1,967,640	1,967,640	-
Debt Service Fund	3,116,738	3,116,738	3,116,738	-
	<u>5,196,378</u>	<u>5,196,378</u>	<u>5,196,378</u>	<u>-</u>
Total expenditures and other financing uses	<u>63,378,162</u>	<u>63,378,162</u>	<u>62,558,129</u>	<u>820,033</u>
Net change in fund balance - budgetary basis	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 863,334</u>	<u>\$ 863,334</u>

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
For the Year Ended June 30, 2022
"Unaudited"

NOTE 1 - SCHEDULE OF TOWN CONTRIBUTIONS - OPEB PLANS

	<u><i>Town Other Post-Employment Benefit Plan</i></u>	<u><i>School Other Post-Employment Benefit Plan</i></u>
Valuation date:	6/30/2021	6/30/2021
Methods and assumptions used to determine contribution rates:		
Actuarial cost method	Entry Age Normal	Entry Age Normal
Amortization method	Level dollar - closed	Level dollar - closed
Remaining amortization period	25 years as of June 30, 2022	25 years as of June 30, 2022
Asset valuation method	Fair market value	Fair market value
Investment rate of return/ Discount rate	7.15% discount rate (prior year 7.2%)	5.6% discount rate (5.9% prior year)
Inflation rate	2%	2.2% (1.9% prior year)
Payroll growth rate	N/A	N/A
Medical trend cost rate	Medical - 7.5% (8% prior year) per year graded off to an ultimate rate of 4.5% per year Part B - 3.5% (3.25% prior year) per year increasing to an ultimate rate of 4.25% per year	Medical - 7.5% (8% prior year) per year graded off to an ultimate rate of 4.5% per year
Dental trend cost rate	3.5% (4% prior year) per year graded off to an ultimate rate of 3% per year	3.5% (4% prior year) per year graded off to an ultimate rate of 3% per year
Mortality	Police and Fire - SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2020 (1) Surviving Spouses - SOA Pub-2010 Contingent Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2020 (1) All Other - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 (1)	Teachers and Administrators - SOA Pub-2010 Teacher Headcount Weighted Mortality Table fully generational using Scale MP-2020 (2) Support Employees - SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2020 (2) Surviving Spouses - SOA Pub-2010 Contingent Survivc Headcount Weighted Mortality Table fully generational using Scale MP-2020 (2)

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

NOTE 2 – PENSION PLANS

Employees' Retirement System Plan

The net pension liability amount presented as of the June 30, 2022 was determined as part of an actuarial valuation performed as of June 30, 2020 and rolled forward to June 30, 2021, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 A to the financial statements.

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

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

June 30, 2020 measurement date –

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

June 30, 2017 measurement date –

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

June 30, 2015 measurement date –

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

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

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

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

Police Plan and Town Pension Plan

The net pension liability amounts presented as of the June 30, 2022 were determined as part of actuarial valuations performed as of July 1, 2021 and rolled forward to June 30, 2022, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 B and C to the financial statements.

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

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

June 30, 2022 measurement date –

- Investment rate of return assumption was changed from 7.15% to 7.10%.
- The projection scale used with the mortality tables were changed from SOA Scale MP-2020 to SOA Scale MP-2021.

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

June 30, 2021 measurement date –

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

June 30, 2020 measurement date –

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

June 30, 2019 measurement date –

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

June 30, 2016 measurement date –

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

NOTE 3 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

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

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

The table below shows the amounts by which certain municipal department expenditures exceeded fiscal year 2022 appropriations:

<u>Department</u>	<u>Expenditures In Excess of Budget</u>
Town solicitor	\$ 30,134
Information technology	292
Zoning Board of Appeals	570
Financial and purchasing	31,561
Police patrol	114,193
Fire non-firefighter	1,643
Firefighters	113,154
Emergency management	2,567
Vehicle maintenance	75,023
Inspection services	22,572
Engineering	4,833

TOWN OF NARRAGANSETT, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2022

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

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$63,421,463
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Narragansett is not reported as budgetary revenue, but is a revenue for financial reporting purposes.	1,441,377
Unbudgeted revenues not included for budgetary purposes, but included for financial reporting purposes.	5,663,031
Transfer from other funds included as revenues for budgetary purposes, but not included for financial reporting purposes.	<u>(159,530)</u>
<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$70,366,341</u>
<u>Expenditures and Other Financing Uses</u>	<u>General Fund</u>
Actual amounts (budgetary basis)	\$62,558,129
Differences – budget to GAAP:	
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Narragansett is not reported as a budgetary expenditure, but is an expenditure for financial reporting purposes.	1,441,377
Unbudgeted expenditures and transfers to other funds not included for budgetary purposes, but included for financial reporting purposes.	4,538,878
Transfer to other funds included as financing uses for budgetary purposes, but not included for financial reporting purposes.	<u>(62,000)</u>
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$68,476,384</u>

OTHER SUPPLEMENTARY INFORMATION

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

THIS SECTION CONTAINS THE FOLLOWING:

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

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

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

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds						
	<i>School Restricted Grants</i>	<i>Food Service Fund</i>	<i>Historic Preservation Grants</i>	<i>Community Development Fund</i>	<i>Community Septic Program</i>	<i>Forfeited Funds</i>	<i>State Recycling Fund</i>
ASSETS							
Cash	\$ -	\$ 12,807	\$ 52,890	\$ 178,516	\$ -	\$ 36,439	\$ 17,848
Due from federal and state governments	587,704	45,855	-	-	-	-	-
Due from other funds	618,261	310,096	-	-	-	-	-
Other receivables	-	6,078	-	206,464	41,178	-	-
Total assets	\$ 1,205,965	\$ 374,836	\$ 52,890	\$ 384,980	\$ 41,178	\$ 36,439	\$ 17,848
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	28,047	79,629	-	-	-	-	-
Due to other funds	857,441	-	-	-	-	-	-
Unearned revenue	-	14,989	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	885,488	94,618	-	-	-	-	-
Deferred Inflows of Resources							
Unavailable revenue-loans	-	-	-	206,464	41,178	-	-
Total deferred inflows of resources	-	-	-	206,464	41,178	-	-
Fund Balances (Deficits)							
Restricted for:							
Education programs	320,477	280,218	-	-	-	-	-
Public safety programs	-	-	-	-	-	36,439	-
Historical records preservation	-	-	-	-	-	-	-
Community service programs	-	-	-	178,516	-	-	-
Parks and recreation programs	-	-	52,335	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Other programs	-	-	555	-	-	-	17,848
Committed for:							
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Total fund balances (deficits)	320,477	280,218	52,890	178,516	-	36,439	17,848
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,205,965	\$ 374,836	\$ 52,890	\$ 384,980	\$ 41,178	\$ 36,439	\$ 17,848

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	<i>Special Revenue Funds</i>						
	<i>Galilee Landing Fees Fund</i>	<i>Byrne Grants</i>	<i>RI EMA Grant</i>	<i>RI EMA MEDS Grant</i>	<i>Opioid Settlement</i>	<i>Historical Records Preservation Fund</i>	<i>Earthday Mini grant</i>
ASSETS							
Cash	\$ 14,115	\$ 219	\$ 30,254	\$ 27,294	\$ 82,660	\$ 290,889	\$ 200
Due from federal and state governments	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	89	-
Total assets	\$ 14,115	\$ 219	\$ 30,254	\$ 27,294	\$ 82,660	\$ 290,978	\$ 200
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)							
Liabilities							
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable and accrued expenditures	8,693	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-	-
Total liabilities	8,693	-	-	-	-	-	-
Deferred Inflows of Resources							
Unavailable revenue-loans	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances (Deficits)							
Restricted for:							
Education programs	-	-	-	-	-	-	-
Public safety programs	-	219	30,254	27,294	-	-	-
Historical records preservation	-	-	-	-	-	290,978	-
Community service programs	-	-	-	-	82,660	-	-
Parks and recreation programs	5,422	-	-	-	-	-	200
Capital projects	-	-	-	-	-	-	-
Library	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	-	-
Committed for:							
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Assigned to:							
Capital projects	-	-	-	-	-	-	-
Total fund balances (deficits)	5,422	219	30,254	27,294	82,660	290,978	200
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 14,115	\$ 219	\$ 30,254	\$ 27,294	\$ 82,660	\$ 290,978	\$ 200

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds							Total Special Revenue Funds
	<i>RI Interlocal Trust Safety Grant</i>	<i>DEM Tree Grant</i>	<i>Assistance to Firefighters</i>	<i>Safer Grant</i>	<i>CDBG Grant</i>	<i>Library Building</i>	<i>Grant Miscellaneous</i>	
ASSETS								
Cash	\$ 1,989	\$ 8,199	\$ -	\$ -	\$ 11,708	\$ 2,600,000	\$ 30,985	\$ 3,397,012
Due from federal and state governments	-	-	10,666	188,118	-	-	-	832,343
Due from other funds	-	-	-	-	-	-	-	928,357
Other receivables	-	-	-	-	-	-	-	253,809
Total assets	\$ 1,989	\$ 8,199	\$ 10,666	\$ 188,118	\$ 11,708	\$ 2,600,000	\$ 30,985	\$ 5,411,521
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)								
Liabilities								
Cash overdraft	\$ -	\$ -	\$ 10,666	\$ 178,634	\$ -	\$ -	\$ -	\$ 189,300
Accounts payable and accrued expenditures	-	-	-	9,484	-	-	10,669	136,522
Due to other funds	-	-	-	-	-	-	-	857,441
Unearned revenue	-	-	-	-	-	-	-	14,989
Advance from other funds	-	-	-	-	-	1,082,030	-	1,082,030
Total liabilities	-	-	10,666	188,118	-	1,082,030	10,669	2,280,282
Deferred Inflows of Resources								
Unavailable revenue-loans	-	-	-	-	-	-	-	247,642
Total deferred inflows of resources	-	-	-	-	-	-	-	247,642
Fund Balances (Deficits)								
Restricted for:								
Education programs	-	-	-	-	-	-	-	600,695
Public safety programs	1,989	-	-	-	-	-	-	96,195
Historical records preservation	-	-	-	-	-	-	-	290,978
Community service programs	-	-	-	-	11,708	-	-	272,884
Parks and recreation programs	-	8,199	-	-	-	-	-	66,156
Capital projects	-	-	-	-	-	-	-	-
Library	-	-	-	-	-	1,517,970	-	1,517,970
Other programs	-	-	-	-	-	-	20,316	38,719
Committed for:								
Capital projects	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Assigned to:								
Capital projects	-	-	-	-	-	-	-	-
Total fund balances (deficits)	1,989	8,199	-	-	11,708	1,517,970	20,316	2,883,597
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,989	\$ 8,199	\$ 10,666	\$ 188,118	\$ 11,708	\$ 2,600,000	\$ 30,985	\$ 5,411,521

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	<u>Capital Project Funds</u>							<i>Total Capital Project Funds</i>	<i>Total Nonmajor Governmental Funds</i>
	<i>Debt Service Fund</i>	<i>School Athletic Complex Fund</i>	<i>School Capital Projects Fund</i>	<i>Street Improvement Fund</i>	<i>Town Capital Projects Fund</i>	<i>Library Building Fund</i>	<i>Land Trust Fund</i>		
ASSETS									
Cash	\$ 206,457	\$ 636	\$ -	\$ 3,020,328	\$ 1,598,719	\$ 2,975,380	\$ 315,975	\$ 7,911,038	\$ 11,514,507
Due from federal and state governments	-	-	-	-	-	-	-	-	832,343
Due from other funds	-	-	3,054,967	-	-	-	-	3,054,967	3,983,324
Other receivables	-	-	-	-	-	-	-	-	253,809
Total assets	\$ 206,457	\$ 636	\$ 3,054,967	\$ 3,020,328	\$ 1,598,719	\$ 2,975,380	\$ 315,975	\$ 10,966,005	\$ 16,583,983
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)									
Liabilities									
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 189,300
Accounts payable and accrued expenditures	-	-	39,468	261,687	32,144	36,594	-	369,893	506,415
Due to other funds	-	307	-	-	-	13,820	-	14,127	871,568
Unearned revenue	-	-	-	-	-	-	-	-	14,989
Advance from other funds	-	-	-	-	-	-	-	-	1,082,030
Total liabilities	-	307	39,468	261,687	32,144	50,414	-	384,020	2,664,302
Deferred Inflows of Resources									
Unavailable revenue-loans	-	-	-	-	-	-	-	-	247,642
Total deferred inflows of resources	-	-	-	-	-	-	-	-	247,642
Fund Balances (Deficits)									
Restricted for:									
Education programs	-	-	-	-	-	-	-	-	600,695
Public safety programs	-	-	-	-	-	-	-	-	96,195
Historical records preservation	-	-	-	-	-	-	-	-	290,978
Community service programs	-	-	-	-	-	-	-	-	272,884
Parks and recreation programs	-	-	-	-	-	-	-	-	66,156
Capital projects	-	329	-	2,758,641	-	-	-	2,758,970	2,758,970
Library	-	-	-	-	-	2,924,966	-	2,924,966	4,442,936
Other programs	-	-	-	-	-	-	-	-	38,719
Committed for:									
Capital projects	-	-	-	-	1,566,575	-	315,975	1,882,550	1,882,550
Debt service	206,457	-	-	-	-	-	-	-	206,457
Assigned to:									
Capital projects	-	-	3,015,499	-	-	-	-	3,015,499	3,015,499
Total fund balances (deficits)	206,457	329	3,015,499	2,758,641	1,566,575	2,924,966	315,975	10,581,985	13,672,039
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 206,457	\$ 636	\$ 3,054,967	\$ 3,020,328	\$ 1,598,719	\$ 2,975,380	\$ 315,975	\$ 10,966,005	\$ 16,583,983

