

# TOWN OF NEW SHOREHAM, RHODE ISLAND

## FINANCIAL REPORT

*For the Year Ended June 30, 2024*



Prepared by: Finance Department  
Amy Lewis Land, Finance Director

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# TOWN OF NEW SHOREHAM

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## *Introductory Section*

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- List of Town Officials

**TOWN OF NEW SHOREHAM, RHODE ISLAND**

*For the Year Ended June 30, 2024*

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*For the Year Ended June 30, 2024*

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# **TOWN OF NEW SHOREHAM, RHODE ISLAND**

## *List Of Town Officials*

*For The Year Ended June 30, 2024*

### **TOWN COUNCIL**

**First Warden** Keith Stover

**Second Warden** Sven Risom

**Councilor** Martha Ball

**Councilor** Neal Murphy

**Councilor** Margaret O'Neill

### **INTERIM TOWN MANAGER**

Amy Lewis Land

### **TOWN CLERK**

Millicent McGinnes Hight, MMC

### **FINANCE DIRECTOR**

Amy Lewis Land

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# TOWN OF NEW SHOREHAM

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## *Financial Section*

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- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Notes to the Basic Financial Statements
- Required Supplementary Information
- Other Supplementary Information

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## *Independent Auditors' Report*

The Honorable President and  
Members of the Town Council  
Town of New Shoreham, Rhode Island

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements 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 of New Shoreham, Rhode Island, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of New Shoreham, Rhode Island 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, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island, as of June 30, 2024, 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of New Shoreham, Rhode Island and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 of New Shoreham, Rhode Island's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of New Shoreham, Rhode Island's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Shoreham, Rhode Island's basic financial statements. The accompanying combining and individual nonmajor fund financial statements, tax collector's annual report and annual supplemental transparency portal (MTP2) and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, tax collector's annual report, and annual supplemental transparency portal (MTP2) and other supplementary information 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 October 9, 2025, on our consideration of the Town of New Shoreham, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of New Shoreham, Rhode Island's internal control over

financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of New Shoreham, Rhode Island's internal control over financial reporting and compliance.

*Hague, Sahady & Co., CPAs, P.C.*

Fall River, Massachusetts  
October 9, 2025

**Town of New Shoreham, Rhode Island**  
Management Discussion and Analysis  
*For the year ended June 30, 2024*  
(Unaudited)

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The management of the Town of New Shoreham, Rhode Island (herein, the Town), offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information found within the financial statements.

The Governmental Accounting Standards Board (GASB) is the authoritative standard setting body that provides guidance on how to prepare financial statements in conformity with generally accepted accounting principles (GAAP). Users of these financial statements (such as investors and rating agencies) rely on the GASB to establish consistent reporting standards for all governments in the United States. This consistent application is the only way users (including citizens, the media, legislators and others) can assess the financial condition of one government compared to others.

### **Financial Highlights**

The assets plus deferred outflows of resources of the Town exceeded liabilities and deferred inflows of resources at June 30, 2024 by \$43,266,294 (net position). Net position includes \$39,033,666 net investment in capital assets; \$11,891,201 of restricted net position; and (\$7,658,573) of unrestricted net position that may be used to meet the Town's ongoing obligations to citizens and creditors. Total assets plus deferred outflows were \$82,392,850 and total liabilities plus deferred inflows were \$39,126,556 at June 30, 2024. The Town's total net position increased by \$2,044,737 in FY 2024.

As of June 30, 2024, the Town's governmental funds reported combined ending fund balances of \$3,567,420 an increase of \$4,653,685 from the prior year, primarily due bond issuances related to the capital project broadband fund.

As of June 30, 2024, the unassigned fund balance for the General Fund was \$3,877,411 or approximately 22% of total budgeted 2024 General Fund expenditures and other financial uses of \$17,952,243. This amount is available for spending at the Town's discretion.

As of June 30, 2024, the total combined ending net position for the enterprise fund was \$13,857,207; of which \$4,277,536 was classified as unrestricted.

### **Overview of the Financial Statements**

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

- Government - wide financial statements
- Fund financial statements
- Notes to financial statements

In addition to the basic financial statements, this report also contains other supplementary information. The Town's basic financial statements and other supplementary financial information provide information about all of the Town's activities. They provide both a short-term and a long-term view of the Town's financial health as well as information about activities for which the Town acts solely as a trustee for the benefit of those outside of the Town's government.

**Town of New Shoreham, Rhode Island**  
Management Discussion and Analysis  
*For the year ended June 30, 2024*  
(Unaudited)

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**Government-wide financial statements** - are designed to provide readers with a broad overview of the Town's finances in a manner, which is similar to a private-sector business. They are presented on the accrual basis of accounting where revenues and expenses are recognized on the date they occurred rather than on the date they were collected or paid.

