

TOWN OF LITTLE COMPTON, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022



TOWN OF LITTLE COMPTON, RHODE ISLAND

JUNE 30, 2022

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Independent Auditor's Report

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

Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Little Compton, Rhode Island (“the Town”), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town’s basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standard applicable to the financial audits contained in the *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, 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.

Emphasis of the Matter

As discusses in the Notes of the financial statements, during fiscal year 2022 the Town adopted new accounting guidance, Governmental Accounting Standards Board Statements No. 87 “Leases.” Our opinion is not modified with respect to this matter.

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

Town of Little Compton, Rhode Island
Independent Auditor's Report

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual nonmajor fund financial statements, the tax collector's annual report, and annual supplemental transparency portal (MTP2) 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 and individual nonmajor fund financial statements, the tax collector's annual report, and annual supplemental transparency portal (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2023 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town's internal control over financial reporting and compliance.

Hague, Sahady & Co. PC

Fall River, Massachusetts
February 14, 2023

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

As management of the Town of Little Compton, Rhode Island (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal years ended June 30, 2022 (FY 2022) and 2021 (FY 2021). We encourage readers to consider the information presented here in conjunction with additional information found within the financial statements.

Financial Highlights

Government-Wide Financial Statements (Primary Government)

- The liabilities and deferred inflows of the Town exceeded its assets and deferred outflows as of June 30, 2022 by \$2,019,495 (net position). The Town realized an increase in its net position by \$1,511,650 in FY 22.
- The Town's net other post-employment (OPEB) liability increased from \$1,833,046 at the beginning of the current year to \$1,929,361 on June 30, 2022.
- The Town's total bonded debt as of June 30, 2022 was \$9,885,000 consisting of a \$7,885,000 school renovation revenue bond which included \$150,996 of bond premiums. During 2022, \$495,000 was paid in principal and \$356,026 was paid in interest on the bonds.
- In FY2022 the Town issued a \$2,000,000 General Obligation Bond (GOB). The first principal payment is due in FY2023.

Governmental Fund Financial Statements:

- The General Fund assets plus deferred outflows of the Town exceeded its liabilities plus deferred inflows as of June 30, 2022 and 2021 by \$3,585,760 and \$3,001,238 respectively.
- The School's operating funds, assets plus deferred outflow, exceeded its liabilities plus deferred inflows as of June 30, 2022 and June 30, 2021 by \$590,117 and \$269,940, respectively.

Overview of the Financial Statements

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

Government-Wide and Fund Financial Statements

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

The government-wide financial statements include two statements:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Government-Wide and Fund Financial Statements (continued)

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

Government-Wide and Fund Financial Statements

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

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

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

Fund Financial Statements

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

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

Governmental Funds

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Governmental Funds (continued)

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

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

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

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

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

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

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

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

Fiduciary Funds

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Notes to the Financial Statements

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

Other Information

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town, liabilities plus deferred inflows exceeded assets plus deferred inflows by \$2,019,495 and \$596,166 as of June 30, 2022 and 2021, respectively.

At June 30, 2022, one of the largest portions of the Town's total net position reflects its investment in capital assets (e.g., land, construction in progress, land improvements, infrastructure, building and improvements, office equipment, computer equipment and software, vehicles, machinery and equipment, and textbooks and library books), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to its residents; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Government-Wide Financial Analysis (continued):

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

	<u>2022</u>	<u>2021</u>	<u>\$ Change</u>
Assets			
Current assets	\$ 9,141,000	\$ 5,229,003	\$ 3,911,997
Long-term assets	13,192,980	13,077,411	115,569
Total assets	<u>22,333,980</u>	<u>18,306,414</u>	<u>4,027,566</u>
Deferred Outflows of Resources			
Deferred outflows of resources	3,362,150	3,014,136	348,014
Total deferred outflows of resources	<u>3,362,150</u>	<u>3,014,136</u>	<u>348,014</u>
Liabilities			
Current liabilities	1,564,923	1,175,216	389,707
Long-term liabilities	18,926,107	16,444,904	2,481,203
Total liabilities	<u>20,491,030</u>	<u>17,620,120</u>	<u>2,870,910</u>
Deferred Inflows of Resources			
Deferred inflows of resources	3,185,604	3,104,265	81,339
Total deferred inflows of resources	<u>3,185,604</u>	<u>3,104,265</u>	<u>81,339</u>
Net Position			
Net investment in capital assets	1,725,571	3,528,787	(1,803,216)
Restricted	1,229,334	788,610	440,724
Unrestricted	(935,410)	(3,721,231)	2,785,821
Total net position	<u>\$ 2,019,495</u>	<u>\$ 596,166</u>	<u>\$ 1,423,329</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Government-Wide Financial Analysis (continued)

As of June 30, 2022, and 2021, cash and investments totaled \$7,134,240 and \$3,910,223 respectively, for the primary government.

The Town's net position increased by \$1,511,650 in 2022 and increased by \$1,238,410 in 2021.

The majority of general revenues are tax collections from the Town's taxpayers, which represents 92.39% and 81.4% of total revenues for fiscal years 2022 and 2021, respectively.

The Town's most significant expense is education, which in 2022 represented 52% of total expenses, followed by public safety at 24% and general governmental services at 9%.

	Changes in Net Position Primary Government		\$ Change
	2022	2021	
Revenues			
Program Revenues:			
Charges for services	\$ 1,243,888	\$ 1,221,748	\$ 22,140
Operating grants & contributions	827,033	836,824	(9,791)
Capital grants & contributions	323,268	27,917	295,351
General Revenues:			
Real estate & property taxes, net	13,506,688	13,163,468	343,220
Motor vehicle phase-out	86,304	33,750	52,554
General state aid	846,235	397,611	448,624
Meal and telephone tax	127,274	59,795	67,479
Telephone tax	-	43,654	(43,654)
Earnings on investments	1,784	3,463	(1,679)
Miscellaneous	143,595	511,775	(368,180)
Total revenue	<u>17,106,237</u>	<u>16,300,005</u>	<u>806,232</u>
Expenses			
General government	1,355,539	2,486,845	(1,131,306)
Finance administration	201,249	152,691	48,558
Public safety	3,672,943	2,133,630	1,539,313
Education	8,079,900	8,137,670	(57,770)
Public works	800,640	635,587	165,053
Transfer station	193,229	242,213	(48,984)
Parks, recreation, and other services	613,140	605,196	7,944
State contribution to teachers pension plan	310,944	300,430	10,514
Interest on debt	367,003	367,333	(330)
Total expenses	<u>15,594,587</u>	<u>15,061,595</u>	<u>532,992</u>
Increase(decrease) in net position	1,511,650	1,238,410	273,240
Net position-beginning of year, restated	507,845	(642,244)	1,150,089
Net position-end of year	<u>\$ 2,019,495</u>	<u>\$ 596,166</u>	<u>\$ 1,423,329</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Government-Wide Financial Analysis (continued)

Component Unit. The assets plus deferred outflows of the Town's Component Unit, the Agricultural Trust, exceeded its liabilities plus deferred inflows by \$37,938,406. Net position, net of investment in capital assets, comprises \$34,734,995, or 91.45% of total net position. The remaining balance of net position of the Agricultural Trust, totaling \$3,203,411, is unrestricted.

Financial Analysis of Governmental Funds

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

As of June 30, 2022, the Town's governmental funds reported combined fund balances of \$7,369,758 of which \$3,727,086 constitutes unassigned fund balance, which is available for spending at the Town's discretion, \$244,414 constitutes assigned fund balance, which has been designated by the Town Council for specific purposes. \$2,168,924 is committed by Town Council toward the FY22 budget, \$1,031,891 is restricted by outside parties to be used for specific purposes. The remainder of the fund balance is non-spendable, representing amounts legally required to be maintained intact, non-spendable inventory or prepaid items.

The General Fund had a fund balance of \$3,585,760 and \$3,001,238 at June 30, 2022 and 2021, respectively. The School's Unrestricted fund balance is \$590,117 and \$269,940 at June 30, 2022 and 2021, respectively. The fund balance of the Non-Major Governmental Funds is \$3,193,881 and \$1,047,060 as of June 30, 2022 and 2021, respectively.

General Fund Budgetary Highlights

During fiscal year 2022, the actual charges to appropriations (expenditures) were lower than the final budgeted amounts by \$482,305 for the general fund and were lower than budgeted amount by \$4,758 for the school unrestricted fund. For 2021, the actual charges to appropriations (expenditures) were lower than the final budgeted amounts by \$478,808 for the general fund and were higher than budgeted amount by \$249,864 for the school unrestricted fund.

For 2022, revenues were \$94,976 less of budgeted amounts for the general fund and \$315,419 less than budgeted amounts for the school unrestricted fund. For 2021, revenues were \$114,684 in excess of budgeted amounts for the general fund and \$28,434 less than budgeted amounts for the school unrestricted fund.

General Fund Actual Comparisons (GAAP Basis)

Further details of favorable and unfavorable variances of revenues and expenditure items can be found in the Required Supplementary Information on page 75 of this report.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Capital Asset Administration

The Town's investment in capital assets for governmental activities as of June 30, 2022 amounts to \$12,163,824, net of accumulated depreciation. The following is a summary of capital assets, net of accumulated depreciation where applicable, as of June 30, 2022 and 2021.

	Capital Assets		
	Governmental Activities		
	2022	2021	\$ Change
Primary government			
Land	\$ 548,179	\$ 548,179	\$ -
Construction in progress	340,987	-	340,987
Infrastructure	365,942	378,501	(12,559)
Buildings & building improvements	8,699,544	9,215,822	(516,278)
Land improvements	1,030,637	1,064,924	(34,287)
Vehicles	351,954	311,193	40,761
Machinery and equipment	321,101	409,613	(88,512)
Office equipment	3,328	3,585	(257)
Technology equipment	138,084	57,517	80,567
Library and textbooks	20,846	25,849	(5,003)
Right to use lease assets, net	343,222	457,868 *	(114,646)
Total primary government	\$ 12,163,824	\$ 12,473,051	\$ (309,227)
Component unit	\$ 34,734,995	\$ 30,557,746	\$ 4,177,249

* The Town of Little Compton restated beginning capital assets due to the implementation of GASB 87.

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

Debt Administration

The following is a summary of outstanding debt as of June 30, 2022 and 2021.

	Debt Administration		
	Governmental Activities		
	2022	2021	\$ Change
Capital leases	\$ 343,222	\$ 390,306	\$ (47,084)
Compensated absences	326,764	239,216	87,548
Bonds and notes payable	9,885,000	8,553,958	1,331,042
Bond premium	150,996	173,958	(22,962)
Pension liability	7,137,521	6,020,992	1,116,529
OPEB liability	1,929,361	1,883,883	45,478
Total primary government	\$ 19,772,864	\$ 17,262,313	\$ 2,510,551

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Factors Bearing on the Town's Future

The Fiscal Year ended June 30, 2022 continued the implementation of an integrated revenue strategy that has already achieved important results:

- In the second full year with an appointed Finance Director, collection of delinquent property taxes has again increased, by an additional \$70,000 over last fiscal year.
- The application of funds from a Municipal Resiliency Program grant from the Rhode Island Infrastructure Bank has mitigated a long-standing erosion problem at the town beach. The remainder of the award will be applied to two storm water problems, with the expectation that similar reduction in expected annual expenditures will be achieved.
- The use of American Rescue Plan Act funding to accelerate Town road improvements has enabled correction of long-standing problems on one of the Town's major north-to-south roads and at the Town's Public Safety Complex.
- The successful negotiation of a two million dollar municipal bond at an exceptionally favorable rate has enabled significant improvement in the scale of planned capital projects, including a long-awaited upgrade to the town's 140-year-old Town Hall.

Key initiatives for the Town's future are:

- Re-funding the existing school maintenance bond debt to take advantage of lower interest rates.
- Continued careful application of American Recovery Plan Act funds to a variety of Town capital projects.
- Exploration of the opportunities to leverage grant funds available through the Infrastructure Investment and Jobs Act in order to improve broadband access within the Town.
- Continuing the program of delinquent tax collection in order to accelerate revenue and preclude a backlog. Delinquent tax notices are now sent three times annually, and steady reduction in overdue balances has resulted.
- Investigating the addition of a defined contribution element to the Town's pension plan, to provide flexibility for employee retirement investment.
- Careful monitoring and active management of the Town's defined benefit employee pension plan to ensure continued plan health.
- Continuing the practice of the Finance Director to ensure most favorable rates of return on investments of Town fund balances, which occurs at least quarterly and upon recognition of interest rate changes.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Management's Discussion and Analysis (MD&A)

For the Year Ended June 30, 2022

Contacting the Town's Financial Management

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Net Position

June 30, 2022

	Primary Government Governmental Activities	Component Unit Agricultural Trust
ASSETS		
Cash and cash equivalents	\$ 7,093,288	3,004,926
Short-Term investments	40,952	-
Receivables, net		
Personal property taxes	622,685	-
Intergovernmental	73,096	-
Departmental and other	605,866	-
Lease receivable	498,156	
Prepaid expenses	137,617	-
Inventory	49,826	-
Payable from external parties (Agricultural Trust)	19,514	243,000
Net pension asset	1,029,156	-
Capital assets		
Land and land easements	548,179	34,734,995
Construction in progress	340,987	
Infrastructure, net	365,942	-
Building and building improvements, net	8,699,544	-
Land improvements, net	1,030,637	-
Vehicles, net	351,954	-
Machinery and equipment, net	321,101	-
Office equipment, net	3,328	-
Technology equipment, net	138,084	-
Library and textbooks, net	20,846	-
Intangible right to use, net	343,222	
Total capital assets	12,163,824	34,734,995
Total assets	22,333,980	37,982,921
DEFERRED OUTFLOWS OF RESOURCES		
Pension related deferred outflows	3,362,150	-
Total deferred outflows of resources	3,362,150	-
Total assets and deferred outflows of resources	\$ 25,696,130	\$ 37,982,921

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Net Position

June 30, 2022

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Agricultural Trust</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 260,035	\$ 25,001
Other payables	156,096	
Accrued interest	59,035	-
Payable to external party (Agricultural Trust)	243,000	19,514
Current portion of capital leases	140,645	-
Current portion of bond premiums	21,605	
Current portion of bonds and notes payable	660,000	-
Current portion of compensated absences	24,507	-
Portion due or payable in more than one year		
Capital leases	202,577	-
Bond premiums	129,391	
Bonds and notes payable	9,225,000	-
Compensated absences	302,257	-
Net pension liability	7,137,521	-
Net other post-employment benefit liability	1,929,361	-
Total liabilities	<u>20,491,030</u>	<u>44,515</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred revenues	245,933	-
Deferred inflows of resources from leases	498,156	
Pension related deferred inflows	2,441,515	-
Total deferred inflows of resources	<u>3,185,604</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	1,725,571	34,734,995
Restricted corpus of endowment	10,000	-
Restricted for inventories	49,542	-
Restricted for prepaid expenses	137,901	-
Restricted for general government	188,634	-
Restricted for cemetery costs	110,409	-
Restricted for educational purposes	102,691	-
Restricted for public works	103,896	-
Restricted for public safety	344,900	-
Restricted for parks, recreation and other	181,361	-
Unrestricted	(935,410)	3,203,411
Total net position	<u>2,019,495</u>	<u>37,938,406</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 25,696,130</u>	<u>\$ 37,982,921</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2022