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds						
	<i>School Restricted Grants</i>	<i>Food Service Fund</i>	<i>Historic Preservation Grants</i>	<i>Community Development Fund</i>	<i>Community Septic Program</i>	<i>Forfeited Funds</i>	<i>State Recycling Fund</i>
Revenues							
Charges for services	\$ -	\$ 3,436	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants and contributions	1,922,122	548,389	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Investment and interest income	-	-	218	6,439	-	150	-
Other revenue	-	-	-	16,109	13,538	8	-
Total revenues	<u>1,922,122</u>	<u>551,825</u>	<u>218</u>	<u>22,548</u>	<u>13,538</u>	<u>158</u>	<u>-</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Food service	-	385,018	-	-	-	-	-
Education	1,966,195	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	13,538	-	-
Interest and fees	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	<u>1,966,195</u>	<u>385,018</u>	<u>-</u>	<u>-</u>	<u>13,538</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(44,073)</u>	<u>166,807</u>	<u>218</u>	<u>22,548</u>	<u>-</u>	<u>158</u>	<u>-</u>
Other financing sources							
Bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>(44,073)</u>	<u>166,807</u>	<u>218</u>	<u>22,548</u>	<u>-</u>	<u>158</u>	<u>-</u>
Fund balances (deficits) - beginning of year, restated	<u>364,550</u>	<u>113,411</u>	<u>52,672</u>	<u>155,968</u>	<u>-</u>	<u>36,281</u>	<u>17,848</u>
Fund balances - end of year	<u>\$ 320,477</u>	<u>\$ 280,218</u>	<u>\$ 52,890</u>	<u>\$ 178,516</u>	<u>\$ -</u>	<u>\$ 36,439</u>	<u>\$ 17,848</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds						
	<i>Galilee Landing Fees Fund</i>	<i>Byrne Grants</i>	<i>RI EMA Grant</i>	<i>RI EMA MEDS Grant</i>	<i>Opioid Settlement</i>	<i>Historical Records Preservation Fund</i>	<i>Earthday Mini grant</i>
Revenues							
Charges for services	\$ 105,247	\$ -	\$ -	\$ -	\$ -	\$ 36,341	\$ -
Operating grants and contributions	-	-	2,496	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-
Investment and interest income	-	-	-	-	24	1,134	-
Other revenue	-	-	-	-	82,636	-	-
Total revenues	105,247	-	2,496	-	82,660	37,475	-
Expenditures							
Current:							
General government	-	-	-	-	-	1,998	-
Public safety	-	-	-	5,842	-	-	-
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-
Parks and recreation	104,567	-	-	-	-	-	-
Food service	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest and fees	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	104,567	-	-	5,842	-	1,998	-
Excess (deficiency) of revenues over (under) expenditures before other financing sources	680	-	2,496	(5,842)	82,660	35,477	-
Other financing sources							
Bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-	-
Net change in fund balance	680	-	2,496	(5,842)	82,660	35,477	-
Fund balances (deficits) - beginning of year, restated	4,742	219	27,758	33,136	-	255,501	200
Fund balances - end of year	\$ 5,422	\$ 219	\$ 30,254	\$ 27,294	\$ 82,660	\$ 290,978	\$ 200

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Special Revenue Funds						<i>Total Special Revenue Funds</i>
	<i>RI Interlocal Trust Safety Grant</i>	<i>DEM Tree Grant</i>	<i>Assistance to Firefighters</i>	<i>Safer Grant</i>	<i>CDBG Grant</i>	<i>Library Building</i>	
Revenues							
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,024
Operating grants and contributions	1,000	-	37,213	298,155	29,438	-	2,875,280
Capital grants and contributions	-	-	67,944	-	-	1,515,000	1,616,733
Investment and interest income	-	-	-	-	-	2,970	10,935
Other revenue	-	-	-	-	-	-	112,291
Total revenues	<u>1,000</u>	<u>-</u>	<u>105,157</u>	<u>298,155</u>	<u>29,438</u>	<u>1,517,970</u>	<u>4,760,263</u>
Expenditures							
Current:							
General government	-	-	-	-	-	10,600	12,598
Public safety	1,000	-	37,213	298,155	-	-	344,320
Public works	-	-	-	-	-	-	-
Social services	-	-	-	-	29,438	-	77,314
Parks and recreation	-	-	-	-	-	8,710	113,277
Food service	-	-	-	-	-	-	385,018
Education	-	-	-	-	-	-	1,966,195
Debt service:							
Principal	-	-	-	-	-	-	13,538
Interest and fees	-	-	-	-	-	-	-
Capital outlay	-	-	67,944	-	-	-	101,533
Total expenditures	<u>1,000</u>	<u>-</u>	<u>105,157</u>	<u>298,155</u>	<u>29,438</u>	<u>-</u>	<u>3,013,793</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,517,970</u>	<u>1,746,470</u>
Other financing sources							
Bonds issued	-	-	-	-	-	-	-
Premium on bonds issued	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,517,970</u>	<u>1,746,470</u>
Fund balances (deficits) - beginning of year, restated	<u>1,989</u>	<u>8,199</u>	<u>-</u>	<u>-</u>	<u>11,708</u>	<u>-</u>	<u>52,945</u>
Fund balances - end of year	<u>\$ 1,989</u>	<u>\$ 8,199</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,708</u>	<u>\$ 1,517,970</u>	<u>\$ 20,316</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2022

	Capital Project Funds							Total Capital Project Funds	Total Nonmajor Governmental Funds
	Debt Service Fund	School Athletic Complex Fund	School Capital Projects Fund	Street Improvement Fund	Town Capital Projects Fund	Library Building Fund	Land Trust Fund		
Revenues									
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 145,024
Operating grants and contributions	-	-	-	-	-	-	-	-	2,875,280
Capital grants and contributions	-	-	386,728	-	-	-	-	386,728	2,003,461
Investment and interest income	-	-	-	12,419	-	-	1,191	13,610	24,545
Other revenue	-	-	-	-	1,729	-	2,715	4,444	116,735
Total revenues	<u>-</u>	<u>-</u>	<u>386,728</u>	<u>12,419</u>	<u>1,729</u>	<u>-</u>	<u>3,906</u>	<u>404,782</u>	<u>5,165,045</u>
Expenditures									
Current:									
General government	-	-	-	-	-	-	-	-	12,598
Public safety	-	-	-	-	-	-	-	-	344,320
Public works	-	-	-	-	-	-	-	-	-
Social services	-	-	-	-	-	-	-	-	77,314
Parks and recreation	-	-	-	-	-	-	-	-	113,277
Food service	-	-	-	-	-	-	-	-	385,018
Education	-	-	-	-	-	-	-	-	1,966,195
Debt service:									
Principal	2,205,347	-	-	-	-	-	-	-	2,218,885
Interest and fees	892,198	-	-	52,170	-	75,155	-	127,325	1,019,523
Capital outlay	-	-	682,006	1,680,903	2,100,744	419,830	150	4,883,633	4,985,166
Total expenditures	<u>3,097,545</u>	<u>-</u>	<u>682,006</u>	<u>1,733,073</u>	<u>2,100,744</u>	<u>494,985</u>	<u>150</u>	<u>5,010,958</u>	<u>11,122,296</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>(3,097,545)</u>	<u>-</u>	<u>(295,278)</u>	<u>(1,720,654)</u>	<u>(2,099,015)</u>	<u>(494,985)</u>	<u>3,756</u>	<u>(4,606,176)</u>	<u>(5,957,251)</u>
Other financing sources									
Bonds issued	-	-	-	3,000,000	-	3,265,000	-	6,265,000	6,265,000
Premium on bonds issued	-	-	-	196,554	-	213,271	-	409,825	409,825
Transfers in	3,116,738	-	1,100,000	-	1,967,640	-	50,000	3,117,640	6,234,378
Total other financing sources	<u>3,116,738</u>	<u>-</u>	<u>1,100,000</u>	<u>3,196,554</u>	<u>1,967,640</u>	<u>3,478,271</u>	<u>50,000</u>	<u>9,792,465</u>	<u>12,909,203</u>
Net change in fund balance	19,193	-	804,722	1,475,900	(131,375)	2,983,286	53,756	5,186,289	6,951,952
Fund balances (deficits) - beginning of year, restated	187,264	329	2,210,777	1,282,741	1,697,950	(58,320)	262,219	5,395,696	6,720,087
Fund balances - end of year	<u>\$ 206,457</u>	<u>\$ 329</u>	<u>\$ 3,015,499</u>	<u>\$ 2,758,641</u>	<u>\$ 1,566,575</u>	<u>\$ 2,924,966</u>	<u>\$ 315,975</u>	<u>\$ 10,581,985</u>	<u>\$ 13,672,039</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
Special Revenue Funds - School Restricted Fund
June 30, 2022

	<u>IDEA</u>	<u>IDEA Preschool</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>ESSER II Extended Learning</u>	<u>ESSER II Back to School</u>
ASSETS							
Due from federal and state government	\$ 182,344	\$ 128	\$ 69,108	\$ 18,959	\$ 6,898	\$ 14,545	\$ 117,006
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>\$ 182,344</u>	<u>\$ 128</u>	<u>\$ 69,108</u>	<u>\$ 18,959</u>	<u>\$ 6,898</u>	<u>\$ 14,545</u>	<u>\$ 117,006</u>
 LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 533	\$ -
Due to other funds	182,344	128	69,108	18,959	6,898	14,012	117,006
Total liabilities	<u>182,344</u>	<u>128</u>	<u>69,108</u>	<u>18,959</u>	<u>6,898</u>	<u>14,545</u>	<u>117,006</u>
Fund balances - restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 182,344</u>	<u>\$ 128</u>	<u>\$ 69,108</u>	<u>\$ 18,959</u>	<u>\$ 6,898</u>	<u>\$ 14,545</u>	<u>\$ 117,006</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2022

	<i>ESSER III Back to School</i>	<i>ESSER III Other Priority</i>	<i>Casit, Inc. AP Italian Program</i>	<i>Career & Technical Education</i>	<i>Career & Technical Categorical</i>	<i>Perkins Competitive</i>	<i>Perkins Agriculture CTE Grant</i>
ASSETS							
Due from federal and state government	\$ 98,022	\$ 17,080	\$ -	\$ -	\$ -	\$ -	\$ 36,190
Due from other funds	-	-	1,082	27,513	5,881	-	-
Total assets	\$ 98,022	\$ 17,080	\$ 1,082	\$ 27,513	\$ 5,881	\$ -	\$ 36,190
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ 6,992	\$ -	\$ -	\$ 1,400	\$ 5,616	\$ -	\$ 6,863
Due to other funds	91,030	17,080	-	-	-	-	29,327
Total liabilities	98,022	17,080	-	1,400	5,616	-	36,190
Fund balances - restricted	-	-	1,082	26,113	265	-	-
Total liabilities and fund balances	\$ 98,022	\$ 17,080	\$ 1,082	\$ 27,513	\$ 5,881	\$ -	\$ 36,190

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2022

	<i>Narragansett Educational Foundation</i>	<i>Highlander Institute</i>	<i>RI Foundation O'Brien</i>	<i>Royal Little</i>	<i>Westerly Community Credit Union</i>	<i>Tolerance Program</i>	<i>RI Foundation Spark</i>
ASSETS							
Due from federal and state government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	957	10	12,105	15,500	498	1,676	5
Total assets	\$ 957	\$ 10	\$ 12,105	\$ 15,500	\$ 498	\$ 1,676	\$ 5
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ 498	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	-	498	-	-
Fund balances - restricted	957	10	12,105	15,500	-	1,676	5
Total liabilities and fund balances	\$ 957	\$ 10	\$ 12,105	\$ 15,500	\$ 498	\$ 1,676	\$ 5

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
Special Revenue Funds - School Restricted Fund
June 30, 2022

	<i>NE Dairy Council Grant</i>	<i>NHS Student Activity Fund</i>	<i>NPS Student Activity Fund</i>	<i>NES Student Activity Fund</i>	<i>Educational Innovation and Research Grant</i>	<i>ELC School Supplemental Funding</i>	<i>Total</i>
ASSETS							
Due from federal and state government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,424	\$ 587,704
Due from other funds	462	410,472	91,652	50,448	-	-	618,261
Total assets	\$ 462	\$ 410,472	\$ 91,652	\$ 50,448	\$ -	\$ 27,424	\$ 1,205,965
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts payable and accrued expenditures	\$ -	\$ 3,195	\$ 2,950	\$ -	\$ -	\$ -	\$ 28,047
Due to other funds	-	246,193	31,242	6,690	-	27,424	857,441
Total liabilities	-	249,388	34,192	6,690	-	27,424	885,488
Fund balances - restricted	462	161,084	57,460	43,758	-	-	320,477
Total liabilities and fund balances	\$ 462	\$ 410,472	\$ 91,652	\$ 50,448	\$ -	\$ 27,424	\$ 1,205,965

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2022

	<u>IDEA</u>	<u>IDEA Preschool</u>	<u>Title I Part A</u>	<u>Title II Part A</u>	<u>Title IV Part A</u>	<u>ESSER II Extended Learning</u>	<u>ESSER II Back to School</u>
Revenues							
Operating grants and contributions	\$ 534,961	\$ 5,720	\$ 184,927	\$ 53,042	\$ 20,876	\$ 73,888	\$ 257,287
Total revenues	<u>534,961</u>	<u>5,720</u>	<u>184,927</u>	<u>53,042</u>	<u>20,876</u>	<u>73,888</u>	<u>257,287</u>
Expenditures							
Salaries	355,868	5,314	124,842	34,259	13,200	69,273	142,396
Employee benefits	179,093	406	60,039	18,783	620	4,615	72,391
Purchased services	-	-	-	-	7,056	-	42,500
Supplies and materials	-	-	46	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-
Total expenditures	<u>534,961</u>	<u>5,720</u>	<u>184,927</u>	<u>53,042</u>	<u>20,876</u>	<u>73,888</u>	<u>257,287</u>
Net change in fund balances	-	-	-	-	-	-	-
Fund balances - beginning of year	-	-	-	-	-	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2022