The *Statement of Net Position* presents information on all of the Town's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *Statement of Activities* presents information which shows how the Town's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Examples are uncollected taxes and earned but unused compensated absences.

Both government-wide financial statements distinguish functions of the Town, which are supported by taxes and intergovernmental revenues (Governmental Activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (Business-Type Activities).

The Town's Governmental Activities include general government and administration, public safety, public works, development services, cultural and recreational services. The Town's Business-Type Activities include the Water Fund and Sewer Fund.

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

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

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

**Town of New Shoreham, Rhode Island**  
Management Discussion and Analysis  
*For the year ended June 30, 2024*  
(Unaudited)

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**Overview of the Financial Statements (continued)**

The Town maintains twenty-one individual governmental funds and one component unit fund. 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, School Department and Broadband Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. The individual Component Unit fund has been separately presented.

The Town adopts an annual budget for its general fund and school unrestricted fund. A budgetary comparison statement has been provided to demonstrate compliance with the budget.

***Proprietary Funds*** - are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. Both of the Town's enterprise funds, Sewer Fund and Water Fund, are major funds. The Town has no internal service funds.

The basic proprietary fund financial statements can be found on pages indicated on the table of contents of this report.

The Town adopts an annual budget for its Sewer and Water funds. Budgetary comparison statements have been provided to demonstrate compliance with those budgets.

***Fiduciary Funds*** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because resources of those funds are not available to support the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The School OPEB Trust fund and North Light Fund are fiduciary funds.

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

***Other Information*** - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information pertinent to the Town's operations, such as detailed budgetary comparisons.

Also presented as other information is the combining statements referred to earlier in connection with non-major governmental funds and the tax collector's annual report.

**Town of New Shoreham, Rhode Island**  
**Management Discussion and Analysis**  
*For the year ended June 30, 2024*  
(Unaudited)

**Government-wide Financial Analysis**

**Analysis of the Town of New Shoreham's Net Position**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position, and an important determinant of its ability to finance services in the future. The Town of New Shoreham, assets and deferred outflows of resources exceeded liabilities and deferred inflow of resources by \$43,266,294 as of June 30, 2024. This is an increase of \$2,044,737 from the previous year.

Listed below is a comparison of the current and prior fiscal years.

	Governmental Activities		Business-Type Activities		Total		Change
	2024	2023	2024	2023	2024	2023	
<b>Assets</b>							
Current assets	\$ 6,322,971	\$ 12,731,404	\$ 5,386,414	\$ 4,986,992	\$ 11,709,385	\$ 17,718,396	\$ (6,009,011)
Capital assets	53,457,488	52,807,709	14,455,926	11,895,479	67,913,414	64,703,188	3,210,226
Total assets	<u>59,780,459</u>	<u>65,539,113</u>	<u>19,842,340</u>	<u>16,882,471</u>	<u>79,622,799</u>	<u>82,421,584</u>	<u>(2,798,785)</u>
<b>Deferred outflows of resources</b>							
Other deferred outflows	2,570	-	-	-	2,570	-	2,570
Bond refunding	34,076	46,710	-	-	34,076	46,710	(12,634)
OPEB related outflows	72,373	139,676	-	-	72,373	139,676	(67,303)
Pension related outflows	2,661,032	1,708,578	-	-	2,661,032	1,708,578	952,454
Total deferred outflows of resources	<u>2,770,051</u>	<u>1,894,964</u>	<u>-</u>	<u>-</u>	<u>2,770,051</u>	<u>1,894,964</u>	<u>875,087</u>
<b>Liabilities</b>							
Current liabilities	5,487,303	15,954,482	1,189,076	494,036	6,676,379	16,448,518	(9,772,139)
Long-term liabilities	25,303,243	20,719,134	4,796,057	4,935,965	30,099,300	25,655,099	4,444,201
Total liabilities	<u>30,790,546</u>	<u>36,673,616</u>	<u>5,985,133</u>	<u>5,430,001</u>	<u>36,775,679</u>	<u>42,103,617</u>	<u>(5,327,938)</u>
<b>Deferred inflows of resources</b>							
OPEB related inflows	432,071	460,830	-	-	432,071	460,830	(28,759)
Pension related inflows	1,918,808	530,544	-	-	1,918,808	530,544	1,388,264
Total deferred inflows of resources	<u>2,350,879</u>	<u>991,374</u>	<u>-</u>	<u>-</u>	<u>2,350,879</u>	<u>991,374</u>	<u>1,359,505</u>
<b>Net position</b>							
Net investment in capital assets	29,486,951	34,305,394	9,546,715	6,841,848	39,033,666	41,147,242	(2,113,576)
Restricted	11,858,245	4,656,402	32,956	27,956	11,891,201	4,684,358	7,206,843
Unrestricted	(11,936,111)	(9,192,709)	4,277,536	4,582,666	(7,658,575)	(4,610,043)	(3,048,532)
Total net position	<u>\$ 29,409,085</u>	<u>\$ 29,769,087</u>	<u>\$ 13,857,207</u>	<u>\$ 11,452,470</u>	<u>\$ 43,266,292</u>	<u>\$ 41,221,557</u>	<u>\$ 2,044,735</u>

Net investment in capital assets, comprises \$39,033,666 or 90% of total net position. This represents the Town's investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and vessels), less any related debt used to acquire those assets that is still outstanding. The town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is report 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.