	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Agricultural Trust
Governmental Activities						
General government	\$ 1,355,540	\$ 453,175	\$ -	\$ 323,268	\$ (579,097)	\$ -
Finance administration	201,249	-	-	-	(201,249)	-
Public safety	3,672,943	206,439	48,067	-	(3,418,437)	-
Education	8,079,900	62,876	425,142	-	(7,591,882)	-
Public works	800,640	235,423	4,417	-	(560,800)	-
Transfer station	193,229	29,850	-	-	(163,379)	-
Parks, recreation, and other services	613,140	256,125	38,463	-	(318,552)	-
State contribution to teacher pension plan	310,944	-	310,944	-	-	-
Interest on debt	367,003	-	-	-	(367,003)	-
Total primary government	<u>15,594,588</u>	<u>1,243,888</u>	<u>827,033</u>	<u>323,268</u>	<u>(13,200,399)</u>	<u>-</u>
Component Unit						
Agricultural Trust	231,069	2,407,203	-	574,234	-	2,750,368
Total Town of Little Compton	<u>\$ 15,825,657</u>	<u>\$ 3,651,091</u>	<u>\$ 827,033</u>	<u>\$ 897,502</u>	<u>\$ (13,200,399)</u>	<u>\$ 2,750,368</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Statement of Activities

For the Year Ended June 30, 2022

	Net (Expense) Revenue and Changes in Net Position	
	Primary Government	Component Unit
	Governmental Activities	Agricultural Trust
Total Town of Little Compton	\$ (13,200,399)	\$ 2,750,368
General revenues		
Real estate and personal property, net of reserve of abatement	13,506,688	-
Motor vehicle phase-out	86,304	-
General state aid	846,235	-
Donation revenue	168	-
Meal and telephone tax	127,274	-
Earnings on investments	1,784	6,515
Miscellaneous	143,596	-
Total general revenues	<u>14,712,049</u>	<u>6,515</u>
Changes in net position	1,511,650	2,756,883
Net position - July 1, 2021, restated	<u>507,845</u>	<u>35,181,523</u>
Net position - June 30, 2022	<u>\$ 2,019,495</u>	<u>\$ 37,938,406</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds
Balance Sheet

June 30, 2022

	Major Funds			Non-Major	Total
	General Fund	School Unrestricted	Town Hall Project	Governmental Funds	Governmental Funds
Assets					
Cash and cash equivalents	\$ 3,555,429	\$ 410,639	\$ 1,971,798	\$ 1,155,422	\$ 7,093,288
Investments	-	-	-	40,952	40,952
Receivables					
Property taxes, less reserve for abatements	622,685	-	-	-	622,685
Intergovernmental	2,154	-	-	70,942	73,096
Other	23,711	252,143	-	173,916	449,770
Prepaid items	1,911	74,183	-	61,523	137,617
Inventories	49,542	-	-	284	49,826
Due from external parties - Agricultural Trust	19,514	-	-	-	19,514
Due from other funds	51	75,116	-	80,929	156,096
Total assets	<u>4,274,997</u>	<u>812,081</u>	<u>1,971,798</u>	<u>1,583,968</u>	<u>8,642,844</u>
Deferred Outflows of Resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources and assets	<u>\$ 4,274,997</u>	<u>\$ 812,081</u>	<u>\$ 1,971,798</u>	<u>\$ 1,583,968</u>	<u>\$ 8,642,844</u>
Liabilities					
Accounts payable and accrued expenses	\$ 40,590	\$ 185,829	\$ -	\$ 33,616	\$ 260,035
Due to external party - Agricultural Trust	243,000	-	-	-	243,000
Due to other funds	37,625	36,135	-	82,336	156,096
Total Liabilities	<u>321,215</u>	<u>221,964</u>	<u>-</u>	<u>115,952</u>	<u>659,131</u>
Deferred Inflows of Resources					
Unearned revenues - other	-	-	-	245,933	245,933
Unearned tax revenue	368,021	-	-	-	368,021
Total deferred inflows of resources	<u>368,021</u>	<u>-</u>	<u>-</u>	<u>245,933</u>	<u>613,954</u>
Fund balance					
Nonspendable	51,453	74,183	-	71,807	197,443
Restricted	-	-	-	1,031,891	1,031,891
Committed	-	-	1,971,798	197,126	2,168,924
Assigned	244,414	-	-	-	244,414
Unassigned	3,289,893	515,934	-	(78,741)	3,727,086
Total fund balance	<u>3,585,760</u>	<u>590,117</u>	<u>1,971,798</u>	<u>1,222,083</u>	<u>7,369,758</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 4,274,996</u>	<u>\$ 812,081</u>	<u>\$ 1,971,798</u>	<u>\$ 1,583,968</u>	<u>\$ 8,642,843</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds

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

June 30, 2022

Total governmental fund balances	\$ 7,369,758
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	12,163,824
Long-term assets that are not financial resources in the current period and, therefore are not reported in the governmental funds	
TSB - net pension asset	1,029,156
Deferred taxes are not available to pay for current-period expenditures and, therefore, are not reported in the governmental funds	368,021
Deferred outflows of resources due to various aspects associated with	
ERS pension plan	982,543
TSB pension plan	294,103
Town private pension plan	2,085,504
Deferred inflows of resources due to various aspects associated with	
ERS pension plan	(1,197,706)
TSB pension plan	(626,031)
Town private pension plan	(617,778)
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due	(59,035)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds and notes payable	(9,885,000)
Bond premium	(150,996)
Capital leases	(343,222)
Compensated absences	(326,764)
ERS - net pension liability	(3,458,095)
Town pension liability	(3,679,426)
Net other postemployment benefits liability	<u>(1,929,361)</u>
Net position of governmental activities	<u>\$ 2,019,495</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds

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

For the Year Ended June 30, 2022

	Major Fund			Non-Major	Total
	General Fund	School Unrestricted	Town Hall Project	Governmental Funds	Governmental Funds
Revenues					
General property taxes and penalties	\$ 13,515,726	\$ -	\$ -	\$ -	\$ 13,515,726
Intergovernmental revenue	608,984	432,020	-	839,357	1,880,361
Donation revenues	-	-	-	10,063	10,063
Departmental and other revenue	-	48,500	-	318,669	367,169
Licenses, permits, and fees	565,421	-	-	-	565,421
Beach receipts	242,390	-	-	-	242,390
Investment income	1,723	-	-	60	1,783
State contribution to teachers' pension plan	-	310,944	-	-	310,944
Miscellaneous revenue	198,390	23,029	-	-	221,419
Total revenues	15,132,634	814,493	-	1,168,149	17,115,276
Expenditures					
General government	1,378,700	-	-	10,355	1,389,055
Financial administration	201,249	-	-	-	201,249
Public safety	3,133,075	-	-	195,506	3,328,581
Education	-	7,878,889	-	415,019	8,293,908
Public works	606,958	-	13,452	42,473	662,883
Transfer station	189,726	-	-	-	189,726
Parks, recreation, and other services	526,106	-	-	62,110	588,216
Capital expenditures	197,599	-	-	346,763	544,362
Debt service					
Principal payments	495,000	-	-	-	495,000
Interest and fiscal charges	356,026	-	-	-	356,026
Total expenditures	7,084,439	7,878,889	13,452	1,072,226	16,049,006
Excess (deficiency) of revenues over expenditures	8,048,195	(7,064,396)	(13,452)	95,923	1,066,270
Other financing sources (uses)					
Bond proceeds	-	-	2,000,000	-	2,000,000
Bond issuance costs	-	-	(14,750)	-	(14,750)
School appropriation	(7,384,573)	7,384,573	-	-	-
Transfers in	-	-	-	79,100	79,100
Transfers out	(79,100)	-	-	-	(79,100)
Total Other financing sources (uses)	(7,463,673)	7,384,573	1,985,250	79,100	1,985,250
Excess of revenue and other sources over expenditures and other uses	584,522	320,177	1,971,798	175,023	3,051,520
Fund balance, July 1, 2021	3,001,238	269,940	-	1,047,060	4,318,238
Fund balance, June 30, 2022	\$ 3,585,760	\$ 590,117	\$ 1,971,798	\$ 1,222,083	\$ 7,369,758

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Governmental Funds

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

For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$ 3,051,520
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period	(309,227)
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred revenue	(9,038)
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items	
Debt proceeds	(2,000,000)
Principal payment	495,000
Premium payments	22,962
Capital lease activity	135,405
In the statement of activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due	(10,977)
The pension expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	269,031
The other postemployment benefit expense reported in the statement of activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	(45,478)
Some expenses reported in the Statement of Activities, such as compensated absences does not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds	<u>(87,547)</u>
Change in net position of governmental position	<u><u>\$ 1,511,650</u></u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2022

	Pension Trust Fund
Assets	
Cash and cash equivalents	\$ 50,193
Investments	
Equity funds	7,547,880
Fixed income	4,318,634
Accounts receivable	358,847
Total assets	<u>12,275,554</u>
Liabilities	
Warrants payable	-
Accounts payable and accrued liabilities	-
Other liabilities	-
Deposits held	-
Total liabilities	<u>-</u>
Net Position	
Restricted for pension benefits	<u>12,275,554</u>
Total net position	<u>12,275,554</u>
Total liabilities and net position	<u>\$ 12,275,554</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Year Ended June 30, 2022

	Pension Trust Fund
Additions	
Employee contributions	\$ 54,355
Employer contributions	363,054
Net investment income	<u>(1,710,337)</u>
Total additions	<u>(1,292,928)</u>
Deductions	
Administrative expenses	12,800
Benefits paid	<u>922,815</u>
Total deductions	<u>935,615</u>
Change in net position	(2,228,543)
Net position, July 1, 2021	<u>14,504,097</u>
Net position, June 30, 2022	<u><u>\$ 12,275,554</u></u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies

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

A. Financial Reporting Entity

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

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

Component Unit

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

B. Basic Financial Statements - Government-Wide Statements

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

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

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

C. Basic Financial Statements - Fund Financial Statements

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

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

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

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

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

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

Governmental Funds

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

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

Fiduciary Funds

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

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

D. Measurement Focus and Basis of Accounting

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

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

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

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

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

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

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

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts

Cash and cash equivalents:

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

Investments:

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

Property taxes:

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

Farm, Forest and Open Space:

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Intergovernmental:

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

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

Capital assets:

In the government-wide financial statements, fixed assets are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at fair value as of the date received. Capitalizable fixed assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Net interest costs related to construction projects are capitalized during the construction period. Such costs were not considered material during fiscal 2022.

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

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

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

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

Encumbrances:

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Leases:

A lease is a contract that conveys the control of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transaction. The Town has contracts in which it is a lessee and lessor. Lessors recognize a lease receivable and a deferred inflow of resources. Lessees recognize an intangible right to use asset and a lease liability. These transactions are measured at the present value of payments expected to be made during the lease term using the discount rate in the lease. If the lease discount rate cannot be readily determined from the lease, the Town uses its incremental borrowing rate.

A right to use lease asset with a lease term greater than one year and an initial present value over \$50,000 are recorded as intangible assets. Right to use lease assets are amortized over the contract term of the lease. Leases that do not meet these criteria are recognized as current period revenues and expenses.

Compensated absences:

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

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

Long-term obligations:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Fund Balance/Net Position:

Government-wide financial statements:

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

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

Governmental fund financial statements:

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

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

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

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Fund Balance/Net Position (continued):

Governmental fund financial statements (continued):

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

Interfund transactions:

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

Indirect expense allocation:

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

Use of estimates:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Accounting pronouncements implemented in the current year (continued):

During the fiscal year June 30, 2022, the Town of Little Compton has adopted the following new accounting standard issues by GASB:

GASB Statement 87, *Leases* is effective for periods beginning after December 15, 2019, however it was postponed by an additional eighteen months by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The objective of this statement is to improve accounting and financial reporting for leases by governments. It requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. ***The Town of Little Compton, Rhode Island implemented this standard, and it had an effect on the financial statements.***

GASB Statement 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* is effective for periods beginning after December 15, 2021. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period and requires that interest cost incurred before the end of a construction period be recognized as an expense for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. ***The Town of Little Compton, Rhode Island did not have a financial impact from implementing this standard since there are currently no business-type activities or enterprise funds.***

GASB Statement 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61* is effective for periods beginning after December 15, 2021. The primary objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This statement also requires that a component unit in which a government has 100 percent equity interest account for its assets, deferred outflows of resources, liabilities and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component units. ***The Town of Little Compton, Rhode Island has implemented this standard, but it had no material effect on the financial statements.***

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Accounting pronouncements implemented in the current year (continued):

GASB Statement 91, *Conduit Debt Obligations* is effective for reporting periods beginning after December 15, 2021. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. A conduit debt obligation is defined as a debt instrument having *all* of the following characteristics: (a) There are at least three parties involved: (1) an issuer, (2) a third-party obligor and (3) a debt holder or a debt trustee; (b) The issuer and the third party obligor are not within the same financial reporting entity; (c) The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer; (d) The third party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuances; and (e) The third party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments.) This statement also addresses arrangements-often characterized as leases-that are associated with conduit debt obligations. ***The Town of Little Compton, Rhode Island has implemented this standard, but it had no material effect on the financial statements.***

GASB Statement No. 92, *Omnibus 2020*, was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. This statement enhances the consistency of authoritative literature by addressing practice issues identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including, but not limited to effective dates of GASB 87 Leases for interim financial reports, reporting of transfers between the primary government and component unit defined benefit or defined benefit other postretirement benefit (OPEB) plan and the applicability of GASB 84 Fiduciary Activities to post employment benefit arrangements. ***The Town of Little Compton implemented this standard.***

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, was originally effective for reporting periods beginning after June 15, 2020, however, it was postponed an additional year by GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Statement is now effective for reporting periods after June 15, 2021. The objective of this statement is to address those and other accounting and financial implications that result from the replacement of an IBOR. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR, most notably the London Interbank Offered Rate (LIBOR.) LIBOR is expected to cease to exist in its current form at the end of 2021 prompting governments to amend or replace certain financial instruments. ***The Town of Little Compton, Rhode Island has implemented this standard, but it had no material effect on the financial statements.***

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Accounting pronouncements implemented not yet effective:

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

Statement No. 96, *Subscription-Based Information Technology Arrangements*. GASB Statement No. 96 establishes standards of accounting and financial reporting for subscription-based information technology (SBITAs) for government end users. Under this Statement, a government generally should recognize a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability. ***The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2023.***

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for internal Revenue Code Section 457 Deferred Compensation Plans - an Amendment of GFASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. ***The impact of this standard will be evaluated by the Town of Little Compton, Rhode Island's management for fiscal year ending June 30, 2023.***

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* is effective for fiscal years beginning after June 15, 2022. The primary objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs.) A PPP is an arrangement in which a government contracts with an operator to provide public services by conveying the control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset for a period in time in an exchange or an exchange-like transaction. This statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs.) An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. ***The Town of Little Compton is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Accounting pronouncements implemented not yet effective (continued):

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* is effective for fiscal years beginning after June 15, 2022. This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments.) This Statement (1) defines an SBITA, (2) establishes that an SBITA results in a right-to-use subscription asset, and intangible asset, and a corresponding subscription liability, (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of SBITA, and (4) requires note disclosures regarding a SBITA. ***The Town of Little Compton is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

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 supersession of GASB Statement No. 32* is effective for fiscal years beginning after June 30, 2021. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform, (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. ***The Town of Little Compton is in the process of evaluating this Statement and will evaluate prior to the required implementation of FY23.***

GASB Statement No. 99, *Omnibus 2022*, the requirements of this Statement are effective as follows: The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pleading governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements relate to leases, PPS, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. ***The Town of Little Compton is in the process of evaluating this Statement.***

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No.62*, This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting— understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. ***The Town of Little Compton is in the process of evaluating this Statement.***

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

E. Financial Statement Amounts (continued)

Accounting pronouncements implemented not yet effective (continued):

GASB Statement No. 101, *Compensated Absences*, This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences. *The Town of Little Compton is in the process of evaluating this Statement.*

F. Budget Requirements, Accounting and Reporting

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

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

G. Pensions

Employees' Retirement System Plan (ERS)

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

Teachers' Survivors' Benefits Plan (TSB)

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

G. Pensions (continued)

Town Pension Plan

(a) Basis of Accounting

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

(b) Plan Expenses

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

(c) Fair Value of Investments

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

(d) Income Taxes

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

(e) Use of Estimates

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 1. Summary of Significant Accounting Policies (continued)

H. Other Post-Employment Benefits

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

Note 2. Cash and Investments

A. Cash and Cash Equivalents

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

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

At June 30, 2022, the carrying amount of the Town's deposits, including the component unit, was \$10,148,407 and the bank balance was \$10,198,224. The entire bank balance was insured under FDIC or collateralized under an agreement with Washington Trust.