	<i>ESSER III Back to School</i>	<i>ESSER III Other Priority</i>	<i>Casit, Inc. AP Italian Program</i>	<i>Career & Technical Education</i>	<i>Career & Technical Categorical</i>	<i>Perkins Competitive</i>	<i>Perkins Agriculture CTE Grant</i>
Revenues							
Operating grants and contributions	\$ 297,044	\$ 30,688	\$ -	\$ 59,292	\$ -	\$ 1,500	\$ 33,942
Total revenues	<u>297,044</u>	<u>30,688</u>	<u>-</u>	<u>59,292</u>	<u>-</u>	<u>1,500</u>	<u>33,942</u>
Expenditures							
Salaries	269,939	-	-	-	-	-	-
Employee benefits	27,105	-	-	-	11,593	-	-
Purchased services	-	-	-	5,500	-	1,500	11,206
Supplies and materials	-	13,608	-	2,306	45,522	-	4,729
Capital outlay	-	17,080	-	58,516	2,274	-	10,467
Other costs	-	-	-	-	-	-	7,540
Total expenditures	<u>297,044</u>	<u>30,688</u>	<u>-</u>	<u>66,322</u>	<u>59,389</u>	<u>1,500</u>	<u>33,942</u>
Net change in fund balances	-	-	-	(7,030)	(59,389)	-	-
Fund balances - beginning of year	-	-	1,082	33,143	59,654	-	-
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,082</u>	<u>\$ 26,113</u>	<u>\$ 265</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2022

	<i>Narragansett Educational Foundation</i>	<i>Highlander Institute</i>	<i>RI Foundation O'Brien</i>	<i>Royal Little</i>	<i>Westerly Community Credit Union</i>	<i>Tolerance Program</i>	<i>RI Foundation Spark</i>
Revenues							
Operating grants and contributions	\$ -	\$ -	\$ -	\$ -	\$ 498	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>498</u>	<u>-</u>	<u>-</u>
Expenditures							
Salaries	-	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-	-
Purchased services	-	-	-	-	-	-	-
Supplies and materials	-	-	-	-	768	-	-
Capital outlay	-	-	-	-	-	-	-
Other costs	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>768</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	(270)	-	-
Fund balances - beginning of year	<u>957</u>	<u>10</u>	<u>12,105</u>	<u>15,500</u>	<u>270</u>	<u>1,676</u>	<u>5</u>
Fund balances - end of year	<u>\$ 957</u>	<u>\$ 10</u>	<u>\$ 12,105</u>	<u>\$ 15,500</u>	<u>\$ -</u>	<u>\$ 1,676</u>	<u>\$ 5</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)
Special Revenue Funds - School Restricted Fund
For the Fiscal Year Ended June 30, 2022

	<i>NE Dairy Council Grant</i>	<i>NHS Student Activity Fund</i>	<i>NPS Student Activity Fund</i>	<i>NES Student Activity Fund</i>	<i>Educational Innovation and Research Grant</i>	<i>ELC School Supplemental Funding</i>	<i>Total</i>
Revenues							
Operating grants and contributions	\$ -	\$ 275,035	\$ 27,020	\$ 7,577	\$ 3,977	\$ 54,848	\$ 1,922,122
Total revenues	<u>-</u>	<u>275,035</u>	<u>27,020</u>	<u>7,577</u>	<u>3,977</u>	<u>54,848</u>	<u>1,922,122</u>
Expenditures							
Salaries	-	-	-	-	3,694	50,950	1,069,735
Employee benefits	-	-	-	-	283	3,898	378,826
Purchased services	-	-	-	-	-	-	67,762
Supplies and materials	-	-	-	-	-	-	66,979
Capital outlay	-	-	-	-	-	-	88,337
Other costs	-	238,726	41,804	6,486	-	-	294,556
Total expenditures	<u>-</u>	<u>238,726</u>	<u>41,804</u>	<u>6,486</u>	<u>3,977</u>	<u>54,848</u>	<u>1,966,195</u>
Net change in fund balances	-	36,309	(14,784)	1,091	-	-	(44,073)
Fund balances - beginning of year	<u>462</u>	<u>124,775</u>	<u>72,244</u>	<u>42,667</u>	<u>-</u>	<u>-</u>	<u>364,550</u>
Fund balances - end of year	<u>\$ 462</u>	<u>\$ 161,084</u>	<u>\$ 57,460</u>	<u>\$ 43,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 320,477</u>

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Pension Trust Funds
June 30, 2022

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total Pension Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 5,137,397	\$ 213,420	\$ 5,350,817
Investments at fair value:			
U.S. government and agency obligations	6,043,297	-	6,043,297
Corporate bonds	5,089,669	-	5,089,669
Mortgage backed securities	527,713	-	527,713
Common stock	22,655,469	-	22,655,469
Mutual and exchange traded funds - equities	49,998,659	977,289	50,975,948
Mutual and exchange traded funds - fixed income	21,414,466	527,723	21,942,189
Total investments	<u>105,729,273</u>	<u>1,505,012</u>	<u>107,234,285</u>
Accrued interest receivable	73,438	-	73,438
Contribution receivable	78,520	-	78,520
Total assets	<u>111,018,628</u>	<u>1,718,432</u>	<u>112,737,060</u>
Liabilities			
Accounts payable	563	-	563
Due to other funds	-	214,665	214,665
Total liabilities	<u>563</u>	<u>214,665</u>	<u>215,228</u>
Net Position			
Restricted for pension benefits	<u>\$ 111,018,065</u>	<u>\$ 1,503,767</u>	<u>\$ 112,521,832</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
For the Year Ended June 30, 2022

	<u>Town Plan</u>	<u>Police Plan</u>	<u>Total Pension Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 7,093,037	\$ 267,000	\$ 7,360,037
Plan member	1,694,269	-	1,694,269
Total contributions	<u>8,787,306</u>	<u>267,000</u>	<u>9,054,306</u>
Investment income:			
Net increase (decrease) in fair value of investments	(17,255,207)	(296,785)	(17,551,992)
Interest and dividends	2,250,302	35,394	2,285,696
Less: investment expense	(483,117)	(10,843)	(493,960)
Net investment income	<u>(15,488,022)</u>	<u>(272,234)</u>	<u>(15,760,256)</u>
Total additions	<u>(6,700,716)</u>	<u>(5,234)</u>	<u>(6,705,950)</u>
Deductions			
Benefits	7,331,352	195,169	7,526,521
Refunds of contributions	138,724	-	138,724
Administrative expenses	43,325	7,259	50,584
Total deductions	<u>7,513,401</u>	<u>202,428</u>	<u>7,715,829</u>
Change in net position	(14,214,117)	(207,662)	(14,421,779)
Net position - beginning of year	<u>125,232,182</u>	<u>1,711,429</u>	<u>126,943,611</u>
Net position - end of year	<u>\$ 111,018,065</u>	<u>\$ 1,503,767</u>	<u>\$ 112,521,832</u>

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Other Post-Employment Benefit Trust Funds
June 30, 2022

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total Other Post- Employment Benefit Trust Funds</u>
Assets			
Cash and cash equivalents	\$ 2,613,668	\$ -	\$ 2,613,668
Investments at fair value:			
Common stock	5,635,050	-	5,635,050
Mutual and exchange traded funds - equities	1,204,223	-	1,204,223
Mutual and exchange traded funds - fixed income	4,231,908	-	4,231,908
Pooled investments	-	1,880,805	1,880,805
Total investments	<u>11,071,181</u>	<u>1,880,805</u>	<u>12,951,986</u>
Contribution receivable	-	463,727	463,727
Total assets	<u>13,684,849</u>	<u>2,344,532</u>	<u>16,029,381</u>
Liabilities			
Accounts payable and accrued expenses	173,011	-	173,011
Total liabilities	<u>173,011</u>	<u>-</u>	<u>173,011</u>
Net Position			
Restricted for other post-employment benefits	<u>\$ 13,511,838</u>	<u>\$ 2,344,532</u>	<u>\$ 15,856,370</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2022

	<u>Town Plan</u>	<u>School Plan</u>	<u>Total Other Post- Employment Benefit Trust Funds</u>
Additions			
Contributions:			
Employer	\$ 4,155,176	\$ 855,745	\$ 5,010,921
Total contributions	<u>4,155,176</u>	<u>855,745</u>	<u>5,010,921</u>
Investment income:			
Net increase (decrease) in fair value of investments	(1,713,022)	(286,696)	(1,999,718)
Interest and dividends	204,452	-	204,452
Less: investment expense	(90,092)	(6,582)	(96,674)
Net investment income	<u>(1,598,662)</u>	<u>(293,278)</u>	<u>(1,891,940)</u>
Total additions	<u>2,556,514</u>	<u>562,467</u>	<u>3,118,981</u>
Deductions			
Benefits	2,529,532	533,734	3,063,266
Administrative expenses	35,150	-	35,150
Total deductions	<u>2,564,682</u>	<u>533,734</u>	<u>3,098,416</u>
Change in net position	(8,168)	28,733	20,565
Net position - beginning of year	<u>13,520,006</u>	<u>2,315,799</u>	<u>15,835,805</u>
Net position - end of year	<u>\$ 13,511,838</u>	<u>\$ 2,344,532</u>	<u>\$ 15,856,370</u>

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

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

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2022

	<u>Barton Memorial Scholarship Fund</u>	<u>Richard Colvin Memorial Scholarship Fund</u>	<u>Peter Davis Burial Fund</u>	<u>Franklin Burial Fund</u>	<u>James Water Fund</u>	<u>Frank L. Robinson Fund</u>	<u>Total Private- Purpose Trusts</u>
Assets							
Cash and cash equivalents	\$ 5,417	\$ -	\$ 566	\$ 3,691	\$ 2,901	\$ 60,528	\$ 73,103
Investments		11,370	-	-	-	-	11,370
Total assets	<u>5,417</u>	<u>11,370</u>	<u>566</u>	<u>3,691</u>	<u>2,901</u>	<u>60,528</u>	<u>84,473</u>
Net Position							
Restricted for other purposes	<u>\$ 5,417</u>	<u>\$ 11,370</u>	<u>\$ 566</u>	<u>\$ 3,691</u>	<u>\$ 2,901</u>	<u>\$ 60,528</u>	<u>\$ 84,473</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Fiscal Year Ended June 30, 2022

	<i>Barton Memorial Scholarship Fund</i>	<i>Richard Colvin Memorial Scholarship Fund</i>	<i>Peter Davis Burial Fund</i>	<i>Franklin Burial Fund</i>	<i>James Water Fund</i>	<i>Frank L. Robinson Fund</i>	<i>Total Private- Purpose Trusts</i>
<i>Additions</i>							
Investment earnings:							
Net increase (decrease) in fair value of investments	\$ -	\$ (1,430)	\$ -	\$ -	\$ -	\$ -	\$ (1,430)
Interest and dividends	3	789	2	15	12	250	1,071
Net investment earnings	<u>3</u>	<u>(641)</u>	<u>2</u>	<u>15</u>	<u>12</u>	<u>250</u>	<u>(359)</u>
<i>Total additions</i>	<u>3</u>	<u>(641)</u>	<u>2</u>	<u>15</u>	<u>12</u>	<u>250</u>	<u>(359)</u>
 <i>Change in net position</i>	 3	 (641)	 2	 15	 12	 250	 (359)
 <i>Net position - beginning of year</i>	 <u>5,414</u>	 <u>12,011</u>	 <u>564</u>	 <u>3,676</u>	 <u>2,889</u>	 <u>60,278</u>	 <u>84,832</u>
 <i>Net position - end of year</i>	 <u>\$ 5,417</u>	 <u>\$ 11,370</u>	 <u>\$ 566</u>	 <u>\$ 3,691</u>	 <u>\$ 2,901</u>	 <u>\$ 60,528</u>	 <u>\$ 84,473</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2022

Real Estate and Personal Property Taxes

Tax Year	Balance June 30, 2021	Assessments December 31, 2020	Additions	Abatements and Adjustments	Amount to be Collected	Current Year Collections	Balance June 30, 2022
2021	\$ -	\$ 56,035,516	\$ 46,787	\$ (15,655)	56,066,648	\$ 55,597,094	\$ 469,554
2020	417,091	-	-	(3,560)	413,531	347,438	66,093
2019	68,500	-	-	-	68,500	36,802	31,698
2018	25,942	-	-	-	25,942	2,123	23,819
2017	27,381	-	-	(1)	27,380	671	26,709
2016	36,119	-	-	-	36,119	478	35,641
2015	32,411	-	-	-	32,411	398	32,013
2014	35,143	-	-	-	35,143	183	34,960
2013	35,605	-	-	-	35,605	463	35,142
2012	37,380	-	-	(18,500)	18,880	1,357	17,523
2011	5,793	-	-	-	5,793	11	5,782
2010	2,845	-	-	-	2,845	10	2,835
2009	2,454	-	-	-	2,454	10	2,444
2008	3,376	-	-	-	3,376	-	3,376
2007	3,162	-	-	-	3,162	-	3,162
2006	321	-	-	-	321	-	321
2004	383	-	-	1	384	-	384
2003	624	-	-	-	624	-	624
	<u>\$ 734,530</u>	<u>\$ 56,035,516</u>	<u>\$ 46,787</u>	<u>\$ (37,715)</u>	<u>\$ 56,779,118</u>	<u>\$ 55,987,038</u>	<u>\$ 792,080</u>
Allowance for uncollectible accounts	<u>(222,244)</u>						<u>(221,195)</u>
Net Property Tax Receivable	<u>\$ 512,286</u>						<u>\$ 570,885</u>