A portion of the Town's net position totaling \$11,891,201 represents resources that are subject to external restrictions on how they may be used. Of these restricted net position, \$4,541,201 is permanently restricted and is nonexpendable, with the remainder of restricted net position pertaining to bond proceeds. Unrestricted net position, totaling (\$7,658,573) may be used to meet the government's ongoing obligations to citizens and creditors.

**Town of New Shoreham, Rhode Island**  
**Management Discussion and Analysis**  
*For the year ended June 30, 2024*  
(Unaudited)

**Analysis of the Town of New Shoreham's Operations**

The analysis on the following page provides a summary of the Town's operations for the year ended June 30, 2024. Governmental activities decreased the Town's net position by \$360,000 for the current period, accounting for a 1% decrease in the Town's governmental net position, while business-type activities increased the Town's net position by \$2,404,737, accounting for 21% increase in the business-type growth in net position. Overall the Town's net position increase was \$2,044,737 which is a 4.96% increase over the prior year.

In the Statement of Activities, expenditures for capital items are not recorded as expenses but instead are reported as increases to capital assets in the Statement of Net Position, the change in net investment in capital assets for the governmental activities and business-type activities from the prior year is (\$4,818,443) and \$2,704,867, respectively.

**Town of New Shoreham's Changes in Net Position - Primary Government**  
**For the Year Ended June 30, 2024 and 2023**

	Governmental Activities		Business-Type Activities		Total		Change
	2024	2023	2024	2023	2024	2023	
<b>Revenues:</b>							
Program Revenues:							
Charges for service	\$ 1,825,603	\$ 2,590,587	\$ 2,725,628	\$ 2,606,915	\$ 4,551,231	\$ 5,197,502	\$ (646,271)
Operating grants and contributions	2,290,356	543,724	-	-	2,290,356	543,724	1,746,632
Capital grants and contributions	667,469	136,069	2,041,090	343,222	2,708,559	479,291	2,229,268
General Revenues:							
Property taxes	12,109,476	12,137,074	-	-	12,109,476	12,137,074	(27,598)
Grants and contributions	-	2,034,844	-	-	-	2,034,844	(2,034,844)
Other	2,331,779	1,014,189	152,002	63,370	2,483,782	1,077,559	1,406,223
Total revenue	19,224,683	18,456,487	4,918,720	3,013,507	24,143,404	21,469,994	2,673,410
<b>Expenses:</b>							
General government	3,591,514	4,242,905	-	-	3,591,514	4,242,905	(651,391)
Public safety	3,871,574	1,989,605	-	-	3,871,574	1,989,605	1,881,969
Education	6,777,329	6,436,650	-	-	6,777,329	6,436,650	340,679
Public works	2,770,847	2,459,346	-	-	2,770,847	2,459,346	311,501
Recreation, library, and other	2,088,267	2,332,465	-	-	2,088,267	2,332,465	(244,198)
Public infrastructure	81,335	4,809	-	-	81,335	4,809	76,526
Technology	-	520,448	-	-	-	520,448	(520,448)
Economic development	1,961	6,887	-	-	1,961	6,887	(4,926)
Capital outlay	-	-	-	-	-	-	-
Interest on debt	401,858	568,212	-	-	401,858	568,212	(166,354)
Sewer	-	-	1,554,587	1,483,747	1,554,587	1,483,747	70,840
Water	-	-	959,397	869,199	959,397	869,199	90,198
Total expenses	19,584,685	18,561,327	2,513,984	2,352,946	22,098,669	20,914,273	1,184,396
Increase(decrease) in net position	(360,002)	(104,840)	2,404,737	660,561	2,044,735	555,721	1,489,014
Net position - beginning	29,769,087	29,873,927	11,452,470	10,791,909	41,221,557	40,665,836	555,721
Net position - ending	\$ 29,409,085	\$ 29,769,087	\$ 13,857,207	\$ 11,452,470	\$ 43,266,292	\$ 41,221,557	\$ 2,044,737

**Town of New Shoreham, Rhode Island**  
**Management Discussion and Analysis**  
*For the year ended June 30, 2024*  
(Unaudited)

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**Analysis of the Town of New Shoreham's Operations (continued)**

**Component unit.** The assets plus deferred outflows of the Town's Component Unit, the Block Island Land Trust (Land Trust), exceeded its liabilities plus deferred inflows by \$42,341,152. Net investment in capital assets, comprises \$34,821,273, or 82.24% of total net position. The remaining balance of net position of the Land Trust, totaling \$7,519,879 restricted for land to be held in perpetuity.