At June 30, 2022, deposits are categorized as follows:

	Insured/ Collateralized in Town's Name	Total Bank Balance	Carrying Amount
Governmental Funds			
Demand Deposits	\$ 6,470,386	\$ 5,441,273	\$ 6,304,166
ICS Account	1,956,728	1,956,728	1,956,728
Money Market	1,851,757	2,800,223	1,836,646
Petty Cash	-	-	675
Total Governmental	\$ 10,278,870	\$ 10,198,224	\$ 10,098,214
Fiduciary Funds			
Pension Money Market	50,193	50,193	50,193
	\$ 10,329,064	\$ 10,248,417	\$ 10,148,407

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 2. Cash and Investments (continued)

B. Investments

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

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Maturities</u>
Primary Government:		
Short Term Investments		
Certificate of Deposit	\$ 12,630	10/19/2022
Certificate of Deposit	17,823	12/27/2022
Noncurrent Investments		
Stock	10,498	N/A
Total Investments	\$ 40,952	

<u>Investment Type</u>	<u>Carrying Amount</u>
Pension Trust Fund:	
Mutual Funds	\$ 7,547,880
Collective Funds	4,318,634
Total Investment	\$ 11,866,514

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2022, the Town's investments were unrated.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 2. Cash and Investments (continued)

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

Investments representing 5% or more of total investments:	
MFS Value	\$ 1,277,177
Vanguard S&P 500	2,155,598
Vanguard Growth	741,703
Kayne Anderson Small Cap	1,138,714
Vanguard Small Cap Index	601,954
Vanguard Total International Index	599,625
Bradford Marzec Core Plus	1,352,184
Western Asset Core Plus	704,631
Western Core	-
Blackrock Strategic Income	2,261,819
Total Investments representing 5% or more	<u>\$ 10,833,405</u>
All other investments:	
First Eagle	\$ 506,805
Oppenheimer International	161,675
Cohen Steers Real Estate Sec 1	364,629
Total all other investments	<u>\$ 1,033,109</u>
Total Investments	<u>\$ 11,866,514</u>

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

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

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

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

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 2. Cash and Investments (continued)

Description	June 30, 2022	Fair Value Measurement		
		Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Unobservable Inputs (Level 2)	Significant Unobservable (Level 3)
<i>Primary Government</i>				
Certificate of Deposit	\$ 12,630	\$ -	\$ 12,630	\$ -
Certificate of Deposit	17,823	-	17,823	-
Stock	10,498	10,498	-	-
<i>Pension Trust Fund</i>				
Mutual Funds	7,547,880	7,547,880	-	-
Collective Funds	4,318,634	4,318,634	-	-
Total investments by fair value level	<u>\$ 11,907,466</u>	<u>\$ 11,877,012</u>	<u>\$ 30,453</u>	<u>\$ -</u>

Note 3. Receivables

The Town assesses taxes each December 31st and the levy thereon may be paid in full on or before September 30th, or quarterly, on or before September 30ths, December 31st, March 31st, and June 30th, without penalty, at the taxpayer's option. Once levied, the taxes are recorded as receivables, net of estimated uncollectible amounts. Under the modified accrual basis, real estate, personal property and other excise taxes levied are recorded as receivables in the fiscal year of the levy and as revenue when collected within the current year or expected to be collected within 60 days after the end of the current year. Taxes not collected within this time period are classified as deferred inflows of resources.

During the year ended June 30, 2022, the Town received \$86,304 from the State of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicles tax. During fiscal 2018 the State of Rhode Island passed legislation to reinstate the motor vehicles excise tax phase-out program. The specific of the program are detailed in Chapter 34.1 if Title 44 of the Rhode Island General Laws.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 3. Receivables

Lease Receivables

The Town of Little Compton is reporting leases receivables of \$498,156 at June 30, 2022. For fiscal year 2022 the Town reported lease revenue of approximately \$46,000 and interest revenues of approximately \$100 related to the lease payments received. A description of the Town's leasing arrangements is as follows:

Cell Tower Leases: The Town has entered into a lease agreement with Verizon for cell towers:

<u>Company</u>	<u>Lease Commencement Date</u>	<u>Years</u>	<u>Lease Ending Date</u>	<u>Payment Method</u>
Verizon	January 10, 2006	25	December 31, 2031	Monthly

A summary of the future principal to be received is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 46,118	\$ 103	\$ 46,221
2024	47,501	106	47,608
2025	48,927	109	49,036
2026	50,394	113	50,507
2027	51,906	116	52,022
2028 - 2031	<u>253,310</u>	<u>569</u>	<u>253,879</u>
	<u>\$498,156</u>	<u>\$ 1,115</u>	<u>\$499,272</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 4. Capital Assets

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

Government Activities	Restated July 1, 2021	Increases	Decreases	June 30, 2022
Capital assets not being depreciated				
Land and land easements	\$ 548,179	\$ -	\$ -	\$ 548,179
Construction in progress	-	340,987	-	340,987
Total capital assets not being depreciated	<u>548,179</u>	<u>340,987</u>	<u>-</u>	<u>889,166</u>
Capital assets being depreciated				
Infrastructure	503,997	-	-	503,997
Buildings & building improvements	16,233,541	163,594	-	16,397,135
Land improvements	1,363,619	-	-	1,363,619
Vehicles	1,303,530	45,076	-	1,348,606
Machinery and equipment	1,424,094	23,596	-	1,447,690
Office equipment	97,681	-	-	97,681
Technology equipment	627,200	126,261	-	753,461
Library and textbooks	442,845	-	-	442,845
Total capital assets, being depreciated	<u>21,996,507</u>	<u>358,527</u>	<u>-</u>	<u>22,355,034</u>
Amortized asset				
Intangible right to use				
Leased machinery and equipment	89,900	-	-	89,900
Leased technology equipment	114,704	-	-	114,704
Leased vehicle	662,811	-	-	662,811
Total amortized asset	<u>867,415</u>	<u>-</u>	<u>-</u>	<u>867,415</u>
Accumulated depreciation				
Infrastructure	125,496	12,559	-	138,055
Buildings & building improvements	7,017,719	679,872	-	7,697,591
Land improvements	298,695	34,287	-	332,982
Vehicles	992,337	4,315	-	996,652
Machinery and equipment	1,014,481	112,108	-	1,126,589
Office equipment	94,106	247	-	94,353
Technology equipment	569,683	45,694	-	615,377
Library and textbooks	416,996	5,003	-	421,999
Total accumulated depreciation	<u>10,529,513</u>	<u>894,085</u>	<u>-</u>	<u>11,423,598</u>
Accumulated amortization				
Leased machinery and equipment	59,948	12,347	-	72,295
Leased technology equipment	47,132	7,107	-	54,239
Leased vehicle	302,457	95,202	-	397,659
Total accumulated amortization	<u>409,537</u>	<u>114,656</u>	<u>-</u>	<u>524,193</u>
Total capital assets being depreciated, net	<u>11,466,994</u>	<u>(535,558)</u>	<u>-</u>	<u>10,931,436</u>
Governmental activities capital assets, net	<u>\$ 12,473,051</u>	<u>\$ (309,227)</u>	<u>\$ -</u>	<u>\$ 12,163,824</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 4. Capital Assets (continued)

For the year ended June 30, 2022, depreciation was charged to the following functions:

Governmental activities	
General government	\$ 11,363
Public safety	207,541
Public works	44,260
Education	717,150
Parks, recreation, and other services	<u>28,427</u>
Total governmental activities depreciation expense and amortization expense	<u><u>\$ 1,008,741</u></u>

Capital asset activity for the Town of Little Compton's Component Unit, the Agricultural Trust, for the year ended June 30, 2022 was as follows:

Government Activities	<u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Capital Assets				
Land and land easements	<u>\$ 30,557,746</u>	<u>\$ 4,177,249</u>	<u>\$ -</u>	<u>\$ 34,734,995</u>
Total capital assets	<u><u>30,557,746</u></u>	<u><u>4,177,249</u></u>	<u><u>-</u></u>	<u><u>34,734,995</u></u>

Note 5. Long-term Obligations

	Balance, July 1, 2021	Additions	Retirements	Balance, June 30, 2022	Due within one year
Bonds payable:					
Revenue bonds - RIHEBC	\$ 8,380,000	\$ -	\$ 495,000	\$ 7,885,000	\$ 520,000
General Obligation Bond Series 2022	-	2,000,000	-	2,000,000	140,000
Total bond payable	<u>8,380,000</u>	<u>2,000,000</u>	<u>495,000</u>	<u>9,885,000</u>	<u>660,000</u>
Premium on revenue bonds-RIHEBC	173,958	-	22,962	150,996	21,605
Capital leases	478,627	-	135,405	343,222	140,645
Compensated absences	239,216	87,547	-	326,763	24,507
Total long-term obligations	<u>\$ 9,271,801</u>	<u>\$ 2,087,547</u>	<u>\$ 653,367</u>	<u>\$ 10,705,981</u>	<u>\$ 846,757</u>

The accompanying notes are an integral part of this statement

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 5. Long-term Obligations (continued):

General Obligations Bonds:

At a Financial Town, meeting in fiscal year 2013, the Town approved the issuance of \$11,310,000 of revenue bonds. The bonds, dated December 10, 2013, are due May 15, 2034. The bonds provide for a varying interest rate with a yield of 4.1063%. Interest is due semiannually on November 15th and May 15th. In fiscal year 2022, the Town approved the issuance of \$2,000,000 general obligation bond. The bond, dated March 22, 2022, was issued at an interest rate of 1.88% and matures on March 15, 2032. Interest is due semiannually on March 15th and September 15th.

Governmental Activities	Date issued	Maturity date	Amount issued	Interest rate	Balance, July 1, 2021	Additions	Retirements	Balance, June 30, 2022	Interest paid
Revenue Bonds - RIHEBC	12/10/13	5/15/34	\$ 11,310,000	3.16% - 4.25%	\$ 8,380,000	\$ -	\$ 495,000	\$ 7,885,000	\$ 371,038
General Obligation Bond Series 2022	3/22/22	3/15/32	\$ 2,000,000	1.88%	-	2,000,000	-	2,000,000	-
					<u>\$ 8,380,000</u>	<u>\$ 2,000,000</u>	<u>\$ 495,000</u>	<u>\$ 9,885,000</u>	<u>\$ 371,038</u>

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 5. Long-term Obligations (continued):

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

Year	Principal	Interest	Total
2023	\$ 660,000	\$ 371,856	\$ 1,031,856
2024	745,000	349,156	1,094,156
2025	765,000	323,702	1,088,702
2026	785,000	297,448	1,082,448
2027	815,000	264,594	1,079,594
2028-2031	3,550,000	739,942	4,289,942
2032-2034	2,565,000	207,098	2,772,098
	\$ 9,885,000	\$ 2,553,796	\$ 12,438,796

The Town's obligation for capital leases is recorded in the government-wide financial statements. Changes in the Town's capital leases during the year ended June 30, 2022 were as follows:

	Date issued	Amount issued	Interest rate	Balance, July 1, 2021	Additions	Retirements	Balance, June 30, 2022	Due within one year	Interest Paid
Governmental activities:									
2015 Freightliner	09/10/15	\$ 385,402	2.92%	\$ 117,852	\$ -	\$ 58,077	\$ 59,775	\$ 59,775	\$ 3,447
2016 John Deere backhoe	11/06/18	89,900	5.75%	29,952	-	12,347	17,605	13,076	1,400
2020 Computer	07/29/20	114,704	4.00%	88,321	-	27,856	60,465	29,411	4,267
2020 Emergency Medical Vehicle	12/26/20	278,409	3.39%	242,502	-	37,125	205,377	38,383	8,221
				\$ 478,627	\$ -	\$ 135,405	\$ 343,222	\$ 140,645	\$ 17,335

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 5. Long-Term Obligations (continued):

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

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$140,645	\$ 12,102
2024	75,267	6,782
2025	41,030	4,316
2026	42,421	2,295
2027	43,859	1,487
Total	<u>\$343,222</u>	<u>\$ 26,982</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 6. Fund Balance Classification

	Major Funds			Non-Major Funds			Total
	General Fund	School Unrestricted	Town Hall Project	Special Revenue	Capital Projects	Permanent Trust	
Fund Balances							
Nonspendable							
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000
Inventories	49,542	-	-	-	-	-	49,542
Prepaid expenses	1,911	74,183	-	61,807	-	-	137,901
Restricted for							
General government	-	-	-	188,634	-	-	188,634
Cemetery costs	-	-	-	-	-	110,409	110,409
Educational purposes	-	-	-	88,163	-	14,528	102,691
Public works	-	-	-	103,896	-	-	103,896
Public safety	-	-	-	344,900	-	-	344,900
Parks, recreation, and other	-	-	-	163,837	-	17,524	181,361
Community development	-	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-	-
Committed to							
Parking lot fund	-	-	-	-	43,008	-	43,008
Capital expenditures	-	-	-	-	103,762	-	103,762
Revaluation	-	-	-	-	50,356	-	50,356
Town Hall Projects	-	-	1,971,798	-	-	-	1,971,798
Assigned to							
Reserve for encumbrances	244,414	-	-	-	-	-	244,414
Educational purposes	-	515,934	-	-	-	-	515,934
Unassigned	3,289,893	-	-	(44,533)	(34,208)	-	3,211,152
	<u>\$ 3,585,760</u>	<u>\$ 590,117</u>	<u>\$ 1,971,798</u>	<u>\$ 906,704</u>	<u>\$ 162,918</u>	<u>\$ 152,461</u>	<u>\$ 7,369,758</u>

Note 7. Interfund Transactions

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

	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
Major Governmental Funds				
General fund	\$ 51	\$ 37,625	\$ -	\$ 79,100
School unrestricted fund	75,116	36,135	-	-
Non-Major Governmental Funds				
Special revenue funds	75,641	82,286	-	-
Permanent funds	-	50	-	-
Capital projects	5,288	-	79,100	-
Totals	<u>\$ 156,096</u>	<u>\$ 156,096</u>	<u>\$ 79,100</u>	<u>\$ 79,100</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans

Employees' Retirement System Defined Benefit Pension Plan (ERS)

General Information about the Pension Plan

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

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

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, the Town's teachers were required to contribute 3.75% of their annual covered salary except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the Town; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2020 for the state and Town, respectively. The Town contributed \$420,087, \$402,230 and \$378,175 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 contribution for fiscal 2022 was \$310,944 and is reported as on-behalf payments and included in both revenue and expenditures on the financial statements.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