Schedule of Most Recent Net Assessed Property Value by Category

Description of Property	Valuation	Levy
Real property	\$ 6,124,323,843	\$ 55,401,834
Motor vehicles	136,851,707	2,252,579
Tangible personal property	116,051,066	1,387,971
Total	<u>6,377,226,616</u>	<u>59,042,384</u>
Exemptions	<u>285,766,847</u>	<u>3,006,868</u>
Net assessed value	<u>\$ 6,091,459,769</u>	<u>\$ 56,035,516</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 55,987,038
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2022	261,943
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2021	<u>(214,569)</u>
Current year property tax revenue	<u>\$ 56,034,412</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Tax Collector's Annual Report (Continued)
For the Fiscal Year Ended June 30, 2022

Fiscal Year 2022 Cash Collection Summary

<u>Tax Year</u>	<u>July - August 2021 Collections Subject to 60 day FY 21 Accrual</u>	<u>September 2021- June 2022 Collections</u>	<u>Total FY 2022 Cash Collections</u>	<u>July - August 2022 Collections Subject to 60 day FY 22 Accrual</u>
2021	\$ -	\$ 55,597,094	\$ 55,597,094	\$ 244,791
2020	201,817	145,621	347,438	12,444
2019	11,494	25,308	36,802	1,167
2018	506	1,617	2,123	160
2017	144	527	671	176
2016	194	284	478	701
2015	71	327	398	702
2014	29	154	183	707
2013	19	444	463	692
2012	295	1,062	1,357	403
2011	-	11	11	-
2010	-	10	10	-
2009	-	10	10	-
2008	-	-	-	-
2007	-	-	-	-
2006	-	-	-	-
2004	-	-	-	-
2003	-	-	-	-
	<u>\$ 214,569</u>	<u>\$ 55,772,469</u>	<u>\$ 55,987,038</u>	<u>\$ 261,943</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2022

	<i>Town General</i>	<i>Library Fund</i>	<i>Retained Claims</i>	<i>Kinney Bungalow</i>	<i>Surplus Property</i>	<i>Towers Committee</i>	<i>Parks & Recreation Aid</i>	<i>Parks & Recreation Trust</i>	<i>Sunset Farm</i>	<i>Town Anniversary</i>
Assets										
Cash	\$ 2,789,597	\$ 560,703	\$ 29,463	\$ 117,778	\$ 98,779	\$ 239,172	\$ 70,580	\$ 273,960	\$ 4,486	\$ 1,444
Investments	24,410,554	-	-	-	-	-	-	-	-	-
Real estate and personal property										
tax receivable, net	570,885	-	-	-	-	-	-	-	-	-
Due from federal and state governments	193,112	-	-	-	-	-	-	-	-	-
Due from other funds	364,654	-	-	-	-	-	-	-	-	-
Lease receivable	2,455,115	-	-	-	-	-	-	-	-	-
Other receivables	184,124	-	-	-	-	-	-	-	-	-
Inventory	68,216	-	-	-	-	-	-	-	-	-
Prepaid expenditures	342,353	-	-	-	-	-	-	-	-	-
Other assets	66,672	-	-	-	-	-	-	-	-	-
Advance to other funds	1,082,030	-	-	-	-	-	-	-	-	-
Total assets	\$ 32,527,312	\$ 560,703	\$ 29,463	\$ 117,778	\$ 98,779	\$ 239,172	\$ 70,580	\$ 273,960	\$ 4,486	\$ 1,444
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities:										
Accounts payable and accrued expenditures	765,464	16,697	-	5,839	-	17,302	-	-	85	-
Due to other funds	12,668,220	-	-	-	-	-	-	-	-	-
Other liabilities	192,796	-	-	21,500	-	11,575	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	13,626,480	16,697	-	27,339	-	28,877	-	-	85	-
Deferred Inflows of Resources:										
Unavailable revenue-property taxes	345,543	-	-	-	-	-	-	-	-	-
Unavailable revenue-other revenues	72,718	-	-	-	-	-	-	-	-	-
Lease related	2,455,115	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	2,873,376	-	-	-	-	-	-	-	-	-
Fund Balances:										
Nonspendable:										
Inventory	68,216	-	-	-	-	-	-	-	-	-
Prepaid expenditures	342,353	-	-	-	-	-	-	-	-	-
Long-term interfund advance	1,082,030	-	-	-	-	-	-	-	-	-
Restricted for:										
Education programs	-	-	-	-	-	-	-	-	-	-
Library programs	-	60,422	-	-	-	-	-	-	-	-
Capital projects	-	98,962	-	-	-	-	-	-	-	-
Committed for:										
Capital projects	-	50,000	-	-	-	-	-	-	-	-
Assigned to:										
Parks and recreation programs	-	-	-	-	-	-	70,580	273,960	-	-
Towers	-	-	-	-	-	210,295	-	-	-	-
Kinney Bungalow	-	-	-	90,439	-	-	-	-	-	-
Sunset Farm	-	-	-	-	-	-	-	-	4,401	-
Other	-	-	-	-	-	-	-	-	-	1,444
2023 budget	2,576,426	-	-	-	-	-	-	-	-	-
Unassigned	11,958,431	334,622	29,463	-	98,779	-	-	-	-	-
Total fund balances	16,027,456	544,006	29,463	90,439	98,779	210,295	70,580	273,960	4,401	1,444
Total liabilities, deferred inflows of resources, and fund balances	\$ 32,527,312	\$ 560,703	\$ 29,463	\$ 117,778	\$ 98,779	\$ 239,172	\$ 70,580	\$ 273,960	\$ 4,486	\$ 1,444

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Balance Sheet (Continued)
General Fund
June 30, 2022

	<i>Earle Water Tank</i>	<i>Rental Registration</i>	<i>Tipping Fees</i>	<i>Pier Market</i>	<i>Total Town</i>	<i>School Unrestricted</i>	<i>Athletic Gate Receipts</i>	<i>Total School</i>	<i>Interfund Elimination Entries</i>	<i>Total General Fund</i>
Assets										
Cash	\$ 91	\$ 11,342	\$ 71,420	\$ 20,309	4,289,124	\$ 1,474	\$ -	\$ 1,474	\$ -	\$ 4,290,598
Investments	-	-	-	-	24,410,554	-	-	-	-	24,410,554
Real estate and personal property tax receivable, net	-	-	-	-	570,885	-	-	-	-	570,885
Due from federal and state governments	-	-	-	-	193,112	21,880	-	21,880	-	214,992
Due from other funds	-	-	-	-	364,654	13,525,968	18,672	13,544,640	(12,823,061)	1,086,233
Lease receivable	-	-	-	412,020	2,867,135	-	-	-	-	2,867,135
Other receivables	-	-	-	3,222	187,346	22,400	-	22,400	-	209,746
Inventory	-	-	-	-	68,216	-	-	-	-	68,216
Prepaid expenditures	-	-	-	-	342,353	102,427	-	102,427	-	444,780
Other assets	-	-	-	-	66,672	-	-	-	-	66,672
Advance to other funds	-	-	-	-	1,082,030	-	-	-	-	1,082,030
Total assets	<u>\$ 91</u>	<u>\$ 11,342</u>	<u>\$ 71,420</u>	<u>\$ 435,551</u>	<u>\$ 34,442,081</u>	<u>\$ 13,674,149</u>	<u>\$ 18,672</u>	<u>\$ 13,692,821</u>	<u>\$ (12,823,061)</u>	<u>\$ 35,311,841</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances										
Liabilities:										
Accounts payable and accrued expenditures	-	8,967	-	4,642	818,996	850,622	-	850,622	-	1,669,618
Due to other funds	-	-	-	136,169	12,804,389	4,001,996	-	4,001,996	(12,823,061)	3,983,324
Other liabilities	-	-	-	-	225,871	-	-	-	-	225,871
Unearned revenue	-	-	-	-	-	5,826	-	5,826	-	5,826
Total liabilities	<u>-</u>	<u>8,967</u>	<u>-</u>	<u>140,811</u>	<u>13,849,256</u>	<u>4,858,444</u>	<u>-</u>	<u>4,858,444</u>	<u>(12,823,061)</u>	<u>5,884,639</u>
Deferred Inflows of Resources:										
Unavailable-property taxes	-	-	-	-	345,543	-	-	-	-	345,543
Unavailable-other revenues	-	-	-	-	72,718	-	-	-	-	72,718
Lease related	-	-	-	412,020	2,867,135	-	-	-	-	2,867,135
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>412,020</u>	<u>3,285,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,285,396</u>
Fund Balances:										
Nonspendable:										
Inventory	-	-	-	-	68,216	-	-	-	-	68,216
Prepaid expenditures	-	-	-	-	342,353	102,427	-	102,427	-	444,780
Long-term interfund advance	-	-	-	-	1,082,030	-	-	-	-	1,082,030
Restricted for:										
Education programs	-	-	-	-	-	8,713,278	18,672	8,731,950	-	8,731,950
Library programs	-	-	-	-	60,422	-	-	-	-	60,422
Capital projects	-	-	-	-	98,962	-	-	-	-	98,962
Committed for:										
Capital projects	-	-	-	-	50,000	-	-	-	-	50,000
Assigned to:										
Parks and recreation programs	-	-	-	-	344,540	-	-	-	-	344,540
Towers	-	-	-	-	210,295	-	-	-	-	210,295
Kinney Bungalow	-	-	-	-	90,439	-	-	-	-	90,439
Sunset Farm	-	-	-	-	4,401	-	-	-	-	4,401
Other	91	2,375	-	-	3,910	-	-	-	-	3,910
2023 budget	-	-	-	-	2,576,426	-	-	-	-	2,576,426
Unassigned	-	-	71,420	(117,280)	12,375,435	-	-	-	-	12,375,435
Total fund balances	<u>91</u>	<u>2,375</u>	<u>71,420</u>	<u>(117,280)</u>	<u>17,307,429</u>	<u>8,815,705</u>	<u>18,672</u>	<u>8,834,377</u>	<u>-</u>	<u>26,141,806</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 91</u>	<u>\$ 11,342</u>	<u>\$ 71,420</u>	<u>\$ 435,551</u>	<u>\$ 34,442,081</u>	<u>\$ 13,674,149</u>	<u>\$ 18,672</u>	<u>\$ 13,692,821</u>	<u>\$ -</u>	<u>\$ 35,311,841</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2022

	<u>Town General</u>	<u>Library Fund</u>	<u>Retained Claims</u>	<u>Kinney Bungalow</u>	<u>Surplus Property</u>	<u>Towers Committee</u>	<u>Parks & Recreation Aid</u>	<u>Parks & Recreation Trust</u>	<u>Sunset Farm</u>	<u>Town Anniversary</u>
Revenues:										
General property taxes and payments in lieu of taxes	\$ 56,939,720	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State and federal aid	2,482,200	97,875	-	-	-	-	-	-	-	-
Charges for services	4,314,916	4,486	-	107,384	-	346,792	-	-	-	-
Operating grants and contributions	-	645	-	-	-	300	17,898	56,000	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment and interest income	(474,903)	(1,573)	108	544	408	702	250	993	20	6
Other revenues	-	-	-	-	-	-	-	-	-	-
Total revenues	<u>63,261,933</u>	<u>101,433</u>	<u>108</u>	<u>107,928</u>	<u>408</u>	<u>347,794</u>	<u>18,148</u>	<u>56,993</u>	<u>20</u>	<u>6</u>
Expenditures:										
Current:										
General government	2,334,892	-	5,019	-	-	-	-	-	-	-
Financial administration	1,483,371	-	-	-	-	-	-	-	-	-
Public safety	16,017,184	-	-	-	-	-	-	-	-	-
Public works	2,983,698	-	-	-	-	-	-	-	-	-
Parks and recreation	1,380,939	-	-	127,684	-	337,439	2,924	25,360	3,796	-
Planning, engineering and inspection	1,211,301	-	-	-	-	-	-	-	-	-
Library	-	986,536	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-	-	-
Town-wide	610,595	-	-	-	-	-	-	-	-	-
Other	3,429,268	-	-	-	-	-	-	-	-	-
Total expenditures	<u>29,451,248</u>	<u>986,536</u>	<u>5,019</u>	<u>127,684</u>	<u>-</u>	<u>337,439</u>	<u>2,924</u>	<u>25,360</u>	<u>3,796</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>33,810,685</u>	<u>(885,103)</u>	<u>(4,911)</u>	<u>(19,756)</u>	<u>408</u>	<u>10,355</u>	<u>15,224</u>	<u>31,633</u>	<u>(3,776)</u>	<u>6</u>
Other financing sources (uses):										
Transfers in	159,530	841,103	12,000	-	-	50,000	-	-	-	-
Transfers out	(33,106,881)	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>(32,947,351)</u>	<u>841,103</u>	<u>12,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	863,334	(44,000)	7,089	(19,756)	408	60,355	15,224	31,633	(3,776)	6
Fund balances - beginning of year-restated	<u>15,164,122</u>	<u>588,006</u>	<u>22,374</u>	<u>110,195</u>	<u>98,371</u>	<u>149,940</u>	<u>55,356</u>	<u>242,327</u>	<u>8,177</u>	<u>1,438</u>
Fund balances - end of year	<u>\$ 16,027,456</u>	<u>\$ 544,006</u>	<u>\$ 29,463</u>	<u>\$ 90,439</u>	<u>\$ 98,779</u>	<u>\$ 210,295</u>	<u>\$ 70,580</u>	<u>\$ 273,960</u>	<u>\$ 4,401</u>	<u>\$ 1,444</u>

(Continued)

TOWN OF NARRAGANSETT, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
For the Fiscal Year Ended June 30, 2022