**Changes in Net Position**

The Town's net position increased by \$2,044,737 in FY 2024. Approximately 50% of the Town's total revenue came from taxes and payments in lieu of taxes, while 21% resulted from grants and contributions (including federal aid). Charges for various goods and services provided 19% of total revenue. The Town's expenses cover a range of services, the largest of which were for schools, public works and harbors, administration costs, and employee benefits. In 2024, governmental activities expenses exceeded revenues by \$360,000. Net revenues from business-type activities exceed program expenses in 2024 by \$2,404,737.

**Governmental Activities**

Governmental activities expenses exceeded the revenues by \$360,000. Key elements of this decrease are as follows:

- Completion of the broad band network project
- Property taxes were levied for debt service payments and program expenses.
- General revenues and charges for services were collected to offset governmental expenses.

A comparison of the total and net cost of services by function for the Town's governmental activities is shown below.

	Total Cost of Services		Net Cost of Services		Change
	2024	2023	2024	2023	
<b>Expenses net of program revenues:</b>					
General government	\$ 3,591,514	\$ 4,242,905	\$ 2,323,366	\$ 3,628,508	\$(1,305,142)
Public safety	3,871,574	1,989,605	3,853,212	1,975,740	1,877,472
Public works	2,770,847	2,459,346	2,240,492	676,566	1,563,926
Education	6,777,329	6,436,650	6,626,955	5,874,192	752,763
Recreation, library, and other	2,088,267	2,332,465	364,547	2,045,361	(1,680,814)
Public infrastructure	81,335	4,809	(1,011,134)	(4,967)	(1,006,167)
Economic development	1,961	6,887	1,961	6,887	(4,926)
Technology	-	520,448	-	520,448	(520,448)
Interest on long-term debt	401,858	568,212	401,858	568,212	(166,354)
Total expenses net of program revenue	\$ 19,584,685	\$ 18,561,327	\$ 14,801,257	\$ 15,290,947	\$ (489,690)

**Component Unit**

The net position of the Town's Component Unit increased by \$1,788,359. A key element in the increase is revenue derived from the 3% transfer fee.

**Town of New Shoreham, Rhode Island**  
Management Discussion and Analysis  
*For the year ended June 30, 2024*  
(Unaudited)

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**Financial Analysis of the Town of New Shoreham's Funds**

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,567,420. Included in this amount is unassigned balance of \$(10,326,956) (net deficits) restricted fund balances of \$9,216,240 for purposes externally imposed by grantors, contributors or laws and regulations, non-spendable fund balances of \$2,642,005, committed fund balances of \$721,297, and assigned fund balances of \$1,314,834.

**Proprietary Funds** - The Town of New Shoreham's proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail. Total net position of the proprietary funds is \$13,857,207.

**General Fund Budgetary Highlights**

The original budget for FY 2024 adopted at the Financial Town Meeting was \$17,952,243 and no changes were made to the final budget.

Actual revenues reported in FY 2024 were less than budgeted amounts by \$606,419 primarily due to a decrease in tax revenue.

Actual expenditures were more than budgeted amounts by \$351,485, primarily due to increase in capital outlay and expenses in general government.

Further details of favorable and unfavorable variances for revenues and expenditures can be found on the Required Supplementary Information on the pages indicated on the Table of Contents of this report.

**The Town of New Shoreham's Capital Assets**

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$67,913,414 (net of accumulated depreciation). This investment includes land and land improvements, buildings and improvements, machinery and equipment, vehicles and vessels, furniture and fixtures, underground piping, wells/reserve osmosis/water supply and construction in progress. Detailed information on the changes in capital assets can be found in the notes to the financial statements.

Additions to capital assets for business-type activities were primarily electrical and process upgrades and pump overhauls partially offset by depreciation expense.