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

At June 30, 2022, the Town reported a liability of \$3,458,095 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town proportionate share of net pension liability	\$ 3,458,095
State's proportionate share of the net pension liability associated with the Town	<u>2,564,487</u>
Total net pension liability	<u><u>\$ 6,022,582</u></u>

The net pension liability was measured as of June 30, 2020, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2021 the Town's proportion was 0.14694049%.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

For the year ended June 30, 2022 the Town recognized gross pension expense of (\$5,218) and revenue of (\$4,670) for support provided by the State, resulting in a net pension expense of (\$9,888). At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	\$ 34,710	\$ 111,699
Changes of assumptions	144,810	76,047
Net difference between projected and actual earnings on pension plan investments		809,408
Changes in proportion and differences between System contributions and proportionate share contributions	382,936	200,552
Contributions subsequent to the measurement date	420,087	-
	<u>\$ 982,543</u>	<u>\$ 1,197,706</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (635,250)</u>

\$420,087 reported as deferred outflows of resources related to pensions resulting from the Town 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	\$ (190,471)
2024	(94,006)
2025	(128,982)
2026	(221,723)
2027	(10,364)
Thereafter	10,296
	<u>\$ (635,250)</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global equity:		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Private Growth		
Private Equity	11.25%	9.47%
Non-Core RE	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
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%
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
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%
	100.00%	

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

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

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

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

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 4,367,309	\$ 3,458,095	\$ 2,297,678

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

Defined Contribution Plan Description:

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

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

The Town recognized pension expense of (\$5,218), for the fiscal year ended June 30, 2022.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Teachers' Survivors Defined Benefit Pension Plan (TSB)

General Information about the Pension Plan

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

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

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

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

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

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

The Town contributed \$4,094, \$3,872 and \$3,795 for the fiscal years ended June 30, 2022, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2022 the Town reported an asset of \$1,029,156 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021 the Town proportion was 0.52590265%.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

For the year ended June 30, 2022 the Town recognized pension expense of \$119,312 an increase in the net pension asset. At June 30, 2022 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 38,140	\$ 110,504
Changes of assumptions	32,300	37,057
Net difference between projected and actual earnings on pension plan investments	-	254,424
Changes in proportion and differences between System contributions and proportionate share contributions	219,569	224,046
Contributions subsequent to the measurement date	4,094	-
	<u>\$ 294,103</u>	<u>\$ 626,031</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (336,022)</u>

\$4,094 reported as deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2022 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ (50,490)
2024	(47,314)
2025	(95,605)
2026	(106,323)
2027	(22,282)
Thereafter	(14,008)
	<u>\$ (336,022)</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

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

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

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

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

The actuarial assumptions used in the June 30, 2020 valuation and the calculation of the total pension liability at 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:

Asset class	Target allocation	Long-term expected real rate of return
Global equity:		
U.S. Equity	23.20%	5.83%
International Developed Equity	11.80%	6.35%
Emerging Markets Equity	5.00%	8.04%
Private Growth		
Private Equity	11.25%	9.47%
Non-Core Real Estate	2.25%	5.32%
Opportunistic Private Credit	1.50%	9.47%
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%
Crisis Protection Class		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
Inflation Protection		
Core Real Estate	3.60%	5.32%
Private Infrastructure	2.40%	5.81%
TIPs	2.00%	0.30%
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%
	100.00%	

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

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

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

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

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

1.00% Decrease	Current Discount	1.00% Increase
(6.0%)	Rate (7.0%)	(8.0%)
\$ (925,517)	\$ (1,029,156)	\$ (1,161,473)

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

Town Pension Plan, Other than Certified Teachers

(a) Plan Administration

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers

(b) Plan Membership

At June 30, 2022, pension plan membership consisted of the following:

Active plan members	46
Terminated vested	11
Retirees and Beneficiaries	<u>41</u>
Subtotal	<u><u>98</u></u>

(c) Benefits Provided

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

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

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

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

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

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

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

Method used to value investments.

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

(d) Contributions

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

Employees are required to contribute to the Plan as follows:

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

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

Investments

(a) Investment Policy

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Investments (continued)

The following was the Committee's adopted asset allocation policy as of June 30, 2022:

<u>Asset Class</u>	<u>Asset Allocation</u>	<u>Target Asset Allocation</u>
Cash	0.42%	0.00%
Fixed income	36.25%	35.00%
Large cap equity	35.03%	33.50%
Small cap equity	14.60%	13.50%
International equity	10.65%	15.50%
REITs	3.05%	2.50%
Total	100.0%	100.0%

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

(b) Concentrations

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2022, the Plan had no investments in any one organization that represented 5% or more of the Plan's net position restricted for pension.

(c) Money-Weighted Rate of Return

For the year ended June 30, 2022 the annual money-weighted rate of return on Plan investments, net of investment expense, was -12.20%. The money-weighted rate of return considers the changing amounts actually invested during a period and weights the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expenses.

(d) Custodial Credit Risk

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

At June 30, 2022, there were no deposits subject to custodial credit risk.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Investments (continued)

(e) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of the investment. At June 30, 2022, there were no deposits subject to interest rate risk.

(f) Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. As of June 30, 2022, the Plan has no single issuer that exceeds 5% of total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded.

(g) Credit Risk

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

(h) Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment or a deposit. At June 30, 2022, there were no deposits subject to foreign currency risk.

(i) Derivatives

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

Certain commingled funds held by the Plan at the year-end were permitted through their individual investment guidelines to use derivative instruments, including forwards, futures, swaps, and options. Disclosures about derivative holdings of the commingled fund managers can be found in their respective audited financial statements. The plan did not directly own any derivatives as of June 30, 2022.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan

The components of the net pension liability of the Plan at June 30, 2022, were as follows:

Total pension liability	\$	15,954,980
Plan fiduciary net position		<u>(12,275,554)</u>
Town's net pension liability		<u>\$ 3,679,426</u>
Plan fiduciary net position as a percentage of the total pension liability		76.94%

(a) Actuarial assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Discount rate	6.93%
Long term rate of Return on investments	7.00%
Municipal Bond	4.09%, the Municipal Bond rates is based on the S&P Municipal Bond 20 Year High Grade Index.
Inflation	2.50%
Mortality	Pub-2010 below median weighted 30% Teacher/ 40% Safety/ 30% General Government with scale MP-2021 Generational Improvements (Male/Female). Separate tables are used for Employees, Healthy Retirees, Contingent Survivors, and Disabled Annuitants.
Salary Scale	2.50%
Retirement Age	Members of the Fire and Police Departments are assumed to retire at the earlier of age 62, or the completion of 30 Years of Service. Participants who are not members of the Fire and Police Departments are assumed to retire at age 62.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period ended June 30, 2022.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.20%
Fixed income	3.60%
Large cap equity	8.20%
Small cap equity	9.40%
International equity	8.70%
REITs	9.10%

(b) Discount rate

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of 7/1/2021	\$ 15,983,306	\$ 14,504,097	\$ 1,479,209
Changes for the year:			
Service cost	317,276	-	317,276
Interest on total pension liability	1,066,689	-	1,066,689
Differences between expected and actual experience	(238,221)	-	(238,221)
Changes in assumptions	(251,255)	-	(251,255)
Changes in benefit terms	-	-	-
Contributions - employer	-	363,054	(363,054)
Contributions - employee	-	54,355	(54,355)
Net investment income	-	(1,710,337)	1,710,337
Benefit payments	(922,815)	(922,815)	-
Administrative expense	-	(12,800)	12,800
Net changes	(28,326)	(2,228,543)	2,200,217
Balance as of 6/30/2022	\$ 15,954,980	\$ 12,275,554	\$ 3,679,426

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

The following presents the net pension liability of the Plan, calculated using the discount rate of (6.93 percent), as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.93 percent) or 1-percentage-point higher (7.93 percent) than the current rate:

	1% Decrease Rate (5.93%)	Current Discount Rate (6.93%)	1% Increase Rate (7.93%)
Plan's Net Pension Liability	\$ 5,627,473	\$ 3,679,426	\$ 2,058,552

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

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

For the year ended June 30, 2022, the Town recognized pension expense of \$285,640. At June 30, 2022, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 406,190	\$ 345,373
Changes in assumptions	486,823	272,405
Difference between projected and actual earnings on plan investments	<u>1,192,491</u>	<u>-</u>
Total deferred outflows / (inflows)	<u>\$ 2,085,504</u>	<u>\$ 617,778</u>

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

Year ended June 30:

2023	\$ 338,753
2024	332,118
2025	217,247
2026	605,941
2027	55,299
Thereafter	<u>(81,632)</u>
	<u>\$ 1,467,726</u>

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 8. Pension Plans (continued)

Town Pension Plan, Other than Certified Teachers (continued)

Net Pension Liability of the Plan (continued)

Aggregate Pension Amounts Reported in the Financial Statements:

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

	ERS	TSB	Town Plan	Total
Deferred Outflows of Resources - Pension	\$ 982,543	\$ 294,103	\$2,085,504	\$ 3,362,150
Deferred Inflows of Resources - Pension	1,197,706	626,031	617,778	2,441,515
Net Pension (Asset)	-	1,029,156	-	1,029,156
Net Pension Liability	3,458,095	-	3,679,426	7,137,521
Pension Expense	(5,218)	(119,312)	285,640	161,110
Total	\$ 5,633,126	\$ 1,829,978	\$ 6,668,348	\$ 14,131,452

Note 9. Other Post-employment Benefits

Plan Description

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

Plan Types

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 9. Other Post-employment Benefits (continued)

Town Membership

As of June 30, 2022, the latest available membership census is as follows:

Description	Active Employees	Inactive or Beneficiaries Receiving Benefits	Total
Number	42	13	55

Funding Policy

The Town and School Department fund these benefits on a pay-as-you-go basis. During the year ended June 30, 2022, post-employment benefits totaling \$161,717 were received by six participants.

Investment Policy

The Town and School’s policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town and School to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town and School’s adopted asset allocation policy as of June 30, 2022:

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 9. Other Post-employment Benefits (continued)

Concentrations

There were no concentrations noted as of June 30, 2022.

Net OPEB Liability of the Town

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

Total OPEB liability	\$ 1,929,361
Plans fiduciary net position	-
Town's net OPEB liability	<u>\$ 1,929,361</u>
Plan net position as a percentage of the total OPEB liability	0.00%

For the year ended June 30, 2022 OPEB expenses totaled \$45,227

Actuarial Methods and Assumptions

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

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2022.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	None noted
Actuarial Assumptions:	
Single Equivalent Discount Rate:	3.75%, net of OPEB plan investment expense, including inflation
Salary Increases:	2.00% annually as of June 30, 2022 and for future periods
Retirement rates:	The probability of remaining employed until retirement age from current and entry age by age comes from The U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Assumed retirement age:	62
Mortality:	Life expectancy by gender comes from the Life Expectancy Table from National Center for Health Statistics updated in 2015.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 9. Other Post-employment Benefits (continued)

Actuarial Methods and Assumptions (continued)

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

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

Discount rate

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

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

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

	Impact of 1% Change in Discount Rate		
	1% Decrease (2.80%)	Current discount rate (3.80%)	1% Increase (4.80%)
Total OPEB liability	\$ 2,052,455	\$ 1,929,361	\$ 1,815,374

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 9. Other Post-employment Benefits (continued)

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

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

	Impact of 1% Change in Healthcare Trend Rate		
	1% Decrease (4.00%)	Current trend rate (5.00%)	1% Increase (6.00%)
Total OPEB liability	\$ 1,817,675	\$ 1,929,361	\$ 2,055,036

Note 10. Commitments and Contingencies

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

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

Note 11. Fund Deficits

Individual funds had the following deficit fund balances at June 30, 2022:

Town Special Revenue	
Basketball Court	\$ 52
AFG	6,419
Coronavirus Relief	9,505
 School Special Revenue	
Esser II Back to School	23,000
Esser III Other Priority	1,541
ELC Grant	4,016
 Capital Projects	
School Renovations	33,856
Pike's Peak	352
	\$ 78,741

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 12. Risk Management

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

The School Department purchases commercial insurance for all of its risks of loss. There were no significant reductions in insurance coverage during the year ended June 30, 2022.

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

Note 13. Joint Venture

The Little Compton School Department (LCSD), in conjunction with three other member school departments, participates in a joint venture entitled the Newport County Regional Special Education Program (NCRSEP). NCRSEP was formed to provide services to qualified special needs students in the four towns. Each town is assessed its share of the NCRSEP annual operating budget based on each town's share of total students in the region averaged with each town's share of students in the special education program. NCRSEP also administers the federally funded IDEA Part B program for each of the towns. Each town pays salaries and employee benefits directly to the teachers and aides on their respective payroll that work directly for the program; such amounts are deducted from the gross annual assessment. LCSD's net assessment for 2022, net of IDEA funds was approximately \$257,000.

At June 30, 2022, a total of approximately \$251,886 in Medicaid reimbursements due to the LCSD has been recorded as a liability of NCRSEP. This amount represents Medicaid reimbursements received by NCRSEP over a number of years in excess of the budgeted receipts for Little Compton.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Notes to the Financial Statements

June 30, 2022

Note 14. Restatement

In some instances, beginning fund balances have been restated as a result of adjustments made to correct or reclassify prior year balances. Such adjustments are summarized as follows:

	<u>Government-Wide Financial Statements</u>
	<u>Governmental Activities</u>
Beginning balance, July 1, 2021	\$ 596,166
GASB 87 Implementation	<u>(88,321)</u>
Beginning balance, July 1, 2021, restated	<u>\$ 507,845</u>

During the year ended June 30, 2022, the Town implemented GASB Statement No. 87, Leases. The implementation of GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Note 15. Subsequent Events

Management has evaluated events that have occurred subsequent to June 30, 2022 and through February 14, 2023 and does not have any significant subsequent events to disclose.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
 Budgetary Comparison Schedule - General Fund

For the Year Ended June 30, 2022

	<u>Original Budget</u>		<u>Appropriations and Transfers</u>	<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried Forward to FY23</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Encumbrances Carried Forward from FY21</u>	<u>Budget As Adopted</u>					
Revenues							
General property taxes and penalties	\$ -	\$ 13,484,380	\$ -	\$ 13,484,380	\$ 13,515,726	\$ -	\$ 31,346
Intergovernmental	-	549,780	-	549,780	608,984	-	59,204
Licenses, permits, and fees	-	504,005	-	504,005	565,421	-	61,416
Beach receipts	-	245,000	-	245,000	242,390	-	(2,610)
Investment income	-	5,000	-	5,000	1,723	-	(3,277)
Miscellaneous	-	439,445	-	439,445	198,390	-	(241,055)
Total revenues	-	15,227,610	-	15,227,610	15,132,634	-	(94,976)
Expenditures							
General government	-	2,785,895	(2,420)	2,783,475	1,378,699	14,900	1,389,876
Financial administration	4,000	151,063	1,220	156,283	201,249	2,000	(46,966)
Public safety	14,000	2,369,161	-	2,383,161	3,133,075	11,000	(760,914)
Public works	29,220	644,818	-	674,038	606,958	179,500	(112,420)
Transfer station	-	229,246	-	229,246	189,726	-	39,520
Parks, recreation, and other services	-	530,791	1,200	531,991	526,106	37,014	(31,129)
Capital expenditures	-	201,925	-	201,925	197,599	-	4,326
Debt service:							
Principal payments	-	495,000	-	495,000	495,000	-	-
Interest and fiscal charges	-	356,038	-	356,038	356,026	-	12
Total expenditures	47,220	7,763,937	-	7,811,157	7,084,438	244,414	482,305
Excess (deficiency) of revenues over expenditures	(47,220)	7,463,673	-	7,416,453	8,048,196	(244,414)	387,329
Other financing sources and (uses)							
School Appropriation	-	(7,384,573)	-	(7,384,573)	(7,384,573)	-	-
Transfers from (to) other funds	-	(79,100)	-	(79,100)	(79,100)	-	-
Total other financing sources (uses)	-	(7,463,673)	-	(7,463,673)	(7,463,674)	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ (47,220)	\$ -	\$ -	\$ (47,220)	584,522	\$ (244,414)	\$ 387,329
Adjustment of budgetary basis to U.S. GAAP					-		
Excess (deficiency) of revenues and other sources over expenditures and other uses, GAAP basis					584,522		
Fund balance, July 1, 2021					3,001,238		
Fund balance, June 30, 2022					<u>\$ 3,585,760</u>		

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
Notes to Budgetary Comparison Schedule – General Fund

For the Year Ended June 30, 2022

Budgetary – GAAP Reporting Reconciliation – *General Fund*

In accordance with the Town’s Charter, the Town has formally established budgetary accounting control for its General Fund. The General Fund is subject to an annual operating budget legally adopted by the Town Council. The annual operating budget’s appropriation amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the reappropriation of accumulated surpluses to the extent necessary. The General Fund operating budget is in conformity with the legally enacted budgetary basis, which is not in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

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

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

For the year ended June 30, 2022 there were no significant timing perspectives or differences in the excess (deficiency) of revenues and other sources of financial resources and expenditures and other uses, therefore, there were no differences when presenting the budgetary and GAAP basis presentation.