	<i>Earle Water Tank</i>	<i>Rental Registration</i>	<i>Tipping Fees</i>	<i>Pier Market</i>	<i>Total Town</i>	<i>School Unrestricted</i>	<i>Athletic Gate Receipts</i>	<i>Total School</i>	<i>Interfund Elimination Entries</i>	<i>Total General Fund</i>
Revenues:										
General property taxes and payments in lieu of taxes	\$ -	\$ -	\$ -	\$ -	\$ 56,939,720	\$ -	\$ -	\$ -	\$ -	\$ 56,939,720
State and federal aid	-	-	-	-	2,580,075	3,638,134	-	3,638,134	-	6,218,209
Charges for services	-	321,469	-	51,261	5,146,308	2,366,208	17,837	2,384,045	-	7,530,353
Operating grants and contributions	-	-	-	-	74,843	-	-	-	-	74,843
Capital grants and contributions	-	-	-	-	-	53,573	-	\$ 53,573	-	53,573
Investment and interest income	-	126	368	-	(472,951)	-	-	-	-	(472,951)
Other revenues	-	-	-	-	-	22,594	-	22,594	-	22,594
Total revenues	-	321,595	368	51,261	64,267,995	6,080,509	17,837	6,098,346	-	70,366,341
Expenditures:										
<i>Current:</i>										
General government	-	159,311	-	77,647	2,576,869	-	-	-	-	2,576,869
Financial administration	-	-	-	-	1,483,371	-	-	-	-	1,483,371
Public safety	-	-	-	-	16,017,184	-	-	-	-	16,017,184
Public works	-	-	-	-	2,983,698	-	-	-	-	2,983,698
Parks and recreation	-	-	-	-	1,878,142	-	-	-	-	1,878,142
Planning, engineering and inspection	-	-	-	-	1,211,301	-	-	-	-	1,211,301
Library	-	-	-	-	986,536	-	-	-	-	986,536
Education	-	-	-	-	-	31,042,800	22,242	31,065,042	-	31,065,042
Town-wide	-	-	-	-	610,595	-	-	-	-	610,595
Other	-	-	-	-	3,429,268	-	-	-	-	3,429,268
Total expenditures	-	159,311	-	77,647	31,176,964	31,042,800	22,242	31,065,042	-	62,242,006
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	-	162,284	368	(26,386)	33,091,031	(24,962,291)	(4,405)	(24,966,696)	-	8,124,335
Other financing sources (uses):										
Transfers in	-	-	-	-	1,062,633	27,069,400	-	27,069,400	(28,132,033)	-
Transfers out	-	(159,530)	-	-	(33,266,411)	(1,100,000)	-	(1,100,000)	28,132,033	(6,234,378)
Total other financing sources (uses)	-	(159,530)	-	-	(32,203,778)	25,969,400	-	25,969,400	-	(6,234,378)
Net change in fund balances	-	2,754	368	(26,386)	887,253	1,007,109	(4,405)	1,002,704	-	1,889,957
Fund balances - beginning of year-restated	91	(379)	71,052	(90,894)	16,420,176	7,808,596	23,077	7,831,673	-	24,251,849
Fund balances - end of year	\$ 91	\$ 2,375	\$ 71,420	\$ (117,280)	\$ 17,307,429	\$ 8,815,705	\$ 18,672	\$ 8,834,377	\$ -	\$ 26,141,806

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Assets, Liabilities and Fund Balance
School Unrestricted Fund
June 30, 2022

ASSETS

Cash	\$ 1,474
Due from federal and state governments	21,880
Other receivables	22,400
Due from other funds	13,525,968
Prepaid expenditures	102,427
Total assets	<u>\$ 13,674,149</u>

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

Liabilities

Accounts payable and accrued expenditures	\$ 850,622
Due to other funds	4,001,996
Unearned revenue	5,826
Total liabilities	<u>4,858,444</u>

Fund balances

Nonspendable:	
Prepaid expenditures	102,427
Restricted for:	
Education	8,713,278
Total fund balances	<u>8,815,705</u>

Total liabilities and fund balances	<u>\$ 13,674,149</u>
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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues, Expenditures and Changes in Fund Balance
School Unrestricted Fund
For the Fiscal Year Ended June 30, 2022

REVENUES

Town appropriation	\$ 27,069,400
State aid	3,638,134
Charges for services	2,366,208
Capital grants and contributions	53,573
Other revenues	22,594
Total revenues	<u>33,149,909</u>

EXPENDITURES

Education	<u>31,042,800</u>
Total expenditures	<u>31,042,800</u>

Excess of revenues over expenditures before other financing uses	<u>2,107,109</u>
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Other financing uses:

Transfers out	<u>(1,100,000)</u>
Total other financing uses	<u>(1,100,000)</u>

Net change in fund balances	1,007,109
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Fund balances - beginning of year	<u>7,808,596</u>
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Fund balances - end of year	<u><u>\$ 8,815,705</u></u>
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TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Revenues and Expenditures - Budget and Actual
School Department Operating Budget
For the Fiscal Year Ended June 30, 2022

	<u>Budgeted Amounts</u>		<u>Actual Amounts (Budgetary Basis)</u>	<u>Variance With Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Town appropriation	\$ 27,069,400	\$ 27,069,400	\$ 27,069,400	\$ -
State aid	2,196,991	2,196,991	2,196,758	(233)
Charges for services	1,200,000	1,200,000	2,352,938	1,152,938
Other revenues	15,000	15,000	89,437	74,437
Re-appropriated fund balance	2,727,688	2,727,688	-	(2,727,688)
Total revenues	<u>33,209,079</u>	<u>33,209,079</u>	<u>31,708,533</u>	<u>(1,500,546)</u>
Expenditures				
Salaries	17,827,626	17,827,926	17,288,949	538,977
Employee benefits	8,324,657	8,321,807	7,427,824	893,983
Purchased services	3,808,406	3,811,502	2,461,418	1,350,084
Supplies and materials	1,217,425	1,218,602	1,087,081	131,521
Capital outlay	422,835	433,854	627,744	(193,890)
Other costs	78,130	65,388	38,720	26,668
Total expenditures	<u>31,679,079</u>	<u>31,679,079</u>	<u>28,931,736</u>	<u>2,747,343</u>
Excess of revenues over expenditures before other financing uses	<u>1,530,000</u>	<u>1,530,000</u>	<u>2,776,797</u>	<u>1,246,797</u>
Other financing uses				
Transfers out	(1,530,000)	(1,530,000)	(1,769,688)	(239,688)
Total other financing uses	<u>(1,530,000)</u>	<u>(1,530,000)</u>	<u>(1,769,688)</u>	<u>(239,688)</u>
Net change in fund balance (budgetary basis)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,007,109</u>	<u>\$ 1,007,109</u>

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Unrestricted Fund - Fund Balance
Restricted for Education Programs
June 30, 2022

Restricted for Education:

School Committee designation for use in subsequent year budget	\$ 3,212,263
Undesignated	<u>5,501,015</u>
Total	<u><u>\$ 8,713,278</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 55,841,885	\$ -
Last Year's Levy Tax Collection	158,065	-
Prior Years Property Tax Collection	34,462	-
Interest & Penalty	195,809	-
PILOT & Tax Treaty (excluded from levy) Collection	709,499	-
Other Local Property Taxes	-	-
Licenses and Permits	503,117	-
Fines and Forfeitures	434,220	-
Investment Income	147,664	-
Departmental	2,968,461	-
Rescue Run Revenue	517,174	-
Police & Fire Detail	176,623	-
Other Local Non-Property Tax Revenues	945	-
Tuition	-	2,145,270
Impact Aid	-	-
Medicaid	-	207,668
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	541,824
CDBG	-	-
COPS Grants	-	-
SAFER Grants	298,154	-
Other Federal Aid Funds	61,196	784,097
COVID - ESSER	-	713,755
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	8,430	54,848
MV Excise Tax Reimbursement	-	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	97,875	-
Library Construction Aid	-	-
Public Service Corporation Tax	191,412	-
Meals & Beverage Tax / Hotel Tax	1,114,050	-
LEA Aid	-	2,196,758
Group Home	-	-
Housing Aid Capital Projects	-	386,728
Housing Aid Bonded Debt	454,699	-
State Food Service Revenue	-	6,565
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	218,407	59,292
Motor Vehicle Phase Out	442,433	-
Other Revenue	-	420,839
Local Appropriation for Education	-	27,069,400
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 64,574,580	\$ 34,587,044
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ -	\$ -

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 818,190	\$ 803,302	\$ 88,575	\$ 234,490	\$ 465,075	\$ 422,306	\$ 1,236,039	\$ 744,790	\$ 3,684,467
Compensation - Group B	-	-	-	-	-	-	-	-	215,201
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	13,563	1,436	199	6,149	6,871	10,068	103,895	21,583	540,010
Overtime - Group B	-	-	-	-	-	-	-	-	4,902
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	137,343
Active Medical Insurance - Group A	136,624	163,776	21,136	21,347	112,839	64,011	274,712	106,667	485,545
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	80,061
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	6,196	6,544	970	992	4,732	2,614	12,022	4,784	19,256
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	4,065
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	64,993	61,620	6,368	17,982	34,837	32,132	98,945	57,941	352,955
Life Insurance	3,331	3,630	306	918	1,936	1,463	5,473	2,889	13,156
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	246,144	-	-	-	7,436	1,075	1,604	1,408	72,139
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	225,803	301,596	19,180	88,705	162,606	100,036	443,894	185,999	1,926,729
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	72,690
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	267,000	-	-	-	-	-	-	-	-
Purchased Services	369,364	47,716	8,438	14,513	50,023	49,784	14,726	85,164	69,395
Materials/Supplies	72,276	50,792	7,447	4,163	11,850	159,602	53,511	169,900	122,817
Software Licenses	-	41,300	-	263,879	3,650	-	3,825	2,300	1,682
Capital Outlays	-	-	-	-	-	-	98,397	-	-
Insurance	288,199	-	-	-	-	-	-	-	-
Maintenance	972	-	6,128	-	-	9,677	34,452	109,207	14,522
Vehicle Operations	-	-	-	-	-	-	395,190	24,713	83,668
Utilities	15,639	1,660	15,980	226	2,031	31,261	418,466	107,988	91,615
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	31,100	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	53,136	-	-
Trash Removal & Recycling	-	-	-	-	-	-	28,041	-	-
Claims & Settlements	82,638	-	-	-	-	-	-	-	-
Community Support	172,368	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	-	-	-	27,741	-	70,113	-
Tipping Fees	-	-	-	-	-	-	23,684	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 2,783,300	\$ 1,483,372	\$ 174,727	\$ 653,364	\$ 863,886	\$ 911,770	\$ 3,331,112	\$ 1,695,446	\$ 7,992,218

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 2,943,136	\$ 560,548	\$ 118,075	\$ -	\$ -	\$ -	\$ 12,118,993	\$ 12,972,054
Compensation - Group B	52,213	-	-	-	-	-	267,414	1,953,046
Compensation - Group C	-	-	-	-	-	-	-	3,412,999
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	1,031,565	147,202	9,013	-	-	-	1,891,554	-
Overtime - Group B	1,271	-	-	-	-	-	6,173	-
Overtime - Group C	-	-	-	-	-	-	-	20,583
Police & Fire Detail	-	-	-	-	-	-	137,343	-
Active Medical Insurance - Group A	527,445	101,578	18,947	-	-	-	2,034,627	1,673,006
Active Medical Insurance- Group B	7,393	-	-	-	-	-	87,454	233,202
Active Medical Insurance- Group C	-	-	-	-	-	-	-	648,174
Active Dental insurance- Group A	18,679	3,974	870	-	-	-	81,633	220,878
Active Dental Insurance- Group B	1,288	-	-	-	-	-	5,353	13,362
Active Dental Insurance- Group C	-	-	-	-	-	-	-	44,453
Payroll Taxes	308,044	53,609	9,343	-	-	-	1,098,769	1,363,594
Life Insurance	11,848	2,647	274	-	-	-	47,871	56,188
State Defined Contribution- Group A	-	-	-	-	-	-	-	73,204
State Defined Contribution - Group B	-	-	-	-	-	-	-	5,927
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	63,975	-	-	-	-	-	393,781	61,200
Other Benefits- Group B	-	-	-	-	-	-	-	6,836
Other Benefits- Group C	-	-	-	-	-	-	-	55,770
Local Defined Benefit Pension- Group A	1,521,505	204,343	23,935	-	-	-	5,204,331	-
Local Defined Benefit Pension - Group B	27,538	-	-	-	-	-	100,228	189,517
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	1,121,936
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	1,838,250
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	201,155
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	267,000	-
Purchased Services	56,043	36	73,207	-	-	-	838,409	2,477,102
Materials/Supplies	220,131	6,503	9,809	-	-	-	888,801	513,789
Software Licenses	26,400	-	-	-	-	-	343,036	58,862
Capital Outlays	-	-	-	-	-	-	98,397	876,959
Insurance	-	-	-	-	-	-	288,199	240,955
Maintenance	70,411	-	-	-	-	-	245,369	210,278
Vehicle Operations	52,225	-	1,254	-	-	-	557,050	512,944
Utilities	35,789	-	1,056	-	-	-	721,711	566,086
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	31,100	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	53,136	-
Trash Removal & Recycling	-	-	-	-	-	-	28,041	-
Claims & Settlements	-	-	-	-	-	-	82,638	-
Community Support	-	-	-	-	-	-	172,368	-
Other Operation Expenditures	-	-	-	-	-	-	97,854	364,888
Tipping Fees	-	-	-	-	-	-	23,684	-
Local Appropriation for Education	-	-	-	27,069,400	-	-	27,069,400	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	1,044,283	-	1,044,283	-
Municipal Debt- Interest	-	-	-	-	412,660	-	412,660	-
School Debt- Principal	-	-	-	-	1,160,000	-	1,160,000	-
School Debt- Interest	-	-	-	-	479,602	-	479,602	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	3,263,802	3,263,802	669,688
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 6,976,899	\$ 1,080,440	\$ 265,783	\$ 27,069,400	\$ 3,096,545	\$ 3,263,802	\$ 61,642,064	\$ 32,656,884