**Town of New Shoreham, Rhode Island**  
**Management Discussion and Analysis**  
*For the year ended June 30, 2024*  
(Unaudited)

**The Town of New Shoreham's Capital Assets (continued)**

	Capital Asset Administration						
	Governmental Activities		Business-Type Activities		Total		Change
	2024	2023	2024	2023	2024	2023	
Land and land easements	\$ 22,944,328	\$ 22,944,328	\$ 954,203	\$ 954,203	\$ 23,898,531	\$ 23,898,531	\$ -
Construction in progress	3,587,005	1,357,492	2,767,843	1,093,514	6,354,848	2,451,006	3,903,842
Infrastructure, net	11,983,162	12,347,573	9,450,315	8,457,836	21,433,477	20,805,409	628,068
Land improvements, net	4,665,206	5,057,207	-	-	4,665,206	5,057,207	(392,001)
Building & improvements, net	7,227,098	7,825,516	1,062,376	1,153,763	8,289,474	8,979,279	(689,805)
Automobiles and vessels, net	1,624,388	1,691,245	-	-	1,624,388	1,691,245	(66,857)
Machinery and equipment, net	1,213,979	1,331,816	221,189	220,820	1,435,168	1,552,636	(117,468)
Office equipment and furniture, net	202,090	223,866	-	-	202,090	223,866	(21,776)
Library books and textbooks net	10,232	11,679	-	-	10,232	11,679	(1,447)
Right to Use Leased asset, net	-	16,987 *	-	15,343 *	-	32,330	(32,330)
Total	<u>\$ 53,457,488</u>	<u>\$ 52,807,709</u>	<u>\$ 14,455,926</u>	<u>\$ 11,895,479</u>	<u>\$ 67,913,414</u>	<u>\$ 64,703,188</u>	<u>\$ 3,210,226</u>

Additional information on the Town's capital assets can be found in Note 8 to the financial statements.

**The Town of New Shoreham's Debt Administration**

As of June 30, 2024, the Town has total bonded debt outstanding of \$28,054,287 which is backed by the full faith and credit of the Town.

The Town has capital leases outstanding at June 30, 2024 with a balance totaling \$7,895.

The Town's Component Unit has total notes payable outstanding to the Town of \$2,340,000 consisting primarily of general obligation bonds issued through the Town.

	Governmental Activities		Business-type Activities		Total		\$ Change
	2024	2023	2024	2023	2024	2023	
General obligation bonds	\$ 23,186,000	\$ 18,397,000	\$ 4,868,287	\$ 5,150,897	\$ 28,054,287	\$ 23,547,897	\$ 4,506,390
Capital leases	-	16,989	7,895	15,343	7,895	32,332	(24,437)
Accrued compensated absences	344,261	352,452	111,320	99,660	455,581	452,112	3,469
Net other post-employment benefit liability	278,229	335,447	-	-	278,229	335,447	(57,218)
Net pension liability	4,129,666	4,237,976	-	-	4,129,666	4,237,976	(108,310)
Total expenditures	<u>\$ 27,938,156</u>	<u>\$ 23,339,864</u>	<u>\$ 4,987,502</u>	<u>\$ 5,265,900</u>	<u>\$ 32,925,658</u>	<u>\$ 28,605,764</u>	<u>\$ 4,319,894</u>

Additional information on the Town's long-term debt can be found in Note 9 to the financial statements.

**Town of New Shoreham, Rhode Island**  
Management Discussion and Analysis  
*For the year ended June 30, 2024*  
(Unaudited)

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**The Town of New Shoreham's Debt Administration (continued)**

State statutes limit the amount of general obligation debt a governmental entity may issue to three percent (3%) of its total equalized valuation. The debt limitation for the Town is \$62,556,818 as of the December 31, 2022 assessment, which significantly exceeds the Town's outstanding general debt.

In January 2009, S&P upgraded the Town's bond rating from A+ to AA. Primary factors driving the ratings increase include sound financial position, low per capita debt levels and strong market value per capita. This rating was affirmed in June 2009, June 2010, June 2012, July 2015 and November 2023.

**Component Unit**

The Town's component unit, the Block Island Land Trust, was created by an Act of the Rhode Island General Assembly on January 15, 1986. The purpose of the Land Trust is to acquire, hold and manage real property and interests in real property situated in the Town consisting of open, agricultural, or littoral property. With the exception of property acquired for public recreational purposes, the Land Trust is required to hold all property solely as open space or for agricultural use or for water protection purposes, as determined by the Board of Trustees.

The Land Trust is funded principally by fees levied on qualifying real property transfers within the Town. The transfer fee adopted by the Land Trust for the year ended June 30, 2024 was 3%.

The Land Trust may request the Town to issue bonds for the purpose of financing its activities. The Land Trust has used proceeds from portions of authorized bond amounts for land and land right acquisitions and is responsible for the repayment of all principal and interest. The Land Trust was authorized to bond up to \$6,000,000 in May 2001. It used \$3,500,000 to purchase the Hodge property in FY 2003, and \$450,000 to purchase the Turnip Farm land. At the May 2, 2005 Financial Town Meeting, voters authorized an additional \$4,000,000 for total authority of \$6,050,000. During 2012, the Town issued a bond in the amount of \$2,364,000 to finance the Trust's acquisitions. The remaining authority is \$2,186,000. In March the Town issued a general obligation bond in the amount of \$8,400,000. The Block Island Land Trust's portion of the Town's general obligation bond is \$1,500,000.