Appropriations in addition to those contained in the annual operating budget require Town Council approval. Amendments to the operating budget that do not result in additional appropriations may be made within departments through transfers. Transfers made within and outside the departmental level require Town Council approval. The level at which the General Fund budgeted expenditures may not legally exceed appropriations is at the departmental level.

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
 Budgetary Comparison Schedule – Unrestricted School Fund
 For the Year Ended June 30, 2022

	Budget As Adopted	Actual	Variance Favorable (Unfavorable)
Revenues:			
State Aid to Education	\$ 432,074	\$ 432,020	\$ (54)
Out of district student tuitions	48,000	48,500	500
Medicaid resimburseent	19,000	23,029	4,029
On behalf payments- Teacher's contribution	-	310,944	310,944
Total revenues	499,074	814,493	315,419
Expenditures:			
Salaries	3,610,100	3,555,034	55,066
Fringe benefits	1,363,010	1,265,414	97,596
Technical and professional services	303,881	577,888	(274,007)
Purchased property services	125,340	141,947	(16,607)
Purchased other services	2,053,800	1,911,821	141,979
Materials and supplies	281,525	305,013	(23,488)
Capital outlay	126,991	106,089	20,902
Other operating expenses	19,000	15,683	3,317
Total expenditures	7,883,647	7,878,889	4,758
Excess of expenditures over revenues	(7,384,573)	(7,064,396)	320,177
Other financing sources (uses):			
Transfer from Town appropriations	7,384,573	7,384,573	-
Transfer to other funds	-	-	-
Total other financing sources (uses)	7,384,573	7,384,573	-
Excess of expenditures over revenues and other financing sources, budgetary basis	\$ -	320,177	\$ 320,177
Adjustment of budgetary basis to U.S. GAAP basis		-	
Excess of expenditures over revenues and other financing sources, U.S. GAAP basis		320,177	
Fund balance, July 1, 2021		269,940	
Fund balance, June 30, 2022		\$ 590,117	

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

For the Year Ended June 30, 2022

Budgetary – GAAP Reporting Reconciliation – *Unrestricted School Fund*

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

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

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

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis) (Non-GAAP Budgetary Basis)	\$ 320,177
State contribution to teachers' pension plan revenue on behalf	310,944
State contribution to teacher's pension plan expense on behalf	<u>(310,944)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 320,177</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Liability – Employee’s Retirement System (ERS)

*Last 10 Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension liability	0.14694049%	0.14215256%	0.14354785%	0.13937877%	0.12817260%	0.13503440%	0.12442040%	0.66537331%
Employer's proportionate share of the net pension liability	\$ 3,458,095	\$ 4,541,783	\$ 4,580,280	\$ 4,428,409	\$ 4,042,675	\$ 4,028,856	\$ 3,425,297	\$ 4,602,965
State's proportionate share of the net pension liability associated with the school district	<u>2,564,487</u>	<u>3,374,656</u>	<u>3,431,104</u>	<u>3,303,275</u>	<u>3,055,291</u>	<u>2,759,175</u>	<u>2,340,055</u>	<u>3,156,465</u>
Total	<u>\$ 6,022,582</u>	<u>\$ 7,916,439</u>	<u>\$ 8,011,384</u>	<u>\$ 7,731,684</u>	<u>\$ 7,097,966</u>	<u>\$ 6,788,031</u>	<u>\$ 5,765,352</u>	<u>\$ 7,759,430</u>
Employer's covered payroll	2,842,265	2,794,696	2,678,301	2,671,179	2,515,703	2,392,194	2,834,252	2,309,723
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	121.67%	162.51%	171.01%	165.78%	160.70%	168.42%	120.85%	199.29%
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%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Contributions - Employees Retirement System (ERS)

*Last 10 Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 420,087	\$ 402,230	\$ 378,175	\$ 358,346	\$ 333,080	\$ 299,704	\$ 304,597	\$ 282,371
Contributions in relation to the actuarially determined contribution	<u>420,087</u>	<u>402,230</u>	<u>378,175</u>	<u>358,346</u>	<u>333,080</u>	<u>299,704</u>	<u>304,597</u>	<u>282,371</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Covered-employee payroll	\$ 2,842,265	\$ 2,794,696	\$ 2,678,301	\$ 2,671,179	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252	\$ 2,309,723
Contributions as a percentage of covered- employee payroll	14.78%	14.39%	14.12%	13.42%	13.24%	12.53%	10.75%	12.23%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Proportionate Share of Net Pension Asset – Employee’s Retirement System- Teachers’ Survivors Benefit Plan (TSB)

*Last 10 Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Employer's proportion of the net pension asset	0.52590265%	0.50887672%	0.52422974%	0.51005638%	0.38891074%	0.61972762%	0.27774680%	0.66537331%
Employer's proportionate share of the net pension asset	\$ 1,029,156	\$ 604,360	\$ 594,717	\$ 455,120	\$ 321,732	\$ 617,074	\$ 259,292	\$ 827,197
Employer's covered employee payroll	\$ 2,842,265	\$ 2,794,696	\$ 2,678,301	\$ 2,671,719	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252	\$ 2,309,723
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	36.21%	21.63%	22.21%	17.03%	12.79%	25.80%	9.15%	35.81%
Plan fiduciary net position as a percentage of the total pension asset	185.7%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Schedule of Contributions – Employees Retirement System – Teachers’ Survivors Benefit Plan (TSB)

*Last 10 Years**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily determined contribution	\$ 4,094	\$ 3,872	\$ 3,795	\$ 3,910	\$ 3,795	\$ 2,294	\$ 3,980	\$ 2,371
Contributions in relation to the statutorily determined contribution	<u>4,094</u>	<u>3,872</u>	<u>3,795</u>	<u>3,910</u>	<u>3,795</u>	<u>2,294</u>	<u>3,980</u>	<u>2,371</u>
Contribution deficiency (excess)	<u>\$ -</u>							
Covered-employee payroll	\$ 2,842,265	\$ 2,794,696	\$ 2,678,301	\$ 2,671,719	\$ 2,515,703	\$ 2,392,194	\$ 2,834,252	\$ 2,309,723
Contributions as a percentage of covered-employee payroll	0.14%	0.14%	0.14%	0.15%	0.15%	0.10%	0.14%	0.10%

Notes:

- 1.) *The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.*
- 2.) *Schedule is intended to show information for 10 years - additional years will be displayed as they become available.*
- 3.) *Employers participating in the State Employee’s Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.*

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Notes to ERS and TSB Pension Plans

For the Year Ended June 30, 2022

Schedule of Proportionate Share of Net Pension Liability (Asset) Notes

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

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

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

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

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

June 30, 2021 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2021 measurement date compared to the June 30, 2020 measurement date.

June 30, 2020 measurement date –

As part of the 2020 Actuarial Experience Study for the six-year period ending June 30, 2019 as approved by the System Board on May 22, 2020, certain assumptions were modified and reflected in the determination of net pension liability (asset) at the June 30, 2020 measurement date. The following summarizes the more significant changes in assumptions:

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

June 30, 2019 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2019 measurement date compared to the June 30, 2018 measurement date.

June 30, 2018 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2018 measurement date compared to the June 30, 2017 measurement date.

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Notes to ERS and TSB Pension Plans

For the Year Ended June 30, 2022

June 30, 2017 measurement date –

As part of the 2017 Actuarial Experience Investigation Study for the six-year period ending June 30, 2016 as approved by the System Board on May 15, 2017, certain assumptions were modified and reflected in the determination of the net pension liability (asset) at the June 30, 2017 measurement date. The following summarizes the more significant changes in assumptions:

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

June 30, 2016 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2016 measurement date compared to the June 30, 2015 measurement date.

June 30, 2015 measurement date –

There were no changes in actuarial methods or assumptions reflected in the calculation of the net pension liability (asset) of the plans as of the June 30, 2015 measurement date compared to the June 30, 2014 measurement date.

The June 30, 2015 measurement date determination of the net pension liability for the ERS and MERS plans reflects changes in benefit changes resulting from the settlement of litigation challenging the various pension reform measures enacted in previous years by the General Assembly. The final settlement approved by the Court on July 8, 2015 also included enactment of the pension settlement provisions by the General Assembly. These amended benefit provisions, are summarized below:

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision)
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

Notes to ERS and TSB Pension Plans

For the Year Ended June 30, 2022

- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5yr Return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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

Covered employee payroll is the full amount of employer payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

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

*Last 10 Years**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability									
Service cost	\$ 317,276	\$ 303,084	\$ 299,075	\$ 271,077	\$ 250,767	\$ 269,172	\$ 270,130	\$ 266,835	\$ 256,046
Interest	1,066,689	1,004,390	978,096	922,937	883,940	870,084	830,306	772,020	728,998
Differences between expected and actual experience	(238,221)	556,349	(50,971)	(247,752)	58,926	(206,907)	198,548	44,212	6,609
Changes of assumptions	(251,255)	451,630	(66,529)	400,567	(36,586)	(227,429)	(56,558)	688,557	16,807
Changes of benefit terms	-	-	-	-	-	-	(37,946)	-	-
Benefit payments, including refunds of participant contributions	(922,815)	(751,757)	(682,810)	(653,465)	(543,497)	(503,890)	(478,818)	(472,018)	(399,323)
Net change in total pension liability	<u>(28,326)</u>	<u>1,563,696</u>	<u>476,861</u>	<u>693,364</u>	<u>613,550</u>	<u>201,030</u>	<u>725,662</u>	<u>1,299,606</u>	<u>609,137</u>
Total pension liability - beginning	<u>15,983,306</u>	<u>14,419,610</u>	<u>13,942,749</u>	<u>13,249,385</u>	<u>12,635,835</u>	<u>12,434,805</u>	<u>11,709,143</u>	<u>10,409,537</u>	<u>9,800,400</u>
Total pension liability - ending	<u>\$ 15,954,980</u>	<u>\$ 15,983,306</u>	<u>\$ 14,419,610</u>	<u>\$ 13,942,749</u>	<u>\$ 13,249,385</u>	<u>\$ 12,635,835</u>	<u>\$ 12,434,805</u>	<u>\$ 11,709,143</u>	<u>\$ 10,409,537</u>
Pension fiduciary net position									
Contributions - employer	363,054	477,135	433,569	442,000	391,670	492,988	\$ 434,295	\$ 412,141	\$ 412,141
Contributions - employee	54,355	48,622	40,650	41,973	31,692	19,420	15,640	14,236	8,243
Net investment income	(1,710,337)	2,880,371	301,120	680,815	779,211	1,098,148	37,653	300,430	1,223,353
Benefit payments, including refunds of participant contributions	(922,815)	(751,757)	(682,810)	(653,465)	(543,497)	(503,890)	(478,818)	(472,018)	(399,323)
Administrative expense	(12,800)	(16,206)	(6,418)	(9,635)	(11,078)	(6,304)	(7,910)	(4,220)	(70,150)
Net change in plan fiduciary net position	<u>(2,228,543)</u>	<u>2,638,165</u>	<u>86,111</u>	<u>501,688</u>	<u>647,998</u>	<u>1,100,362</u>	<u>860</u>	<u>250,569</u>	<u>1,174,264</u>
Plan fiduciary net position - beginning	<u>14,504,097</u>	<u>11,865,932</u>	<u>11,779,821</u>	<u>11,278,133</u>	<u>10,630,135</u>	<u>9,529,773</u>	<u>9,528,913</u>	<u>9,278,344</u>	<u>8,104,080</u>
Plan fiduciary net position - ending	<u>\$ 12,275,554</u>	<u>\$ 14,504,097</u>	<u>\$ 11,865,932</u>	<u>\$ 11,779,821</u>	<u>\$ 11,278,133</u>	<u>\$ 10,630,135</u>	<u>\$ 9,529,773</u>	<u>\$ 9,528,913</u>	<u>\$ 9,278,344</u>
Town's net pension liability - ending	<u>\$ 3,679,426</u>	<u>\$ 1,479,209</u>	<u>\$ 2,553,678</u>	<u>\$ 2,162,928</u>	<u>\$ 1,971,252</u>	<u>\$ 2,005,700</u>	<u>\$ 2,905,032</u>	<u>\$ 2,180,230</u>	<u>\$ 1,131,193</u>

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information

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

*Last 10 Years**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Total pension liability	\$ 15,954,980	\$ 15,983,306	\$ 14,419,610	\$ 13,942,749	\$ 13,249,385	\$ 12,635,835	\$ 12,434,805	\$ 11,709,143	\$ 10,409,537
Plan fiduciary net position	12,275,554	14,504,097	11,865,932	11,779,821	11,278,133	10,630,135	9,529,173	9,528,913	9,278,344
Town's net pension liability	<u>\$ 3,679,426</u>	<u>\$ 1,479,209</u>	<u>\$ 2,553,678</u>	<u>\$ 2,162,928</u>	<u>\$ 1,971,252</u>	<u>\$ 2,005,700</u>	<u>\$ 2,905,632</u>	<u>\$ 2,180,230</u>	<u>\$ 1,131,193</u>
Plan fiduciary net position as a percentage of the total pension liability	76.94%	90.75%	82.29%	84.49%	85.12%	84.13%	76.63%	81.38%	89.13%
Covered-employee payroll	2,218,924	2,203,176	2,270,980	2,204,191	2,160,776	2,173,104	2,119,651	1,992,934	1,951,935
Net pension liability as a percentage of covered-employee payroll	165.82%	67.14%	112.45%	98.13%	91.23%	92.30%	137.08%	109.40%	57.95%

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

*Last 10 Years**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 433,569	\$ 462,349	\$ 462,349	\$ 391,779	\$ 391,670	\$ 492,988	\$ 434,295	\$ 375,537	\$ 412,141	\$ 420,236
Contributions in relation to the actuarially determined contribution	363,054	477,135	433,569	442,000	391,670	492,988	434,295	412,141	412,141	420,236
Contribution deficiency (excess)	<u>\$ 70,515</u>	<u>\$ (14,786)</u>	<u>\$ 28,780</u>	<u>\$ (50,221)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,604)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	2,270,980	2,203,176	2,270,980	2,204,191	2,160,776	2,173,104	2,119,651	1,992,934	1,951,935	1,798,862
Contributions as a percentage of covered-employee payroll	15.99%	21.66%	19.09%	20.05%	18.13%	22.69%	20.49%	20.68%	21.11%	23.36%

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

*Last 10 Years**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	-12.20%	25.13%	2.64%	6.24%	7.85%	12.07%	0.58%	3.49%	15.09%

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
Notes to the Town Municipal Employees' Pension Plan

June 30, 2022

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, 2022

Methods and assumptions used to determine contribution rates:

Discount rate	6.93% for purposed of determining Net Pension Liability
Expected Long Term Rate of Return	7.00%
Municipal bond	4.09%
Inflation	2.50%
Pre and post retirement mortality	Pub-2010 below median weighted 30% teacher / 40% safety / 30% general government with scale MP-2021 generational improvements (Male/Female.) Separate tables are used for Employees, Healthy Retirees, Contingent Survivors, and Disabled Annuitants.
Salary scale	2.50%
Retirement Age	Members of the Fire and Police Departments are assumed to retire at the earlier of age 62, or the completion of 30 Years of Service. Participants who are not members of the Fire and Police Departments are assumed to retire at age 62.