Financing Uses: Transfer to Capital Funds	\$ 1,967,640	\$ -
Financing Uses: Transfer to Other Funds	50,000	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 2,017,640	\$ -
Net Change in Fund Balance¹	914,876	1,930,160
Fund Balance1- beginning of year	\$16,698,334	\$10,520,740
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	(90,894)	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	16,607,440	10,520,740
Rounding	-	-
Fund Balance¹ - end of year	\$ 17,522,316	\$ 12,450,900

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2022

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, 2021						\$ 16,698,334	\$ -	\$ 16,698,334	
<i>No funds removed from RGS for fiscal 2021</i>						-	-	-	
<i>Funds added to RGS for Fiscal 2021</i>						-	(90,894)	(90,894)	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>16,698,334</u>	<u>(90,894)</u>	<u>16,607,440</u>	
General Fund	\$ 70,366,341	\$ -	\$ 62,242,006	\$ 6,234,378	\$ 1,889,957	\$ 24,342,743	\$ (90,894)	\$ 24,251,849	\$ 26,141,806
Debt Service Fund	-	3,116,738	3,097,545	-	19,193	187,264	-	187,264	206,457
SAFER	298,155	-	298,155	-	-	-	-	-	-
American Rescue Plan Act Fund	8,430	-	-	-	8,430	-	-	-	8,430
Totals per audited financial statements	<u>\$ 70,672,926</u>	<u>\$ 3,116,738</u>	<u>\$ 65,637,706</u>	<u>\$ 6,234,378</u>	<u>\$ 1,917,580</u>	<u>\$ 24,530,007</u>	<u>\$ (90,894)</u>	<u>\$ 24,439,113</u>	<u>\$ 26,356,693</u>
<u>Reconciliation from financial statements to MTP2</u>									
Reverse elimination entry from combining School Unrestricted Fund with Town's General Fund	\$ -	\$ 27,069,400	\$ -	\$ 27,069,400	\$ -	\$ -	\$ -	\$ -	\$ -
Remove School Unrestricted Fund from General Fund	(6,098,346)	(27,069,400)	(31,065,042)	(1,100,000)	(1,002,704)	(7,831,673)	-	(7,831,673)	(8,834,377)
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	-	-	27,069,400	(27,069,400)	-	-	-	-	-
Elimination of municipal appropriation for Debt	-	(3,116,738)	-	(3,116,738)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 64,574,580</u>	<u>\$ -</u>	<u>\$ 61,642,064</u>	<u>\$ 2,017,640</u>	<u>\$ 914,876</u>	<u>\$ 16,698,334</u>	<u>\$ (90,894)</u>	<u>\$ 16,607,440</u>	<u>\$ 17,522,316</u>

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

Town of Narragansett
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2022

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, 2021 adjusted <i>No misc. adjustments made for fiscal 2021</i>						\$ 10,520,740	-	\$ 10,520,740	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 10,520,740</u>	-	<u>\$ 10,520,740</u>	
School Unrestricted Fund	\$ 6,098,346	\$ 27,069,400	\$ 31,065,042	\$ 1,100,000	\$ 1,002,704	\$ 7,831,673	\$ -	\$ 7,831,673	\$ 8,834,377
School Special Revenue Funds - Restricted	1,922,122	-	1,966,195	-	(44,073)	364,550	-	364,550	320,477
School Special Revenue Funds - Food Service Fund	551,825	-	385,018	-	166,807	113,411	-	113,411	280,218
School Athletic Fund	-	-	-	-	-	329	-	329	329
School Capital Project Fund	386,728	1,100,000	682,006	-	804,722	2,210,777	-	2,210,777	3,015,499
Totals per audited financial statements	<u>\$ 8,959,021</u>	<u>\$ 28,169,400</u>	<u>\$ 34,098,261</u>	<u>\$ 1,100,000</u>	<u>\$ 1,930,160</u>	<u>\$ 10,520,740</u>	<u>\$ -</u>	<u>\$ 10,520,740</u>	<u>\$ 12,450,900</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	\$ 27,069,400	\$ (27,069,400)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(1,441,377)	-	(1,441,377)	-	-	-	-	-	-
Eliminating transfer of unrestricted fund balance to capital projects fund	-	(1,100,000)	-	(1,100,000)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 34,587,044</u>	<u>\$ -</u>	<u>\$ 32,656,884</u>	<u>\$ -</u>	<u>\$ 1,930,160</u>	<u>\$ 10,520,740</u>	<u>\$ -</u>	<u>\$ 10,520,740</u>	<u>\$ 12,450,900</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Miscellaneous variance between MTP2 & UCOA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals per UCOA Validated Totals Report 12/30/22	<u>\$ 34,587,044</u>	<u>\$ -</u>	<u>\$ 32,656,884</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Town of Narragansett, Rhode Island
Reportable Government Services with
MTP2 Notes
Fiscal Year Ended June 30, 2022

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

STATISTICAL SECTION

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

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit I

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Governmental activities:										
Net investment in capital assets	\$ 74,516,247	\$ 74,886,690	\$ 76,687,158	\$ 76,033,001	\$ 73,270,420	\$ 73,026,624	\$ 75,998,883	\$ 71,751,258	\$ 73,242,220	\$ 72,797,383
Restricted	12,022,902	9,233,808	7,423,181	6,006,722	5,306,428	4,483,692	5,685,301	7,550,352	7,151,671	6,041,787
Unrestricted	(79,079,236)	(83,142,549)	(93,207,557)	(93,222,815)	(92,257,243)	(91,957,086)	(79,428,779)	(72,894,919)	(71,834,567)	(68,600,464)
Total governmental activities net position	<u>\$ 7,459,913</u>	<u>\$ 977,949</u>	<u>\$ (9,097,218)</u>	<u>\$ (11,183,092)</u>	<u>\$ (13,680,395)</u>	<u>\$ (14,446,770)</u>	<u>\$ 2,255,405</u>	<u>\$ 6,406,691</u>	<u>\$ 8,559,324</u>	<u>\$ 10,238,706</u>
Business-type activities:										
Net investment in capital assets	\$ 31,828,680	\$ 32,841,167	\$ 33,044,852	\$ 33,691,799	\$ 33,922,462	\$ 34,104,629	\$ 32,190,515	\$ 31,406,927	\$ 30,664,018	\$ 30,053,171
Unrestricted	9,176,010	10,440,830	10,996,420	10,764,951	10,063,862	9,493,302	9,937,571	9,319,004	9,301,453	9,188,467
Total business-type activities net position	<u>\$ 41,004,690</u>	<u>\$ 43,281,997</u>	<u>\$ 44,041,272</u>	<u>\$ 44,456,750</u>	<u>\$ 43,986,324</u>	<u>\$ 43,597,931</u>	<u>\$ 42,128,086</u>	<u>\$ 40,725,931</u>	<u>\$ 39,965,471</u>	<u>\$ 39,241,638</u>
Primary government:										
Net investment in capital assets	\$ 106,344,927	\$ 107,727,857	\$ 109,732,010	\$ 109,724,800	\$ 107,192,882	\$ 107,131,253	\$ 108,189,388	\$ 103,158,185	\$ 103,906,238	\$ 102,850,554
Restricted	12,022,902	9,233,808	7,423,181	6,006,722	5,306,428	4,483,692	5,685,301	7,550,352	7,151,671	6,041,787
Unrestricted	(69,903,226)	(72,701,719)	(82,211,137)	(82,457,864)	(82,193,381)	(82,463,784)	(89,831,770)	(63,575,915)	(62,533,114)	(59,411,997)
Total primary government net position	<u>\$ 48,464,603</u>	<u>\$ 44,259,946</u>	<u>\$ 34,944,054</u>	<u>\$ 33,273,658</u>	<u>\$ 30,305,929</u>	<u>\$ 29,151,161</u>	<u>\$ 24,042,919</u>	<u>\$ 47,132,622</u>	<u>\$ 48,524,795</u>	<u>\$ 49,480,344</u>

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(UNAUDITED)

Exhibit 2

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Expenses:										
Governmental activities:										
General government	\$ 3,253,427	\$ 2,825,664	\$ 2,846,519	\$ 2,850,749	\$ 2,613,752	\$ 2,129,141	\$ 2,662,489	\$ 3,354,594	\$ 3,657,602	\$ 3,697,034
Financial administration	1,755,532	1,649,211	1,822,041	1,696,829	1,765,091	1,441,551	1,857,972	1,824,303	1,677,212	1,719,594
Public safety	19,608,238	16,021,638	17,814,969	16,575,459	17,752,138	14,422,218	18,133,546	15,338,485	15,180,592	15,284,664
Public works	4,966,743	4,916,300	5,294,571	4,896,441	5,042,949	4,650,783	4,984,541	4,913,307	4,978,149	4,757,802
Social services	77,314	133,742	34,588	84,173	19,125	29,372	16,893	140,703	93,240	54,874
Parks and recreation	2,660,069	2,014,316	2,328,988	2,269,787	2,364,493	2,130,369	2,484,974	2,214,141	2,398,295	2,403,126
Planning, engineering and inspection	1,340,476	1,172,385	1,287,273	1,327,790	1,263,615	1,156,325	1,454,157	1,273,212	1,204,386	1,333,057
Library	1,067,719	922,812	995,575	1,050,354	964,371	907,202	1,001,974	782,598	709,574	743,782
Education	32,642,135	33,325,620	33,787,089	32,546,660	31,989,619	31,740,543	32,444,668	30,442,611	30,396,974	30,074,899
Interest on long-term debt	908,274	807,181	806,122	771,128	758,670	1,170,831	871,622	1,038,443	894,414	890,143
Total governmental activities expenses	68,279,927	63,788,869	67,017,735	64,069,370	64,533,823	59,778,335	65,912,836	61,322,397	61,190,438	60,958,975
Business-type activities:										
Water Fund	2,390,354	2,372,320	2,305,648	2,274,164	2,262,475	2,328,498	2,234,456	2,258,823	1,922,478	1,888,917
Sewer Fund	6,372,563	5,028,665	5,322,640	4,246,453	4,450,670	4,400,539	4,084,743	4,053,411	3,780,631	3,712,886
Beach Fund	2,467,729	2,310,494	2,064,437	1,971,060	1,920,459	1,861,793	1,918,514	1,749,799	1,768,047	2,027,956
Middlebridge Recreation Fund	25,866	25,408	25,808	22,582	25,902	29,252	33,660	35,923	43,983	189,469
Total business-type activities expenses	11,256,512	9,736,887	9,718,533	8,514,259	8,659,506	8,620,082	8,271,373	8,097,956	7,515,139	7,819,228
Total primary government expenses	79,536,439	73,525,756	76,736,268	72,583,629	73,193,329	68,398,417	74,184,209	69,420,353	68,705,577	68,778,203
Program Revenues:										
Governmental activities:										
Charges for services:										
General government	2,174,832	2,227,593	1,693,910	1,647,577	1,560,044	1,700,014	1,549,178	1,461,007	1,369,157	1,356,215
Financial administration	970,776	970,773	700,491	700,491	700,566	700,491	700,566	716,726	700,491	700,491
Public safety	864,388	861,253	904,653	787,178	979,735	1,173,178	1,016,391	712,509	724,676	712,988
Public works	44,225	43,536	50,824	39,683	39,856	31,871	28,432	29,538	2,125	1,050
Parks and recreation	677,189	323,081	436,315	631,525	647,131	684,790	696,417	684,488	660,367	623,976
Planning, engineering and inspection	438,888	489,257	416,413	373,373	361,005	399,635	337,113	335,749	501,068	468,874
Library	4,486	55,615	58,371	45,125	15,125	15,362	11,610	15,254	12,811	9,619
Education	2,680,812	2,287,625	1,837,460	1,507,013	1,173,646	884,097	627,132	506,909	645,067	605,599
Operating grants and contributions	6,172,039	7,984,286	5,620,873	5,731,228	5,795,935	5,396,724	5,713,910	4,783,010	4,681,774	4,630,534
Capital grants and contributions	2,057,034	1,000,322	714,903	560,813	1,378,981	847,113	792,470	509,300	1,203,364	202,815
Total governmental activities program revenues	16,084,669	16,243,341	12,434,213	12,024,006	12,652,024	11,833,275	11,473,219	9,754,490	10,500,900	9,312,161
Business-type activities:										
Charges for services:										
Water Fund	2,482,833	2,470,182	2,341,252	2,219,651	2,206,658	2,390,322	2,418,909	2,048,386	2,015,463	2,123,262
Sewer Fund	3,801,549	3,890,306	3,993,499	3,983,701	4,171,610	4,120,966	4,283,991	4,312,525	4,334,115	4,576,529
Beach Fund	2,567,123	2,467,408	2,647,096	2,496,662	2,388,572	2,382,280	2,601,661	2,147,294	2,081,062	1,862,687
Middlebridge Recreation Fund	87,100	92,125	95,425	85,400	73,411	73,606	65,376	53,199	55,556	65,113
Operating grants and contributions, Beach Fund	-	-	-	-	-	-	115,647	140,376	-	-
Capital grants and contributions	-	-	-	-	72,164	992,131	-	-	-	-
Total business-type activities program revenues	8,938,605	8,920,021	9,077,272	8,785,414	8,912,415	9,959,305	9,485,584	8,701,780	8,486,196	8,627,591
Total primary government program revenues	25,023,274	25,163,362	21,511,485	20,809,420	21,564,439	21,792,580	20,958,803	18,456,270	18,987,096	17,939,752
Net (Expense) Revenue:										
Governmental activities	(52,195,258)	(47,545,528)	(54,583,522)	(52,045,364)	(51,881,799)	(47,945,060)	(54,439,617)	(51,567,907)	(50,689,538)	(51,646,814)
Business-type activities	(2,317,907)	(816,866)	(641,261)	271,155	252,909	1,339,223	1,214,211	603,824	971,057	808,363
Total primary government net expenses	(54,513,165)	(48,362,394)	(55,224,783)	(51,774,209)	(51,628,890)	(46,605,837)	(53,225,406)	(50,964,083)	(49,718,481)	(50,838,451)