For further information regarding the Block Island Land Trust, refer to separately issues financial statements.

**Economic Factors and Next Year's Budgets and Rates**

The Town of New Shoreham, popularly known as Block Island, enjoys a favorable economic environment and local indicators point to continued strength. Tourism, construction and real estate demand remained strong.

Block Island is a 10 square mile island off the coast of Rhode Island at the mouth of Long Island Sound. The year-round population of approximately 1,051 ranks New Shoreham smallest among the 39 cities and towns in Rhode Island, but the summer population swells to between 15,000 and 20,000. Employment is primarily in service industries, focused on the tourism sector. The predominantly residential tax base (90% residential) shows small but steady growth that brought the net assessed value to \$2,467,336,211 at December 31, 2023 based on a full revaluation as required by RIGL.

The annual Financial Meeting was held May 6, 2024. With the approval of the tax payers on that date, the tax rate on real and tangible property decreased 8.31% to \$5.52/\$1,000. Per RIGL, the tangible tax rate was frozen at \$6.02/\$1,000.

**Town of New Shoreham, Rhode Island**  
Management Discussion and Analysis  
*For the year ended June 30, 2024*  
(Unaudited)

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**Request for Information**

The financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have questions about this report or need additional financial information, contact the Office of the Finance Director, P.O. Box 220, 16 Old Town Road, Block Island, RI 02807.

# TOWN OF NEW SHOREHAM

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## *Basic Financial Statements*

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### **Government-Wide Financial Statements**

#### Fund Financial Statements

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

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

# Town of New Shoreham, Rhode Island

## Statement of Net Position

*June 30, 2024*

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Block Island Land Trust
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,766,969	\$ 2,300,493	\$ 6,067,462	\$ 7,625,577
Investments	27,921	-	27,921	-
Receivables, net				
Personal property taxes	409,542	-	409,542	-
User charges	-	373,723	373,723	-
Intergovernmental	596,346	1,755,140	2,351,486	-
Departmental and other	109,848	-	109,848	28,752
Other	-	23,393	23,393	-
Other receivables - Town shared debt	-	-	-	(6,010)
Internal balances	(933,665)	933,665	-	-
Due from component unit	6,010	-	6,010	-
Notes Receivable- Component Unit	2,340,000	-	2,340,000	-
Capital Assets				
Capital assets not being depreciated	26,531,333	3,722,045	30,253,378	37,161,273
Capital assets being depreciated, net	26,926,155	10,733,881	37,660,036	-
Total capital assets	53,457,488	14,455,926	67,913,414	37,161,273
Total assets	59,780,459	19,842,340	79,622,799	44,809,592
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other deferred outflows	2,570	-	2,570	-
Pension related outflows	2,661,032	-	2,661,032	-
OPEB related outflows	72,373	-	72,373	-
Loss on bond refunding	34,076	-	34,076	-
Total assets and deferred outflows of resources	\$ 62,550,510	\$ 19,842,340	\$ 82,392,850	\$ 44,809,592

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Statement of Net Position

*June 30, 2024*

	Primary Government			Component Unit
	Governmental	Business-Type	Total	Block Island
	Activities	Activities		Land Trust
<b>LIABILITIES</b>				
Accounts payable and accrued expenses	\$ 1,936,231	\$ 964,602	\$ 2,900,833	\$ 16,757
Accrued interest	104,982	25,137	130,119	-
Due to federal and state governments	97,546	-	97,546	-
Current portion of capital leases	-	7,895	7,895	-
Current portion of bond premium	52,960	-	52,960	-
Current portion of bonds and notes payable	3,152,000	148,065	3,300,065	261,964
Current portion of compensated absences	143,584	43,377	186,961	-
Portion due or payable in more than one year:				
Bond premium	660,671	-	660,671	-
Bonds and notes payable	20,034,000	4,728,114	24,762,114	2,078,036
Compensated absences	200,677	67,943	268,620	-
Net OPEB liability	278,229	-	278,229	-
Net pension liability	4,129,666	-	4,129,666	-
Total liabilities	30,790,546	5,985,133	36,775,679	2,356,757
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension related inflows	1,918,808	-	1,918,808	-
OPEB related inflows	432,071	-	432,071	-
Gains on refunding of debt	-	-	-	111,683
Total deferred inflows or resources	2,350,879	-	2,350,879	111,683
<b>NET POSITION</b>				
Net investment in capital assets	29,486,951	9,546,715	39,033,666	34,821,273
Restricted corpus of endowment funds	302,005	-	302,005	-
Restricted land trust note receivable	2,340,000	-	2,340,000	-
Restricted for capital outlay by bond covenant	16,391	-	16,391	-
Restricted for recreation and other	1,694,646	-	1,694,646	-
Restricted for Historic records	23,935	-	23,935	-
Restricted for technology fund	85,828	-	85,828	-
Restricted for apartments	-	32,956	32,956	-
Restricted for North light purposes	617	-	617	-
Restricted for debt service	7,350,000	-	7,350,000	-
Restricted for land to be held in perpetuity	-	-	-	7,519,879
Restricted for educational purposes	44,823	-	44,823	-
Unrestricted	(11,936,111)	4,277,536	(7,658,575)	-
Total net position	29,409,085	13,857,207	43,266,292	42,341,152
Total liabilities, deferred inflows or resources and net position	\$ 62,550,510	\$ 19,842,340	\$ 82,392,850	\$ 44,809,592