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

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

*Last 10 Years**

	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Total OPEB liability					
Service cost	\$ 45,227	\$ 54,615	\$ 49,964	\$ 75,673	\$ 72,620
Interest on net OPEB liability and service cost	3,813	50,409	79,363	91,747	98,938
Differences between actual and expected experience	158,084	82,724	(601,314)	(14,387)	(86,535)
Changes of assumptions	71	-	-	-	-
Benefit payments, including refunds	<u>(161,717)</u>	<u>(136,911)</u>	<u>(136,911)</u>	<u>(125,461)</u>	<u>(144,114)</u>
Net change in total OPEB liability	45,478	50,837	(608,898)	27,572	(59,091)
Total OPEB liability - beginning	1,883,883	1,833,046	2,441,944	2,414,372	2,473,463
Total OPEB liability - ending	<u>\$ 1,929,361</u>	<u>\$ 1,883,883</u>	<u>\$ 1,833,046</u>	<u>\$ 2,441,944</u>	<u>\$ 2,414,372</u>
OPEB fiduciary net position					
Benefit payments, including refunds	\$ (161,717)	\$ (136,911)	\$ (136,911)	\$ (125,461)	\$ (144,114)
Trust administrative expenses	-	-	-	-	-
Contributions - employer	161,717	136,911	136,911	125,461	144,114
Contribution - Active employees	-	-	-	-	-
Net investment income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending	<u>\$ -</u>				
Plan's net pension liability - ending	<u>\$ 1,929,361</u>	<u>\$ 1,883,883</u>	<u>\$ 1,833,046</u>	<u>\$ 2,441,944</u>	<u>\$ 2,414,372</u>
Plan fiduciary net position as % of total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	3,254,819	2,612,310	2,612,310	2,639,408	2,639,408
Plan NOL as % of covered employee payroll	59.28%	72.12%	70.17%	92.52%	91.47%

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
 Schedule of Employers Contributions– OPEB

*Last 10 Years**

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarial determined contribution	\$ 161,717	\$ 136,911	\$ 136,911	\$ 125,461	\$ 144,114
Contributions in relation to the actuarially determined contribution	161,717	136,911	136,911	125,461	144,114
Contribution deficiency (excess)	<u>\$ -</u>				
Covered-employee payroll	\$ 3,254,819	\$ 2,612,310	\$ 2,612,310	\$ 2,639,408	\$ 2,639,408
Contributions as a percentage of covered-employee payroll	4.97%	5.24%	5.24%	4.75%	5.46%

Notes:

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

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Required Supplementary Information
Notes to the Other Post-Employment Benefit Plan – OPEB

*Last 10 Years**

Notes to Required Supplementary Information:

Valuation Date:	Actuarially Determined Contribution was calculated as of June 30, 2022.
Actuarial Cost Method:	Individual Entry Age Normal
Asset-Valuation Method:	None noted
Actuarial Assumptions:	
Single Equivalent Discount Rate:	3.75%, net of OPEB plan investment expense, including inflation
Salary Increases:	2.00% annually as of June 30, 2022 and for future periods
Retirement rates:	The probability of remaining employed until retirement age from current and entry age by age comes from The U.S. Office of Personnel Management Civil Service Retirement and Disability Fund Annual Report Fiscal Year Ended September 30, 2016.
Assumed retirement age:	62
Mortality:	Life expectancy by gender comes from the Life Expectancy Table from National Center for Health Statistics updated in 2015.

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2022

Tax Roll Year	Balance, July 1, 2021	Current Year Assessment	Adjustments/ abatements	Transfers	Amount to be collected	Collections	Balance, June 30, 2022	FY2022 Cash Collections Summary			
								July - August 2021 Collections Subject to 60 days FY21 Accrual	September- June 2022 Collections	Total FY 2022 Cash Collections	July - August 2022 Collections Subject to 60 days FY22 Accrual
2021	\$ -	\$ 13,484,200	\$ (314)	\$ 22,753	13,506,639	\$ 13,142,852	363,787	\$ -	\$ 13,142,852	13,142,852	\$ 175,803
2020	475,646	-	1,384	9,587	486,617	412,222	74,395	220,541	191,681	412,222	9,036
2019	51,828	-	(1,706)	7,186	57,308	11,813	45,495	27,578	(15,765)	11,813	329
2018	30,243	-	-	-	30,243	7,490	22,753	5,503	1,987	7,490	192
2017	23,019	-	-	34	23,053	3,929	19,124	2,407	1,522	3,929	269
2016	17,746	-	(23)	-	17,723	886	16,837	1,875	(989)	886	-
2015	17,179	-	(63)	-	17,116	922	16,194	1,609	(687)	922	-
2014	17,255	-	(95)	-	17,160	1,047	16,113	1,535	(488)	1,047	-
2013	15,051	-	-	-	15,051	747	14,304	-	747	747	11
2012	15,435	-	-	-	15,435	1,623	13,812	1,123	500	1,623	1,489
2011	12,377	-	-	-	12,377	1,233	11,144	454	779	1,233	1,622
2010	8,701	-	-	-	8,701	1,632	7,069	-	1,632	1,632	648
2009	12,115	-	-	-	12,115	692	11,423	72	620	692	265
2008	5,797	-	-	-	5,797	689	5,108	-	689	689	-
2007	2,653	-	-	-	2,653	-	2,653	-	-	-	-
2006	2,077	-	-	-	2,077	-	2,077	-	-	-	-
2005	590	-	-	-	590	-	590	-	-	-	-
2004 (and prior)	3,284	-	-	-	3,284	90	3,194	-	90	90	-
Total	\$ 710,996	\$ 13,484,200	\$ (817)	\$ 39,560	\$ 14,233,939	\$ 13,587,867	\$ 646,072	\$ 262,696	\$ 13,325,170	\$ 13,587,867	\$ 189,664
Allowance for uncollectable Accounts	(23,387)						(23,387)				
Net Property Tax Receivable	<u>\$ 687,609</u>						<u>\$ 622,685</u>				

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Tax Collector's Annual Report

For the Year Ended June 30, 2022

Reconciliation of Current Year Property Tax Revenue

Current Year Collections	\$ 13,587,867
<i>July-August 2022 Collections</i>	
60-day FY22 Accrual	189,664
	13,777,531
<i>July-August 2021 Collections</i>	
60-day FY22 Accrual	(262,696)
Current Year Property Tax Revenue	<u>\$ 13,514,835</u>

Description of property	Valuations	Levy
Real property	\$ 2,172,579,161	\$ 13,122,378
Motor vehicles	37,873,956	526,448
Tangible personal	11,726,056	141,651
Total	2,222,179,173	13,790,477
 Less: Exemptions and motor vehicle phase out		
Real Property	(10,694,900)	(64,609)
Motor vehicles	(17,374,118)	(241,668)
	(28,069,018)	(306,277)
 Current year assessment	 <u>\$ 2,194,110,155</u>	 <u>\$ 13,484,200</u>

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

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet

June 30, 2022

	Special Revenue Town	Special Revenue School	Permanent Trust Funds	Capital Projects	Total Non-Major Governmental Funds
Assets					
Cash and cash equivalents	\$ 816,979	\$ 18,727	\$ 112,086	\$ 207,630	\$ 1,155,422
Short-Term investments	-	-	40,952	-	40,952
Receivables					
Intergovernmental	7,069	63,873	-	-	70,942
Other	173,916	-	-	-	173,916
Prepaid expenses	61,523	-	-	-	61,523
Inventories	-	284	-	-	284
Due from other funds	14,382	61,259	-	5,288	80,929
Total assets	1,073,869	144,143	153,038	212,918	1,583,968
Deferred outflows of resources					
None	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 1,073,869	\$ 144,143	\$ 153,038	\$ 212,918	\$ 1,583,968
Liabilities					
Accounts payable and accrued expenses	\$ 29,075	\$ 4,014	\$ 527	\$ -	\$ 33,616
Due to other funds	2,047	80,239	50	-	82,336
Total liabilities	31,122	84,253	577	-	115,952
Deferred inflows of resources					
Deferred revenue	195,933	-	-	50,000	245,933
Total deferred inflows of resources	195,933	-	-	50,000	245,933
Fund balance					
Nonspendable	61,523	284	10,000	-	71,807
Restricted	801,267	88,163	142,461	-	1,031,891
Committed	-	-	-	197,126	197,126
Unassigned	(15,976)	(28,557)	-	(34,208)	(78,741)
Total fund balances	846,814	59,890	152,461	162,918	1,222,083
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,073,869	\$ 144,143	\$ 153,038	\$ 212,918	\$ 1,583,968

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Special Revenue Town	Special Revenue School	Permanent Trust Funds	Capital Projects	Total Non-Major Governmental Funds
Revenues					
Intergovernmental revenue	\$ 414,215	\$ 425,142	\$ -	\$ -	\$ 839,357
Donation revenues	168	-	9,895	-	10,063
Departmental and other revenue	297,386	14,376	-	6,907	318,669
Investment income	19	-	41	-	60
Total revenues	<u>711,788</u>	<u>439,518</u>	<u>9,936</u>	<u>6,907</u>	<u>1,168,149</u>
Expenditures					
General government	10,355	-	-	-	10,355
Public safety	195,506	-	-	-	195,506
Education	-	415,019	-	-	415,019
Public works	42,473	-	-	-	42,473
Parks, recreation and other services	50,699	-	11,411	-	62,110
Capital outlay	346,763	-	-	-	346,763
Debt Services	-	-	-	-	-
Bond issuance costs and fees	-	-	-	-	-
Total expenditures	<u>645,796</u>	<u>415,019</u>	<u>11,411</u>	<u>-</u>	<u>1,072,226</u>
Excess (deficiency) of revenues over expenditures	65,992	24,499	(1,475)	6,907	95,923
Other financing sources (uses)					
Bond proceeds	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Transfers in	-	-	-	79,100	79,100
Transfers out	-	-	-	-	-
Total Other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>79,100</u>	<u>79,100</u>
Excess of revenue and other sources over expenditures and other uses	65,992	24,499	(1,475)	86,007	175,023
Fund balance, July 1, 2021	<u>780,822</u>	<u>35,391</u>	<u>153,936</u>	<u>76,911</u>	<u>1,047,060</u>
Fund balance, June 30, 2022	<u>\$ 846,814</u>	<u>\$ 59,890</u>	<u>\$ 152,461</u>	<u>\$ 162,918</u>	<u>\$ 1,222,083</u>

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet – Town Special Revenue

June 30, 2022

	Brownfield Library Prof Dev	Library Resource Sharing	Substance Abuse Fund	Cell Tower Reserve Fund	Legislative Grant	Recreation Conservation	Basketball Court
Assets							
Cash and cash equivalents	\$ 4,724	\$ 3,932	\$ 23,129	\$ 140,341	\$ 5,495	\$ 120,048	\$ (51)
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Other receivables	-	-	-	14,573	-	-	-
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	4,724	3,932	23,129	154,914	5,495	120,048	(51)
Deferred outflows of resources							
Unearned revenues	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	4,724	3,932	23,129	154,914	5,495	120,048	(51)
Liabilities							
Accounts payable and accrued expenses	-	-	-	562	-	1,250	-
Due to other funds	-	-	-	-	-	-	1
Total liabilities	-	-	-	562	-	1,250	1
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	4,724	3,932	23,129	154,352	5,495	118,798	-
Unassigned	-	-	-	-	-	-	(52)
Total fund balances (deficits)	4,724	3,932	23,129	154,352	5,495	118,798	(52)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,724	\$ 3,932	\$ 23,129	\$ 154,914	\$ 5,495	\$ 120,048	\$ (51)

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet - Town Special Revenue

June 30, 2022

	Discover Newport	Drug Forfeiture	CDBG	DEM Wastewater Grant	Stormwater Management	Law Enforcement Block Grant	EOP and Cert Grants
Assets							
Cash and cash equivalents	\$ 7,500	\$ 26,646	\$ 10,612	\$ 690	\$ 9,050	\$ 518	\$ 41,526
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	2,750
Other receivables	-	11,534	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	8,580	-	-	-	-	-
Total assets	7,500	46,760	10,612	690	9,050	518	44,276
Deferred outflows of resources							
Unearned revenues	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	7,500	46,760	10,612	690	9,050	518	44,276
Liabilities							
Accounts payable and accrued expenses	-	4,139	145	-	-	-	524
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	4,139	145	-	-	-	524
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	7,500	42,621	10,467	690	9,050	518	43,752
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	7,500	42,621	10,467	690	9,050	518	43,752
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 7,500	\$ 46,760	\$ 10,612	\$ 690	\$ 9,050	\$ 518	\$ 44,276

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet - Town Special Revenue

June 30, 2022

	National Opiod Litigation	Clerk Restoration Grant	Historical Records Preservation	Rec Fees Historical Grant Funds	CTCL	Spay / Neuter Fund	Cybersecurity
Assets							
Cash and cash equivalents	\$ 15,179	\$ 400	\$ 28,387	\$ 17,161	\$ 242	\$ 1,333	\$ -
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Total assets	<u>15,179</u>	<u>400</u>	<u>28,387</u>	<u>17,161</u>	<u>242</u>	<u>1,333</u>	<u>-</u>
Deferred outflows of resources							
Unearned revenues	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources and assets	<u>15,179</u>	<u>400</u>	<u>28,387</u>	<u>17,161</u>	<u>242</u>	<u>1,333</u>	<u>-</u>
Liabilities							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	15,179	400	28,387	17,161	242	1,333	-
Unassigned	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>15,179</u>	<u>400</u>	<u>28,387</u>	<u>17,161</u>	<u>242</u>	<u>1,333</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 15,179</u>	<u>\$ 400</u>	<u>\$ 28,387</u>	<u>\$ 17,161</u>	<u>\$ 242</u>	<u>\$ 1,333</u>	<u>\$ -</u>