(continued)

TOWN OF NARRAGANSETT, RHODE ISLAND

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Property taxes and in lieu of taxes	56,241,447	55,044,095	53,775,607	51,898,135	50,562,602	49,492,588	48,389,492	47,541,544	46,131,289	44,974,695
State aid, unrestricted	2,675,804	2,106,004	2,145,219	2,147,564	1,984,238	1,822,669	1,755,249	1,614,798	1,604,893	1,526,105
Investment income	(439,976)	314,986	421,096	513,843	79,018	271,919	179,241	131,188	280,124	40,703
Other revenues	199,947	155,610	163,839	57,950	104,220	101,366	93,574	284,380	651,609	30,182
Transfers	-	-	(74,825)	(74,825)	(81,904)	(105,095)	(129,225)	(156,636)	342,241	(924,669)
Total governmental activities	58,677,222	57,620,695	56,430,936	54,542,667	52,648,174	51,583,447	50,288,331	49,415,274	49,010,156	45,647,016
Business-type activities:										
Investment income	40,600	57,591	150,958	112,194	46,580	15,358	-	-	95,017	65,032
Transfers	-	-	74,825	74,825	81,904	105,095	129,225	156,636	(342,241)	924,669
Other revenues	-	-	-	12,252	7,000	10,179	159,746	-	-	392,087
Total business-type activities	40,600	57,591	225,783	199,271	135,484	130,632	288,971	156,636	(247,224)	1,381,788
Total primary government	58,717,822	57,678,286	56,656,719	54,741,938	52,783,658	51,714,079	50,577,302	49,571,910	48,762,932	47,028,804
Change in Net Position:										
Governmental activities	6,481,964	10,075,167	1,847,414	2,497,303	766,375	3,638,387	(4,151,286)	(2,152,633)	(1,679,382)	(5,999,798)
Business-type activities	(2,277,307)	(759,275)	(415,478)	470,426	388,393	1,469,855	1,503,182	760,460	723,833	2,190,151
Total primary government	\$ 4,204,657	\$ 9,315,892	\$ 1,431,936	\$ 2,967,729	\$ 1,154,768	\$ 5,108,242	\$ (2,648,104)	\$ (1,392,173)	\$ (955,549)	\$ (3,809,647)

concluded

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 3

	FISCAL YEAR									
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
General Fund:										
Nonspendable	\$ 1,595,026	\$ 463,600	\$ 3,272,615	\$ 3,272,623	\$ 297,133	\$ 2,031,217	\$ 2,171,270	\$ 1,664,899	\$ 1,787,715	\$ 2,000,281
Restricted	8,891,334	7,880,638	6,193,675	5,098,440	4,396,810	3,625,065	4,842,626	6,531,905	6,290,018	5,195,278
Committed	50,000	50,000	50,000	97,800	50,000	50,000	50,000			
Assigned	3,230,011	1,263,083	1,191,989	2,517,576	2,721,854	2,968,253	1,274,978	1,602,708	407,462	2,219,760
Unassigned	12,375,435	14,594,528	8,788,376	7,345,472	9,897,474	10,255,432	9,913,554	8,781,159	8,204,658	4,229,693
Total General Fund	<u>26,141,806</u>	<u>24,251,849</u>	<u>19,496,655</u>	<u>18,331,911</u>	<u>17,363,271</u>	<u>18,929,967</u>	<u>18,252,428</u>	<u>18,580,671</u>	<u>16,689,853</u>	<u>13,645,012</u>
All Other Governmental Funds:										
Restricted	8,567,533	2,420,197	2,932,290	3,693,610	1,418,395	3,204,150	1,640,560	3,495,634	576,405	553,042
Committed	2,089,007	2,147,433	3,164,626	3,318,736	2,956,906	2,605,619	501,285	1,612,909	2,222,676	2,844,035
Assigned	3,023,929	2,210,777	1,285,542	1,115,176	1,220,432	419,129	1,213,844	624,837	324,837	452,219
Unassigned	-	(58,320)	(2,851,016)	(2,849,583)	(38,576)	(70,826)	(2,149,520)	(14,554)	(209,301)	(180,562)
Total All Other Governmental Funds	<u>13,680,469</u>	<u>6,720,087</u>	<u>4,531,442</u>	<u>5,277,939</u>	<u>5,557,157</u>	<u>6,158,072</u>	<u>1,206,169</u>	<u>5,718,826</u>	<u>2,914,617</u>	<u>3,668,734</u>
Grand Total	<u>\$ 39,822,275</u>	<u>\$ 30,971,936</u>	<u>\$ 24,028,097</u>	<u>\$ 23,609,850</u>	<u>\$ 22,920,428</u>	<u>\$ 25,088,039</u>	<u>\$ 19,458,597</u>	<u>\$ 24,299,497</u>	<u>\$ 19,604,470</u>	<u>\$ 17,313,746</u>

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 4

	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
General property taxes and payments in lieu of taxes	\$ 56,939,720	\$ 55,726,947	\$ 54,209,130	\$ 52,450,108	\$ 51,059,703	\$ 49,896,038	\$ 48,793,179	\$ 47,915,634	\$ 46,583,683	\$ 45,255,391
State aid, unrestricted	6,218,209	5,990,836	5,611,459	6,000,662	6,295,458	5,390,295	5,397,906	5,124,796	5,012,113	4,752,274
Charges for services	7,675,377	7,146,396	6,264,887	5,848,171	5,576,500	5,726,864	5,141,830	4,567,613	4,603,869	4,445,998
Operating grants and contributions	2,950,123	3,064,352	1,290,396	1,239,811	1,282,315	1,284,692	1,176,369	1,302,315	1,133,829	1,219,449
Capital grants and contributions	2,057,034	1,000,322	714,903	449,606	710,742	837,757	743,116	361,843	976,344	32,425
Investment income	(439,976)	314,986	421,096	513,843	79,018	271,919	179,241	131,188	280,124	40,703
Other revenues	139,329	91,438	68,473	85,527	96,778	53,489	48,463	126,892	642,769	60,529
Total revenues	75,539,816	73,335,277	68,580,344	66,587,728	65,100,514	63,461,054	61,480,104	59,530,281	59,232,731	55,806,769
Expenditures:										
Current:										
General government	2,589,467	2,431,754	2,314,459	2,315,808	2,012,780	1,903,098	1,990,605	1,623,795	1,904,804	1,895,652
Financial administration	1,483,371	1,669,258	1,581,199	1,465,993	1,563,238	1,346,402	1,346,256	1,460,933	1,266,781	1,275,723
Public safety	16,361,504	15,298,561	14,776,038	###	14,028,876	13,320,233	13,136,170	12,944,328	11,334,333	11,613,905
Public works	2,983,698	2,930,765	2,874,182	3,031,593	2,938,268	3,006,632	2,811,152	3,015,199	2,551,415	2,437,380
Social services	77,314	133,742	34,588	84,173	19,125	29,372	16,893	140,703	93,240	54,874
Parks and recreation	1,991,419	1,599,656	1,850,460	1,843,043	1,855,156	1,861,704	1,859,508	1,819,447	1,888,093	1,963,199
Planning, engineering and inspection	1,211,301	1,131,161	1,200,658	1,137,558	1,111,062	1,114,189	1,073,782	1,119,003	990,026	971,121
Library	986,536	881,288	925,453	1,028,771	874,144	881,832	848,756	770,261	697,892	690,615
Food services	385,018	291,159	282,961	385,797	366,913	389,010	369,185	401,748	403,267	-
Education	33,031,237	31,109,281	30,414,570	###	29,208,100	29,814,373	28,207,782	28,991,540	27,330,462	27,397,152
Other	4,039,863	3,613,287	3,899,196	4,309,372	3,874,409	3,533,494	3,536,709	1,787,774	2,867,951	2,184,981
Debt service:										
Principal	2,218,885	2,044,206	2,007,563	1,735,856	1,764,650	1,418,982	1,631,158	1,403,530	1,268,095	1,370,553
Interest	1,019,523	954,502	969,836	957,723	943,900	1,178,345	926,569	1,013,262	879,515	922,026
Capital outlay and Major Maintenance	4,985,166	5,102,818	5,234,617	9,072,866	4,937,011	4,899,189	8,315,844	3,107,553	3,810,103	2,378,620
Total expenditures	73,364,302	69,191,438	68,365,780	71,470,017	65,497,632	64,696,855	66,070,369	59,599,076	57,285,977	55,155,801
Excess (deficiency) of revenues over expenditures	2,175,514	4,143,839	214,564	(4,882,289)	(397,118)	(1,235,801)	(4,590,265)	(68,795)	1,946,754	650,968
Other financing sources (uses):										
Bond proceeds	6,265,000	2,800,000	-	5,000,000	-	6,100,000	-	4,100,000	-	-
Bond premium	409,825	-	-	646,536	-	262,766	-	135,626	-	-
Issued and Premium of refunding bonds	-	-	-	-	-	13,594,550	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	-	-	(13,458,152)	-	-	-	-
Capital lease proceeds	-	-	40,048	-	-	455,670	-	624,870	-	280,540
Transfers from other funds	6,234,378	6,117,299	6,305,436	5,201,925	5,368,643	5,150,004	5,880,609	3,379,954	6,505,644	5,097,416
Transfers to other funds	(6,234,378)	(6,117,299)	(6,380,261)	(5,276,750)	(5,450,547)	(5,255,099)	(6,009,834)	(3,536,590)	(6,163,403)	(6,022,085)
Sale of capital assets	-	-	-	-	-	15,504	10,525	59,962	28,951	25,061
Total other financing sources (uses)	6,674,825	2,800,000	(34,777)	5,571,711	(81,904)	6,865,243	(118,700)	4,763,822	371,192	(619,068)
Net change in fund balances	\$ 8,850,339	\$ 6,943,839	\$ 179,787	\$ 689,422	\$ (479,022)	\$ 5,629,442	\$ (4,708,965)	\$ 4,695,027	\$ 2,317,946	\$ 31,900
Debt service as a percentage of noncapital expenditures	4.7%	4.7%	4.7%	4.3%	4.5%	4.3%	4.4%	4.3%	4.0%	4.3%

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 5

Assessment Date	Fiscal Year	Real Property		Personal Property		Total		Ratio of Total Assessed Valuation to Total Estimated Actual Value
		Assessed Valuations	Estimated Actual Value	Assessed Valuations	Estimated Actual Value	Assessed Valuations	Estimated Actual Value	
12/31/2011	2012-13	\$ 4,350,353,287	\$ 4,439,136,007	\$ 133,943,059	\$ 133,943,059	\$ 4,484,296,346	\$ 4,573,079,066	98.06%
12/31/2012	2013-14	4,351,278,768	4,542,366,625	132,860,822	132,860,822	4,484,139,590	4,675,227,447	95.91%
12/31/2013	2014-15	4,369,756,694	4,599,743,888	136,792,291	136,792,291	4,506,548,896	4,736,536,179	95.14%
12/31/2014	2015-16	4,476,928,059	4,815,206,205	147,375,176	147,375,176	4,624,303,235	4,962,581,381	93.18%
12/31/2015	2016-17	4,495,724,567	4,940,356,667	154,965,455	154,965,455	4,650,690,022	5,095,322,122	91.27%
12/31/2016	2017-18	4,382,903,592	4,724,562,848	157,985,621	157,985,621	4,540,889,213	4,882,548,469	93.00%
12/31/2017	2018-19	4,799,270,621	4,991,241,445	172,032,065	172,032,065	4,971,302,686	5,163,273,510	96.28%
12/31/2018	2019-20	4,835,385,867	4,934,067,211	184,171,727	184,171,727	5,019,557,594	5,118,238,938	98.07%
12/31/2019	2020-21	4,857,733,810	4,956,871,235	184,285,019	191,963,561	5,042,018,829	5,148,834,796	97.93%
12/31/2020	2021-22	5,904,627,559	6,025,130,162	186,832,208	194,616,883	6,091,459,767	6,219,747,046	97.94%

Source: Town of Narragansett, Rhode Island Assessor

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 6

Taxpayer	Type of Business	FISCAL YEAR 2021-2022 (ASSESSED VALUE AS OF 12-31-20)			FISCAL YEAR 2011-2012 (ASSESSED VALUE AS OF 12-31-10)			
		Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Gross Assessed Valuation	Rank	Percentage of Total Assessed Valuation	
National Grid	Electric & Gas Utility	\$ 48,283,412	1	0.76%	Salt Pond Corp.	\$ 25,258,500	1	0.52%
DPF Narragansett LLC	Shopping Plaza	29,010,800	2	0.45%	National Grid	11,592,752	2	0.24%
CoxCom, LLC	Cable Utility	25,469,549	3	0.40%	Dunes Club	10,729,000	3	0.22%
Dunes Club	Private Beach Club	15,417,600	4	0.24%	Point Judith Country Club	7,688,200	4	0.16%
SUEZ Water	Water Utility	13,107,302	5	0.21%	GP Pier Retail, LLC	7,570,300	5	0.16%
RPC Narragansett Storage, LLC	Self Storage	9,758,400	6	0.15%	J. Terrance Murray	6,726,800	6	0.14%
Point Judith Country Club	Private Golf Course	8,700,300	7	0.14%	Recreation Partners I	6,534,900	7	0.13%
JDL Family LTD Partnership	Shopping Plaza	8,258,500	8	0.13%	United Water	6,104,650	8	0.13%
Remedy LLC	Residential Property	7,348,700	9	0.12%	JDL Family LTD Partnership	6,080,700	9	0.12%
HTE Irrevocable Trust	Residential Property	7,343,100	10	0.12%	Russell A. Boss	5,935,800	10	0.12%
		<u>\$ 172,697,663</u>		<u>2.71%</u>		<u>\$ 94,221,602</u>		<u>1.93%</u>
Total assessed valuation (gross)		<u>\$ 6,377,226,616</u>			(gross) <u>\$ 4,869,722,080</u>			
TOP TEN ONLY								
Commercial/Industrial Values		\$ 158,005,863		2.48%	\$ 81,559,002			1.67%
Residential Values		14,691,800		0.23%	12,662,600			0.26%

Source: Town of Narragansett Assessor, certified tax roll.