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Statement of Activities

For the Year Ended June 30, 2024

	Net (Expense) Revenue and Changes in Net Position							
	Program Revenues				Primary Government			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Block Island Land Trust
<b>Governmental Activities</b>								
General government	\$ 3,591,514	\$ 315,045	\$ 953,103	\$ -	\$ (2,323,366)	\$ -	\$ (2,323,366)	\$ -
Public safety	3,871,574	-	18,362	-	(3,853,212)	-	(3,853,212)	-
Education	6,777,329	40,588	109,786	-	(6,626,955)	-	(6,626,955)	-
Public works	2,770,847	440,355	90,000	-	(2,240,492)	-	(2,240,492)	-
Recreation, library, and other	2,088,267	1,029,615	694,105	-	(364,547)	-	(364,547)	-
Public infrastructure	81,335	-	425,000	667,469	1,011,134	-	1,011,134	-
Economic development	1,961	-	-	-	(1,961)	-	(1,961)	-
Interest on debt	401,858	-	-	-	(401,858)	-	(401,858)	-
<b>Total governmental activities</b>	<b>19,584,685</b>	<b>1,825,603</b>	<b>2,290,356</b>	<b>667,469</b>	<b>(14,801,257)</b>	<b>-</b>	<b>(14,801,257)</b>	<b>-</b>
<b>Business-Type Activities</b>								
Water	1,554,587	1,681,308	-	1,597,647	-	1,724,368	1,724,368	-
Sewer	959,397	1,044,321	-	443,443	-	528,367	528,367	-
<b>Total business-type activities</b>	<b>2,513,984</b>	<b>2,725,629</b>	<b>-</b>	<b>2,041,090</b>	<b>-</b>	<b>2,252,735</b>	<b>2,252,735</b>	<b>-</b>
<b>Total primary government</b>	<b>22,098,669</b>	<b>4,551,232</b>	<b>2,290,356</b>	<b>2,708,559</b>	<b>(14,801,257)</b>	<b>2,252,735</b>	<b>(12,548,522)</b>	<b>-</b>
<b>Component Unit</b>								
Block Island Land Trust	374,001	2,074,103	-	-	-	-	-	1,700,102
<b>Total component units</b>	<b>374,001</b>	<b>2,074,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,700,102</b>
<b>Total Town of New Shoreham</b>	<b>\$ 22,472,670</b>	<b>\$ 6,625,335</b>	<b>\$ 2,290,356</b>	<b>\$ 2,708,559</b>	<b>\$ (14,801,257)</b>	<b>\$ 2,252,735</b>	<b>\$ (12,548,522)</b>	<b>\$ 1,700,102</b>
<b>General revenues</b>								
Real estate and personal property, net of reserve for abatements					12,109,476	-	12,109,476	-
Hotel and meals tax					1,373,971	-	1,373,971	-
State housing aid					208,732	-	208,732	-
Earnings on investments					44,575	-	44,575	69,302
State aid to town					163,084	-	163,084	-
Medicaid reimbursement					28,401	-	28,401	-
State contribution to teachers' pension plan					343,083	-	343,083	-
Other and Miscellaneous					169,933	152,002	321,935	18,955
<b>Total general revenues</b>					<b>14,441,255</b>	<b>152,002</b>	<b>14,593,257</b>	<b>88,257</b>
Special Item - Other					-	-	-	-
<b>Total general revenues, special items, and transfers</b>					<b>14,441,255</b>	<b>152,002</b>	<b>14,593,257</b>	<b>88,257</b>
Changes in net position					(360,002)	2,404,737	2,044,735	1,788,359
Net position - beginning of year					29,769,087	11,452,470	41,221,557	40,552,793
Net position - end of year					<b>\$ 29,409,085</b>	<b>\$ 13,857,207</b>	<b>\$ 43,266,292</b>	<b>\$ 42,341,152</b>