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet - Town Special Revenue

June 30, 2022

	Homeland Security	AFG Grant	FEMA Snow Removal	Road Detail	Police and Fire	Coronavirus Relief	Ambulance Reimbursement
Assets							
Cash and cash equivalents	\$ 1,158	\$ (6,419)	\$ 1,933	\$ 17,211	\$ 53,498	\$ (9,505)	\$ 21,954
Investments	-	-	-	-	-	-	-
Intergovernmental receivables	-	-	-	4,319	-	-	-
Other receivables	-	-	-	-	-	-	146,636
Prepaid	-	-	-	-	-	-	61,523
Due from other funds	-	-	3,756	-	-	-	-
Total assets	1,158	(6,419)	5,689	21,530	53,498	(9,505)	230,113
Deferred outflows of resources							
Unearned revenues	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total deferred outflows of resources and assets	1,158	(6,419)	5,689	21,530	53,498	(9,505)	230,113
Liabilities							
Accounts payable and accrued expenses	-	-	-	6,273	9,704	-	5,073
Due to other funds	-	-	-	-	-	-	-
Total liabilities	-	-	-	6,273	9,704	-	5,073
Deferred inflows of resources							
Deferred revenue	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-
Fund Balances							
Nonspendable	-	-	-	-	-	-	61,523
Restricted	1,158	-	5,689	15,257	43,794	-	163,517
Unassigned	-	(6,419)	-	-	-	(9,505)	-
Total fund balances (deficits)	1,158	(6,419)	5,689	15,257	43,794	(9,505)	225,040
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 1,158	\$ (6,419)	\$ 5,689	\$ 21,530	\$ 53,498	\$ (9,505)	\$ 230,113

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

Non Major Governmental Funds
Combining Balance Sheet - Town Special Revenue

June 30, 2022

	Fire Alarm Inspections	American Rescue Plan	Fourth of July	Harbor Management	Total Town Special Revenue
Assets					
Cash and cash equivalents	\$ 7,237	\$ 195,933	\$ 1,255	\$ 75,862	\$ 816,979
Investments	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	7,069
Other receivables	1,173	-	-	-	173,916
Prepaid	-	-	-	-	61,523
Due from other funds	2,046	-	-	-	14,382
Total assets	<u>10,456</u>	<u>195,933</u>	<u>1,255</u>	<u>75,862</u>	<u>1,073,869</u>
Deferred outflows of resources					
Unearned revenues	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources and assets	<u>10,456</u>	<u>195,933</u>	<u>1,255</u>	<u>75,862</u>	<u>1,073,869</u>
Liabilities					
Accounts payable and accrued expenses	557	-	-	848	29,075
Due to other funds	-	-	-	2,046	2,047
Total liabilities	<u>557</u>	<u>-</u>	<u>-</u>	<u>2,894</u>	<u>31,122</u>
Deferred inflows of resources					
Deferred revenue	-	195,933	-	-	195,933
Total deferred inflows of resources	<u>-</u>	<u>195,933</u>	<u>-</u>	<u>-</u>	<u>195,933</u>
Fund Balances					
Nonspendable	-	-	-	-	61,523
Restricted	9,899	-	1,255	72,968	801,267
Unassigned	-	-	-	-	(15,976)
Total fund balances (deficits)	<u>9,899</u>	<u>-</u>	<u>1,255</u>	<u>72,968</u>	<u>846,814</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 10,456</u>	<u>\$ 195,933</u>	<u>\$ 1,255</u>	<u>\$ 75,862</u>	<u>\$ 1,073,869</u>

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Brownfield Library Prof Dev	Library Resource Sharing	Substance Abuse Fund	Cell Tower Reserve Fund	Legislative Grant	Recreation Conservation	Basketball Court
Revenues							
Intergovernmental revenues	\$ -	\$ 38,088	\$ 2,067	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	-	-	-	47,462	-	-	-
Total revenues	-	38,088	2,067	47,462	-	-	-
Expenditures							
General government	-	-	-	9,005	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks, recreation, and other services	-	38,074	-	-	-	4,831	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	38,074	-	9,005	-	4,831	-
Excess (deficiency) of revenue over expenditures	-	14	2,067	38,457	-	(4,831)	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	14	2,067	38,457	-	(4,831)	-
Fund balance, July 1, 2021	4,724	3,918	21,062	115,895	5,495	123,629	(52)
Fund balance, June 30, 2022	<u>\$ 4,724</u>	<u>\$ 3,932</u>	<u>\$ 23,129</u>	<u>\$ 154,352</u>	<u>\$ 5,495</u>	<u>\$ 118,798</u>	<u>\$ (52)</u>

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Discover Newport	Drug Forfeiture	CDBG	DEM Wastewater Grant	Stormwater Management	Law Enforcement Block Grant	EOP and Cert Grants
Revenues							
Intergovernmental revenues	\$ -	\$ -	\$ 375	\$ -	\$ -	\$ -	\$ 35,681
Investment income	-	17	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	7,500	-	-	-	-	-	-
Total revenues	7,500	17	375	-	-	-	35,681
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	4,104	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Parks, recreation, and other services	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	4,104	-	-	-	-	-
Excess (deficiency) of revenue over expenditures	7,500	(4,087)	375	-	-	-	35,681
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	7,500	(4,087)	375	-	-	-	35,681
Fund balance, July 1, 2021	-	46,708	10,092	690	9,050	518	8,071
Fund balance, June 30, 2022	\$ 7,500	\$ 42,621	\$ 10,467	\$ 690	\$ 9,050	\$ 518	\$ 43,752

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	National Opiod Litigation	Clerk Restoration Grant	Historical Records Preservation	Rec Fees Historical Grant Funds	CTCL	Spay / Neuter Fund	Cybersecurity
Revenues							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	8,500
Investment income	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	15,179	-	1,061	6,235	242	183	-
Total revenues	15,179	-	1,061	6,235	242	183	8,500
Expenditures							
General government	-	-	439	-	-	-	-
Public safety	-	-	-	-	-	-	8,500
Public works	-	-	-	-	-	-	-
Parks, recreation, and other services	-	-	-	7,794	-	-	-
Capital outlay	-	-	-	-	-	-	-
Total expenditures	-	-	439	7,794	-	-	8,500
Excess (deficiency) of revenue over expenditures	15,179	-	622	(1,559)	242	183	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	15,179	-	622	(1,559)	242	183	-
Fund balance, July 1, 2021	-	400	27,765	18,720	-	1,150	-
Fund balance, June 30, 2022	\$ 15,179	\$ 400	\$ 28,387	\$ 17,161	\$ 242	\$ 1,333	\$ -

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Homeland Security	AFG Grant	FEMA Snow Removal	Road Detail	Police and Fire	Coronavirus Relief	Ambulance Reimbursement
Revenues							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ 4,417	\$ -	\$ -	\$ 1,819
Investment income	-	-	-	-	-	-	-
Donation revenues	-	-	-	-	-	-	-
Departmental and other revenue	-	-	-	16,127	7,076	-	161,160
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,544</u>	<u>7,076</u>	<u>-</u>	<u>162,979</u>
Expenditures							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	805	170,842
Public works	-	-	-	19,898	-	-	-
Parks, recreation, and other services	-	-	-	-	-	-	-
Capital outlay	-	-	-	15,706	-	8,700	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,604</u>	<u>-</u>	<u>9,505</u>	<u>170,842</u>
Excess (deficiency) of revenue over expenditures	-	-	-	(15,060)	7,076	(9,505)	(7,863)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	(15,060)	7,076	(9,505)	(7,863)
Fund balance, July 1, 2021	1,158	(6,419)	5,689	30,317	36,718	-	232,903
Fund balance, June 30, 2022	<u>\$ 1,158</u>	<u>\$ (6,419)</u>	<u>\$ 5,689</u>	<u>\$ 15,257</u>	<u>\$ 43,794</u>	<u>\$ (9,505)</u>	<u>\$ 225,040</u>

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Fire Alarm Inspections	American Rescue Plan	Fourth of July	Harbor Management	Total Town Special Revenue
Revenues					
Intergovernmental revenues	\$ -	\$ 323,268	\$ -	\$ -	\$ 414,215
Investment income	-	-	2	-	19
Donation revenues	-	-	168	-	168
Departmental and other revenue	10,765	-	-	24,396	297,386
Total revenues	<u>10,765</u>	<u>323,268</u>	<u>170</u>	<u>24,396</u>	<u>711,788</u>
Expenditures					
General government	-	911	-	-	10,355
Public safety	11,255	-	-	-	195,506
Public works	-	-	-	22,575	42,473
Parks, recreation, and other services	-	-	-	0	50,699
Capital outlay	-	322,357	-	-	346,763
Total expenditures	<u>11,255</u>	<u>323,268</u>	<u>-</u>	<u>22,575</u>	<u>645,796</u>
Excess (deficiency) of revenue over expenditures	(490)	-	170	1,821	65,992
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(490)	-	170	1,821	65,992
Fund balance, July 1, 2021	<u>10,389</u>	<u>-</u>	<u>1,085</u>	<u>71,147</u>	<u>780,822</u>
Fund balance, June 30, 2022	<u>\$ 9,899</u>	<u>\$ -</u>	<u>\$ 1,255</u>	<u>\$ 72,968</u>	<u>\$ 846,814</u>

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TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - Special Revenue School

June 30, 2022

	SPED Part B	SPED Preschool	Title I Part A	ESSER III Back to School	ESSER III Other Priority	Title IIA Teacher Quality	Title IV
Assets							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	-	-	-	-	-	-	-
Intergovernmental	11,449	-	16,232	7,913	-	12,308	6,899
Due from other funds	-	-	-	-	-	-	-
Total assets	11,449	-	16,232	7,913	-	12,308	6,899
Deferred Outflows of Resources							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 11,449	\$ -	\$ 16,232	\$ 7,913	\$ -	\$ 12,308	\$ 6,899
Liabilities							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	11,449	-	16,232	7,913	1,541	12,308	6,899
Total liabilities	11,449	-	16,232	7,913	1,541	12,308	6,899
Deferred Inflows of Resources							
None	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-
Fund balances							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(1,541)	-	-
Total fund balances	-	-	-	-	(1,541)	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 11,449	\$ -	\$ 16,232	\$ 7,913	\$ -	\$ 12,308	\$ 6,899

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - Special Revenue School

June 30, 2022

	ESSER II	ESSER II	ELC	SBA	Education	Private	School	Student	Total School
	Back to School	Extended Learning	Grant	COVID	Foundation	Donation	Lunch	Activities	Special Revenue
Assets									
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 4,854	\$ 12,873	\$ 18,727
Inventories	-	-	-	-	-	-	284	-	284
Intergovernmental	-	-	-	-	-	-	9,072	-	63,873
Due from other funds	-	24,541	-	-	67	-	36,651	-	61,259
Total assets	-	24,541	-	-	67	1,000	50,861	12,873	144,143
Deferred Outflows of Resources									
None	-	-	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	24,541	-	-	67	1,000	50,861	12,873	144,143
Liabilities									
Accounts payable and accrued expenses	-	-	4,016	-	-	-	(2)	-	4,014
Due to other funds	23,000	-	-	-	-	897	-	-	80,239
Total liabilities	23,000	-	4,016	-	-	897	(2)	-	84,253
Deferred Inflows of Resources									
None	-	-	-	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-	-	-	-
Fund balances									
Nonspendable	-	-	-	-	-	-	284	-	284
Restricted	-	24,541	-	-	67	103	50,579	12,873	88,163
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	(23,000)	-	(4,016)	-	-	-	-	-	(28,557)
Total fund balances	(23,000)	24,541	(4,016)	-	67	103	50,863	12,873	59,890
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 24,541	\$ -	\$ -	\$ 67	\$ 1,000	\$ 50,861	\$ 12,873	\$ 144,143

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	SPED Part B	SPED Preschool	Title I Part A	ESSER III Back to School	ESSER III Other Priority	Title IIA Teacher Quality	Title IV
Revenues							
Intergovernmental revenues	\$ 111,900	\$ 2,184	\$ 47,878	\$ 17,348	\$ -	\$ 16,108	\$ 13,594
Departmental and other revenues	-	-	-	-	-	-	-
Total revenues	111,900	2,184	47,878	17,348	-	16,108	13,594
Expenditures							
Education	111,900	2,184	47,878	17,348	1,541	16,108	13,594
Total expenditures	111,900	2,184	47,878	17,348	1,541	16,108	13,594
Excess (deficiency) of revenue over expenditures	-	-	-	-	(1,541)	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	(1,541)	-	-
Fund balance, July 1, 2021	-	-	-	-	-	-	-
Fund balance, June 30, 2022	\$ -	\$ -	\$ -	\$ -	\$ (1,541)	\$ -	\$ -

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	ESSER II Back to School	ESSER II Extended Learning	ELC Grant	SBA COVID	Education Foundation	Private Donation	School Lunch	Student Activities	Total School Special Revenue
Revenues									
Intergovernmental revenues	\$ -	\$ 45,473	\$ 16,151	\$ 50,000	\$ -	\$ -	\$ 104,506	\$ -	\$ 425,142
Departmental and other revenues	-	-	-	-	291	-	6,808	7,277	14,376
Total revenues	-	45,473	16,151	50,000	291	-	111,314	7,277	439,518
Expenditures									
Education	23,000	20,932	20,167	50,000	258	-	80,337	9,772	415,019
Total expenditures	23,000	20,932	20,167	50,000	258	-	80,337	9,772	415,019
Excess (deficiency) of revenue over expenditures	(23,000)	24,541	(4,016)	-	33	-	30,977	(2,495)	24,499
Other financing sources (uses)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(23,000)	24,541	(4,016)	-	33	-	30,977	(2,495)	24,499
Fund balance, July 1, 2021	-	-	-	-	34	103	19,886	15,368	35,391
Fund balance, June 30, 2022	\$ (23,000)	\$ 24,541	\$ (4,016)	\$ -	\$ 67	\$ 103	\$ 50,863	\$ 12,873	\$ 59,890

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
 Combining Balance Sheet - Permanent Trust Funds

June 30, 2022

	Cemetery	Historical Cemetery	Raposa Education Trust	Doris Simmons Mem
Assets				
Cash	\$ 47,868	\$ 31,956	\$ 12,108	\$ 2,420
Short-Term investments	40,952	-	-	-
Total assets	<u>88,820</u>	<u>31,956</u>	<u>12,108</u>	<u>2,420</u>
Deferred Outflows of Resources				
Deferred outflows	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources and assets	<u>\$ 88,820</u>	<u>\$ 31,956</u>	<u>\$ 12,108</u>	<u>\$ 2,420</u>
Liabilities				
Accounts payable and accrued expenses	\$ 367	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Total liabilities	<u>367</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources				
Unearned revenues	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances				
Nonspendable	-	10,000	-	-
Restricted	88,453	21,956	12,108	2,420
Total fund balances (deficits)	<u>88,453</u>	<u>31,956</u>	<u>12,108</u>	<u>2,420</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 88,820</u>	<u>\$ 31,956</u>	<u>\$ 12,108</u>	<u>\$ 2,420</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Permanent Trust Funds