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 7

Fiscal Year Ended	Taxes Outstanding for the	Collected within the Fiscal year	
			Percentage
2012-13	\$ 45,635,119	\$ 44,843,811	98.27%
2013-14	46,855,316	46,113,597	98.42%
2014-15	48,173,623	47,352,195	98.29%
2015-16	49,094,018	48,320,442	98.42%
2016-17	50,151,603	49,351,387	98.40%
2017-18	51,195,855	50,422,075	98.49%
2018-19	52,394,807	51,802,230	98.87%
2019-20	54,214,966	53,493,237	98.67%
2020-21	55,529,036	54,794,506	98.68%
2021-22	56,779,118	55,987,038	98.60%

	Current Taxes	Current Year Collected	Percent of Levy
2012-13	\$ 44,946,199	\$ 44,547,908	99.11%
2013-14	46,107,795	45,754,896	99.23%
2014-15	47,455,661	47,043,390	99.13%
2015-16	48,342,629	47,937,036	99.16%
2016-17	49,396,535	48,974,578	99.15%
2017-18	50,425,079	50,043,114	99.24%
2018-19	51,610,221	51,356,961	99.51%
2019-20	53,654,815	53,272,353	99.29%
2020-21	54,867,441	54,450,350	99.24%
2021-22	56,066,648	55,597,094	99.16%

Source: Town of Narragansett Tax Collector

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 8

List	Fiscal	Residential	Commercial	Personal	Motor Vehicle
2011	2012-13	\$9.57	\$14.35	\$14.35	\$16.46
2012	2013-14	\$9.80	\$14.68	\$14.68	\$16.46
2013	2014-15	\$10.04	\$15.06	\$15.06	\$16.46
2014	2015-16	\$9.94	\$14.91	\$14.91	\$16.46
2015	2016-17	\$10.08	\$15.12	\$15.12	\$16.46
2016	2017-18	\$10.56	\$15.84	\$15.84	\$16.46
2017	2018-19	\$9.95	\$13.93	\$13.93	\$16.46
2018	2019-20	\$10.23	\$14.33	\$14.33	\$16.46
2019	2020-21	\$10.48	\$14.15	\$14.15	\$16.46
2020	2021-22	\$8.86	\$11.96	\$11.96	\$16.46

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 9

Fiscal Year	Population	Assessed Valuation	Gross Debt (1)	Debt payable from Business Type Revenues	Net Debt	Ratio of Net Debt to Assessed Valuation	Net Debt per Capita
2012-13	15,868	\$ 4,484,296,346	\$ 25,968,000	\$ 5,198,315	\$ 20,769,685	0.46%	\$ 1,308.90
2013-14	15,868	4,484,139,590	23,824,611	4,323,020	19,501,590	0.43%	1,228.99
2014-15	15,868	4,506,548,986	25,965,510	3,660,869	22,304,641	0.49%	1,405.64
2015-16	15,868	4,624,303,235	23,864,429	3,084,673	20,779,756	0.45%	1,309.54
2016-17	15,868	4,650,690,022	27,579,129	2,544,280	25,034,849	0.54%	1,577.69
2017-18	15,868	4,540,889,213	25,427,949	1,991,112	23,436,837	0.52%	1,476.99
2018-19	15,868	4,971,302,686	28,217,474	1,427,843	26,789,631	0.54%	1,688.28
2019-20	15,868	5,019,557,596	25,712,446	848,307	24,864,139	0.50%	1,566.94
2020-21	14,532	5,042,018,829	26,443,291	685,307	25,757,984	0.51%	1,772.50
2021-22	14,532	6,091,459,768	30,323,406	519,307	29,804,099	0.49%	2,050.93

(1) includes Business-type Activities

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 10

	Assessment Date 12/31/2020 FY 2021-22	Assessment Date 12/31/2019 FY 2020-21	Assessment Date 12/31/2018 FY 2019-20	Assessment Date 12/31/2017 FY 2018-19	Assessment Date 12/31/2016 FY 2017-18	Assessment Date 12/31/2015 FY 2016-17	Assessment Date 12/31/2014 FY 2015-16	Assessment Date 12/31/2013 FY 2014-15	Assessment Date 12/31/2012 FY 2013-14	Assessment Date 12/31/2011 FY 2012-13
Net assessed valuation	\$ 6,091,459,768	\$ 5,042,018,829	\$ 5,019,557,596	\$ 4,971,302,686	\$ 4,540,889,213	\$ 4,650,690,022	\$ 4,624,303,235	\$ 4,506,548,986	\$ 4,484,139,590	\$ 4,484,296,346
Debt limit	182,743,793	151,260,565	150,586,728	149,139,081	136,226,676	139,520,701	138,729,097	135,196,470	134,524,188	134,528,890
Total net debt applicable to limit	709,000	799,000	448,000	496,000	631,650	764,689	895,147	1,023,053	722,000	765,000
Legal debt margin	182,034,793	150,461,565	150,138,728	148,643,081	135,595,026	138,756,012	137,833,950	134,173,417	133,802,188	133,763,890
Total net debt applicable to limit as a percentage of the debt limit	0.39%	0.53%	0.30%	0.33%	0.46%	0.55%	0.65%	0.76%	0.54%	0.57%

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 11

Fiscal Year	Principal	Interest	Total Debt Service (2)	Total Governmental Funds Expenditures (1)	Ratio of Total Debt Service to Total Governmental Expenditures
2013	\$ 1,370,553	\$ 922,026	\$ 2,292,579	\$ 55,155,801	4.16%
2014	1,268,095	879,015	2,147,110	57,285,977	3.75%
2015	1,296,950	839,622	2,136,572	59,599,076	3.58%
2016	1,524,885	928,436	2,453,321	66,070,369	3.71%
2017	1,248,906	944,472	2,193,378	64,696,855	3.39%
2018	1,598,012	935,930	2,533,942	65,497,632	3.87%
2019	1,647,206	822,152	2,469,358	71,470,017	3.46%
2020	1,925,492	966,290	2,891,782	68,365,780	4.23%
2021	1,960,871	918,719	2,879,590	69,191,438	4.16%
2022	2,205,347	892,198	3,097,545	73,364,302	4.22%

Note:

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

TOWN OF NARRAGANSETT, RHODE ISLAND

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

Exhibit 12

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Administration	13.0	13.0	13.0	13.0	13.0	13.0	10.0	10.0	10.0	11.0
Financial administration	12.0	11.0	12.0	12.0	12.0	12.0	15.0	15.0	15.0	15.0
Public safety:										
Police:										
Officers	41.0	41.0	41.0	41.0	41.0	41.0	40.0	40.0	40.0	41.0
Civilians	12.5	13.0	13.0	13.0	13.0	13.0	13.0	13.0	13.0	15.0
Fire:										
Firefighter and officers	42.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0	34.0
Civilians	1.5	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Total Public Safety	97.0	89.0	89.0	89.0	89.0	89.0	88.0	88.0	88.0	91.0
Public works:										
Administration & Highway	14.0	13.0	13.0	13.0	13.0	13.0	12.0	12.0	12.0	13.0
Parks Maintenance	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Engineering	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6	2.6
Total Public Works & Engineering	16.6	15.6	15.6	15.6	15.6	15.6	14.6	14.6	14.6	15.6
Parks and recreation	5.5	5.5	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5
Parks Maintenance	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Planning and Development	7.5	7.5	7.5	7.5	7.5	7.5	8.0	8.0	8.0	8.0
Education:										
Administrative, certified	9.9	9.5	8.0	10.0	9.0	8.0	8.5	8.5	8.0	8.0
Administrative, noncertified	9.5	11.0	7.0	10.0	10.6	10.6	11.6	11.6	11.7	11.4
Classroom aides	32.0	34.0	26.0	26.2	26.5	25.5	28.4	28.4	32.0	28.0
Teachers	145.8	148.8	144.0	141.2	145.8	145.8	152.1	152.1	153.9	154.8
Bus drivers, monitors, and bus aides	21.0	18.0	18.0	24.0	21.3	21.3	22.5	22.5	22.5	24.0
Clerks	10.0	10.0	9.0	10.5	12.0	12.0	12.0	12.0	12.0	12.0
Operation and maintenance	18.0	19.0	17.0	17.0	17.4	17.4	18.4	18.4	18.4	18.0
	246.2	250.3	229.0	238.9	242.5	240.5	253.5	253.5	258.5	256.2
Library - full-time	6.0	6.0	6.0	6.0	6.0	6.0	5.0	5.0	5.0	5.0
Library-part-time	10.0	10.0	10.0	10.0	10.0	10.0	12.0	12.0	15.0	18.0
Fleet Maintenance	4.0	4.0	4.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0
Water	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6	5.6
Wastewater Treatment	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8	9.8
Beach	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0
Total	440.2	434.3	414.0	423.9	427.5	425.5	435.5	435.5	443.5	449.2

TOWN OF NARRAGANSETT, RHODE ISLAND
 MISCELLANEOUS STATISTICS
 JUNE 30, 2022
 (UNAUDITED)

Exhibit 13

Town Incorporation	1901	Municipal buildings:	
Type of Government	Council / Town Manager	Town Hall	1
Population:		Fire Stations	3
Official U.S. Census:		Police Station	1
1950	2,288	Port Facility Building	1
1960	3,444	Education	
1970	7,138	High School (Grades 9 – 12)	1
1980	12,088	Middle School (Grades 5 – 8)	1
1990	15,004	Elementary (Grades Pre-K – 4)	1
2000	16,361	Wastewater pumping stations	19
2010	15,876	Wastewater treatment plant	1
2020 Census	14,532	Water pumping stations (not in service)	1
		Water storage tanks	3
Area of Town	18.3 square miles	Water chlorine injections stations	3
Shoreline	44.2 miles	Public works garage/maintenance facility	2
Miles of Streets:		Library	1
Local Paved	103	Parks/recreation buildings	20
State Paved	25	Pavilions	1
Construction (Period 7/1/21 to 6/30/22):		Gazebos	1
Building Permits Issued	1,057	Beach Cabanas – 83 units	1
Total Value	\$51,194,328	Beach clubhouse	1
Elections – November 2020:		North Beach Pavilion – 263 units	1
Registered voters	12,674	South Beach Pavilion – 218 units	1
Number of votes cast	7,134	Kinney Bungalow	1
Percentage voting	56%	Comfort station	1
Fire Protection:		Community Center	1
Fire alarm boxes	203	The Towers	1
Fire hydrants	794	25, 27, 29 Pier Market Place	1
Education:		Recreation Facilities:	
Student Enrollments:		Public squares	3
Pre-Kindergarten	81	Acres for recreation (developed)	48
Elementary (grades k – 4)	303	Playgrounds	6
Middle School (grades 5 – 8)	316	Tot lots	1
High (grades 9 – 12)	484	Major recreation facilities	12
Special Education-Out of Dist	9	Undeveloped sites	2
Other out of district	16	Municipal tennis courts	13
Total in all schools	1,209	Municipal pickle ball courts	4
Home Instruction	27	Bathing beaches	1
Charter Schools	12	Diamonds:	
Total	1,248	Hard ball	4
		Soft ball	1
		Basketball courts:	
		Outdoor	7
		Indoor (schools)	3
		Soccer Fields	7
		Marina - 37 slips	1
		Marina Building	1
		Residential Cottages	4
		Residential House	1
		Café/Restaurant Building	1
		Farm House (Sunset Farm)	1
		Barn (Sunset Farm)	1



CERTIFIED PUBLIC ACCOUNTANTS

875 Centerville Road, Building 3, Unit 10 • Warwick, RI 02886
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***REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Narragansett, Rhode Island, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Narragansett, Rhode Island's basic financial statements, and have issued our report thereon dated January 30, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Narragansett, Rhode Island's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 2022-001.

Town of Narragansett's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town of Narragansett, Rhode Island's response to the finding identified in our audit and described in the schedule of findings and questioned costs. The Town of Narragansett, Rhode Island's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 30, 2023

TOWN OF NARRAGANSETT, RHODE ISLAND
Schedule of Findings and Responses
For the Fiscal Year Ended June 30, 2022

Finding of Noncompliance

2022-001- Levy and Assessment of Taxes

Criteria – Rhode Island General Law 44-5-1 states that the electors of any town qualified to vote on any proposition to impose a tax or for the expenditure of money, when legally assembled, may levy a tax for the purpose authorized by law, on the ratable property of the town, either in a sum certain, or in a sum not less than a certain sum and not more than a certain sum.

Condition – The Town of Narragansett approved an ordinance that levied and ordered the assessment and collection of taxes for the 2022 fiscal year for a sum between \$64,000,000 and \$68,000,000. The actual tax levy was \$56,035,516 and is not within the range approved by the Town Council. The Town is not in compliance with Rhode Island General Law 44-5-1.

Cause – The Town in error prepared the ordinance using the incorrect range of taxes to be levied.

Effect – The Town is not in compliance with Rhode Island General Law 44-5-1.

Recommendation – We recommend that the Town verify the tax levy amounts reported in the tax ordinance are within the range of the certified tax levy to ensure compliance with Rhode Island General Law 44-5-1.

Views of Responsible Officials/Corrective Actions – The Ordinance should have read \$54,000,000 and \$58,000,000. The error has been noted and corrected for the 2023 fiscal year.