June 30, 2022

	R. Peckham	Tree Fund	Philip Wilbur Mem	Adamsville Historical Assoc	Total
Assets					
Cash	\$ 1,370	\$ 11,137	\$ 3,043	\$ 2,184	\$ 112,086
Short-Term investments	-	-	-	-	40,952
Total assets	<u>1,370</u>	<u>11,137</u>	<u>3,043</u>	<u>2,184</u>	<u>153,038</u>
Deferred Outflows of Resources					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources and assets	<u>\$ 1,370</u>	<u>\$ 11,137</u>	<u>\$ 3,043</u>	<u>\$ 2,184</u>	<u>\$ 153,038</u>
Liabilities					
Accounts payable and accrued expenses	\$ -	\$ 160	\$ -	\$ -	\$ 527
Due to other funds	50	-	-	-	50
Total liabilities	<u>50</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>577</u>
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances					
Nonspendable	-	-	-	-	10,000
Restricted	1,320	10,977	3,043	2,184	142,461
Total fund balances (deficits)	<u>1,320</u>	<u>10,977</u>	<u>3,043</u>	<u>2,184</u>	<u>152,461</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,370</u>	<u>\$ 11,137</u>	<u>\$ 3,043</u>	<u>\$ 2,184</u>	<u>\$ 153,038</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Cemetery	Historical Cemetery	Raposa Education Trust	Doris Simmons Mem
Revenues				
Investment income	\$ 5	\$ 3	\$ 12	\$ 2
Donation revenues	-	-	-	-
Total revenues	<u>5</u>	<u>3</u>	<u>12</u>	<u>2</u>
Expenditures				
Parks, recreation, and other	2,393	-	-	-
Total expenditures	<u>2,393</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenue Over Expenditures	(2,388)	3	12	2
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	(2,388)	3	12	2
Fund balance, July 1, 2021	<u>90,841</u>	<u>31,953</u>	<u>12,096</u>	<u>2,418</u>
Fund balance, June 30, 2022	<u>\$ 88,453</u>	<u>\$ 31,956</u>	<u>\$ 12,108</u>	<u>\$ 2,420</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	R. Peckham	Tree Fund	Philip Wilbur Mem	Adamsville Historical Assoc	Total
Revenues					
Investment income	\$ 1	\$ 13	\$ 3	\$ 2	\$ 41
Donation revenues	-	9,895	-	-	9,895
Total revenues	<u>1</u>	<u>9,908</u>	<u>3</u>	<u>2</u>	<u>9,936</u>
Expenditures					
Parks, recreation, and other	-	9,018	-	-	11,411
Total expenditures	<u>-</u>	<u>9,018</u>	<u>-</u>	<u>-</u>	<u>11,411</u>
Excess (Deficiency) of Revenue Over Expenditures	1	890	3	2	(1,475)
Other Financing Sources (Uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	1	890	3	2	(1,475)
Fund balance, July 1, 2021	<u>1,319</u>	<u>10,087</u>	<u>3,040</u>	<u>2,182</u>	<u>153,936</u>
Fund balance, June 30, 2022	<u>\$ 1,320</u>	<u>\$ 10,977</u>	<u>\$ 3,043</u>	<u>\$ 2,184</u>	<u>\$ 152,461</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Combining Balance Sheet - Capital Project Funds

June 30, 2022

	Beach Emergency	Capital Expenditures	School Renovation - Town	Revaluation	School Renovation - School	Pike's Peak	Capital Projects Total
Assets							
Cash and cash equivalents	\$ 43,008	\$ 148,474	\$ (33,856)	\$ 50,356	\$ -	\$ (352)	\$ 207,630
Due from State	-	-	-	-	-	-	-
Due from other funds	-	5,288	-	-	-	-	5,288
Total assets	43,008	153,762	(33,856)	50,356	-	(352)	212,918
Deferred Outflows of Resources							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-	-
Total outflows of resources and assets	<u>\$ 43,008</u>	<u>\$ 153,762</u>	<u>\$ (33,856)</u>	<u>\$ 50,356</u>	<u>\$ -</u>	<u>\$ (352)</u>	<u>\$ 212,918</u>
Liabilities							
Accounts payable and accrued expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-	-	-
Deferred Inflows of Resources:							
Unearned revenues - other	-	50,000	-	-	-	-	50,000
Total deferred inflows of resources	-	50,000	-	-	-	-	50,000
Fund Balances							
Restricted	-	103,762	-	-	-	-	103,762
Assigned	43,008	-	-	43,449	-	-	86,457
Unassigned	-	-	(33,856)	-	-	(352)	(34,208)
Total fund balances (deficits)	43,008	103,762	(33,856)	43,449	-	(352)	156,011
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 43,008</u>	<u>\$ 153,762</u>	<u>\$ (33,856)</u>	<u>\$ 43,449</u>	<u>\$ -</u>	<u>\$ (352)</u>	<u>\$ 206,011</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information

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

For the Year Ended June 30, 2022

	Beach Emergency	Capital Expenditures	School Renovation - Town	Revaluation	School Renovation - School	Pike's Peak	Capital Projects Total
Revenues							
Intergovernmental revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-	-	-
Total revenues	-	79,100	-	-	-	-	79,100
Expenditures							
General government	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-	-
Excess (deficiency) of revenue over expenditures	-	79,100	-	-	-	-	79,100
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	79,100	-	-	-	-	79,100
Fund balance, July 1, 2021	43,008	24,662	(33,856)	43,449	-	(352)	76,911
Fund balance, June 30, 2022	\$ 43,008	\$ 103,762	\$ (33,856)	\$ 43,449	\$ -	\$ (352)	\$ 156,011

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2022

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue
Annual Supplemental Transparency Report (MTP2) – Expenditures
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Municipal
Combining Schedule of Reportable Government Services with Reconciliation to MTP2 – Education
Department
Notes to Supplementary Information – Annual Supplemental Transparency Report (MTP2)

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2022

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 13,318,655	\$ -
Last Year's Levy Tax Collection	200,717	-
Prior Years Property Tax Collection	(4,538)	-
Interest & Penalty	115,686	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	565,421	-
Fines and Forfeitures	116,844	-
Investment Income	1,723	-
Departmental	242,390	-
Rescue Run Revenue	162,979	-
Police & Fire Detail	7,093	-
Other Local Non-Property Tax Revenues	-	-
Tuition	-	48,500
Impact Aid	-	-
Medicaid	-	23,029
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	104,138
CDBG	375	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	209,012
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	45,473
COVID - ARPA	323,268	16,151
MV Excise Tax Reimbursement	13,465	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	37,355	-
Library Construction Aid	-	-
Public Service Corporation Tax	41,553	-
Meals & Beverage Tax / Hotel Tax	84,338	-
LEA Aid	-	432,020
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	330,495	-
State Food Service Revenue	-	-
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	51,573
Motor Vehicle Phase Out	68,530	-
Other Revenue	-	13,171
Local Appropriation for Education	-	7,384,573
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	<u>\$ 15,626,349</u>	<u>\$ 8,327,640</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	<u>\$ -</u>	<u>\$ -</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2022

<u>EXPENDITURES</u>	<u>General</u> <u>Government</u>	<u>Finance</u>	<u>Social</u> <u>Services</u>	<u>Centralized</u> <u>IT</u>	<u>Planning</u>	<u>Libraries</u>	<u>Public</u> <u>Works</u>	<u>Parks and</u> <u>Rec</u>	<u>Police</u> <u>Department</u>
Compensation- Group A	\$ 269,210	\$ 204,552	\$ 7,951	\$ -	\$ 134,474	\$ 145,946	\$ 157,801	\$ 178,406	\$ 759,515
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	2,130	2,963	-	-	-	-	10,731	-	84,654
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	18,086
Active Medical Insurance - Group A	80,694	80,941	-	-	22,262	14,698	24,357	-	144,199
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	3,265	3,976	-	-	823	269	779	-	5,250
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	51,580	45,197	1,070	-	27,187	27,683	34,924	35,242	209,761
Life Insurance	191	240	-	-	48	96	191	-	466
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	-
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	119,733	27,006	-	-	-	15,611	24,126	-	164,351
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	49,851	13,145	-	21,042	50	-	20,536	16,260	24,697
Materials/Supplies	60,895	13,961	5,058	15,430	703	11,889	45,321	18,743	20,686
Software Licenses	-	-	-	-	-	-	-	-	-
Capital Outlays	520,867	-	-	-	-	-	-	-	-
Insurance	27,616	-	-	-	-	-	-	-	-
Maintenance	2,039	-	-	-	-	-	13,462	17,374	25,949
Vehicle Operations	-	-	-	-	5,219	-	35,749	2,666	23,738
Utilities	23,527	-	-	1,475	679	1,824	3,678	13,589	2,867
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	3,483	-	-
Revaluation	-	25,000	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	18,449	-	-
Trash Removal & Recycling	-	-	-	-	-	-	70,104	-	-
Claims & Settlements	48,984	-	-	-	-	-	-	-	-
Community Support	3,721	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	3,906	-	-	-	-	-	1,921	-
Tipping Fees	-	-	-	-	-	-	91,325	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,264,302	\$ 420,887	\$ 14,078	\$ 37,947	\$ 191,444	\$ 218,016	\$ 555,017	\$ 284,201	\$ 1,484,219

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 2022

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ 657,904	\$ 200,328	\$ -	\$ -	\$ -	\$ -	\$ 2,716,087	\$ 2,858,809
Compensation - Group B	-	-	-	-	-	-	-	368,883
Compensation - Group C	-	-	-	-	-	-	-	410,478
Compensation -Volunteer	17,917	-	-	-	-	-	17,917	-
Overtime- Group A	203,335	34,008	-	-	-	-	337,820	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	15,233
Police & Fire Detail	170,842	-	-	-	-	-	188,928	-
Active Medical Insurance - Group A	189,401	101,189	-	-	-	-	657,740	484,084
Active Medical Insurance- Group B	-	-	-	-	-	-	-	20,252
Active Medical Insurance- Group C	-	-	-	-	-	-	-	94,210
Active Dental insurance- Group A	6,896	3,635	-	-	-	-	24,892	21,210
Active Dental Insurance- Group B	-	-	-	-	-	-	-	1,736
Active Dental Insurance- Group C	-	-	-	-	-	-	-	2,708
Payroll Taxes	189,891	47,784	-	-	-	-	670,319	93,182
Life Insurance	1,389	191	-	-	-	-	2,812	9,100
State Defined Contribution- Group A	-	-	-	-	-	-	-	76,168
State Defined Contribution - Group B	-	-	-	-	-	-	-	5,337
State Defined Contribution - Group C	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	8,767
Other Benefits- Group B	-	-	-	-	-	-	-	1,100
Other Benefits- Group C	-	-	-	-	-	-	-	11,863
Local Defined Benefit Pension- Group A	111,276	23,032	-	-	-	-	485,135	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	-	-	-	-	-	-	401,257
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	25,794
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	15,962	2,444	15,185	-	-	-	179,171	2,397,635
Materials/Supplies	11,154	-	10,172	-	-	-	214,012	179,638
Software Licenses	-	-	-	-	-	-	-	6,387
Capital Outlays	-	-	-	-	-	-	520,867	168,460
Insurance	-	-	-	-	-	-	27,616	33,307
Maintenance	17,447	-	15,140	-	-	-	91,410	51,213
Vehicle Operations	17,295	-	-	-	-	-	84,667	-
Utilities	4,638	-	16,413	-	-	-	68,689	165,227
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	3,483	-
Revaluation	-	-	-	-	-	-	25,000	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	18,449	-
Trash Removal & Recycling	-	-	-	-	-	-	70,104	-
Claims & Settlements	-	-	-	-	-	-	48,984	-
Community Support	-	-	-	-	-	-	3,721	-
Other Operation Expenditures	-	-	-	-	-	-	5,827	55,305
Tipping Fees	-	-	-	-	-	-	91,325	-
Local Appropriation for Education	-	-	-	7,384,573	-	-	7,384,573	-
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	-	-	-	-	673,019	-	673,019	-
School Debt- Interest	-	-	-	-	178,019	-	178,019	-
Retiree Medical Insurance- Total	-	-	-	-	-	176,639	176,639	15,621
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,615,348	\$ 412,609	\$ 56,910	\$ 7,384,573	\$ 851,038	\$ 176,639	\$ 14,967,226	\$ 7,982,964

Financing Uses: Transfer to Capital Funds	\$ -	\$ -
Financing Uses: Transfer to Other Funds	79,100	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 79,100	\$ -
Net Change in Fund Balance¹	580,023	344,676
Fund Balance1- beginning of year	\$3,371,108	\$305,331
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	3,371,108	305,331
Rounding	-	-
Fund Balance¹ - end of year	\$ 3,951,131	\$ 650,007

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

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 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						\$ 3,371,108		\$ 3,371,108	
<i>No funds removed from RGS for fiscal 2021</i>						-		-	
<i>Added to RGS for Fiscal 2021: ARPA</i>						-		-	
<i>No misc. adjustments made for fiscal 2021</i>						-		-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 3,371,108</u>		<u>\$ 3,371,108</u>	
General Fund	\$ 15,132,634	\$ -	\$ 7,084,439	\$ 7,463,673	\$ 584,522	\$ 3,001,238	\$ -	\$ 3,001,238	\$ 3,585,760
CDBG-360	375	-	-	-	375	10,092	-	10,092	10,467
Special Revenue-Ambulance Reimbursement-405	162,979	-	170,842	-	(7,863)	232,903	-	232,903	225,040
Special Revenue-American Rescue Plan Act (ARPA)-408	323,268	-	323,268	-	-	-	-	-	-
Special Revenue-Police & Fire Detail-395	7,076	-	-	-	7,076	36,718	-	36,718	43,794
Special Revenue-Drug Forfeiture-340	17	-	4,104	-	(4,087)	46,708	-	46,708	42,621
Capital Funds - Revaluation	-	-	-	-	-	43,449	-	43,449	43,449
Totals per audited financial statements	<u>\$ 15,626,349</u>	<u>\$ -</u>	<u>\$ 7,582,653</u>	<u>\$ 7,463,673</u>	<u>\$ 580,023</u>	<u>\$ 3,371,108</u>	<u>\$ -</u>	<u>\$ 3,371,108</u>	<u>\$ 3,951,131</u>
Reconciliation from financial statements to MTP2									
School Appropriation from Town to School	\$ -	\$ -	\$ 7,384,573.00	\$ (7,384,573.00)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	0	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 15,626,349</u>	<u>\$ -</u>	<u>\$ 14,967,226</u>	<u>\$ 79,100.00</u>	<u>\$ 580,023</u>	<u>\$ 3,371,108</u>	<u>\$ -</u>	<u>\$ 3,371,108</u>	<u>\$ 3,951,131</u>

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information
Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 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						\$ 305,331	-	\$ 305,331	
<i>No misc. adjustments made for fiscal 2021</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2022 adjusted						<u>\$ 305,331</u>	-	<u>\$ 305,331</u>	
School Unrestricted Fund	\$ 814,493	\$ 7,384,573	\$ 7,878,889	\$ -	\$ 320,177	\$ 269,940	-	\$ 269,940	\$ 590,117
School Special Revenue Funds	439,518	-	415,019	-	24,499	35,391	-	35,391	59,890
Totals per audited financial statements	<u>\$ 1,254,011</u>	<u>\$ 7,384,573</u>	<u>\$ 8,293,908</u>	<u>\$ -</u>	<u>\$ 344,676</u>	<u>\$ 305,331</u>	<u>\$ -</u>	<u>\$ 305,331</u>	<u>\$ 650,007</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	\$ 7,384,573	\$ (7,384,573)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(310,944)	-	(310,944)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 8,327,640</u>	<u>\$ -</u>	<u>\$ 7,982,964</u>	<u>\$ -</u>	<u>\$ 344,676</u>	<u>\$ 305,331</u>	<u>\$ -</u>	<u>\$ 305,331</u>	<u>\$ 650,007</u>
<u>Reconciliation from MTP2 to UCOA</u>									
No miscellaneous variance between MTP2 and UCOA	-	-	-	-	-	-	-	-	-
Totals per UCOA Validated Totals Report - Dated 2/24/23	<u>\$ 8,327,640</u>	<u>\$ -</u>	<u>\$ 7,982,964</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

See independent auditor's report

TOWN OF LITTLE COMPTON, RHODE ISLAND

Supplementary Information Annual Supplemental Transparency Report (MTP2)

For the Year Ended June 30, 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 audit report is part of a broader project to create a municipal transparency portal (MTP) website to host municipal financial information in a centralized location.

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

See independent auditor's report

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Town of Little Compton, Rhode Island (the Town), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town's basic financial statements, and have issued our report thereon dated February 14, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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



Fall River, Massachusetts
February 14, 2023