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Governmental Funds

### Balance Sheet

*June 30, 2024*

	<b>Major Fund General Fund</b>	<b>Major Fund Capital Project Broadband Fund</b>	<b>Major Fund School * Department</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	\$ 1,645,179	\$ 162,482	\$ 83,223	\$ 1,876,085	\$ 3,766,969
Investments	-	-	-	27,921	27,921
Receivables:					
Property taxes, net	409,542	-	-	-	409,542
Intergovernmental	391,733	-	127,761	76,852	596,346
Other	97,052	-	12,796	-	109,848
Due from other funds	14,588,831	-	1,341,187	14,750	15,944,768
Due from other funds	-	-	-	-	-
Due from component unit	6,010	-	-	-	6,010
Notes receivable, BILT	2,340,000	-	-	-	2,340,000
Investment in BIPCO	-	-	-	-	-
Total assets	<u>19,478,347</u>	<u>162,482</u>	<u>1,564,967</u>	<u>1,995,608</u>	<u>23,201,404</u>
<b>Deferred outflows of resources</b>					
Deferred outflows	-	-	2,570	-	2,570
Total assets and deferred outflows of resources	<u>19,478,347</u>	<u>162,482</u>	<u>1,567,537</u>	<u>1,995,608</u>	<u>23,203,974</u>
<b>Liabilities</b>					
Accounts payable and accrued expenses	1,397,743	-	542,866	(1,047)	1,939,562
Due to federal and state governments	97,546	-	-	-	97,546
Due to the Town of New Shoreham	-	-	5,778	-	5,778
Due to other funds	2,253,049	11,421,358	252,753	2,945,495	16,872,655
Total liabilities	<u>3,748,338</u>	<u>11,421,358</u>	<u>801,397</u>	<u>2,944,448</u>	<u>18,915,541</u>
<b>Deferred inflows of resources</b>					
Deferred revenue	720,993	-	22	-	721,015
Total deferred inflows of resources	<u>720,993</u>	<u>-</u>	<u>22</u>	<u>-</u>	<u>721,015</u>
<b>Fund balances</b>					
Nonspendable	2,340,000	-	-	302,005	2,642,005
Restricted	7,476,771	-	44,823	1,694,646	9,216,240
Committed	-	-	721,297	-	721,297
Assigned	1,314,834	-	-	-	1,314,834
Unassigned	3,877,411	(11,258,876)	(2)	(2,945,491)	(10,326,958)
Total fund balance	<u>15,009,016</u>	<u>(11,258,876)</u>	<u>766,118</u>	<u>(948,840)</u>	<u>3,567,418</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 19,478,347</u>	<u>\$ 162,482</u>	<u>\$ 1,567,537</u>	<u>\$ 1,995,608</u>	<u>\$ 23,203,974</u>

\*School unrestricted, restricted, and capital projects detail is found in the supplementary information section of this report as combined funds and combined is considered a major program by the Town.

*The accompanying notes are an integral part of this statement*

**Town of New Shoreham, Rhode Island**  
Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
*June 30, 2024*

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Total governmental fund balances	\$ 3,567,418
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	53,460,819
Deferred loss on refunding	34,076
Other long-term liabilities related to net pension activity that are not available to pay for current-period expenditures and, therefore, are deferred outflows of resources in the funds.	
ERS outflows	648,210
MERS outflows	2,012,822
OPEB outflows	72,373
Other deferred tax revenue not available to pay for current-period expenditures and, therefore, are not reported in the funds	
	721,015
Other long-term assets related to net pension activity that are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.	
ERS inflows	(844,973)
MERS inflows	(1,073,835)
OPEB inflows	(432,071)
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	
	(104,982)
Long-term liabilities are not due and payable in the current period period and, therefore are not reported in the governmental funds.	
Premium on Bonds	(713,631)
Bonds and notes payable	(23,186,000)
Capital leases	-
Compensated absences	(344,261)
Net other postemployment benefits liability	(278,229)
ERS - net pension liability	(3,005,492)
MERS - net pension liability	(1,124,174)
Net position of governmental activities	\$ 29,409,085

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

*For the Year Ended June 30, 2024*

	<b>Major Fund General Fund</b>	<b>Major Fund Capital Project Broadband Fund</b>	<b>Major Fund School * Department</b>	<b>Non-Major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>					
Real estate and personal property taxes	\$ 12,007,413	\$ -	\$ -	\$ -	\$ 12,007,413
Intergovernmental	1,785,100	-	269,292	-	2,054,392
Licenses, permits, and fees	755,400	-	-	-	755,400
Charges for services	1,029,615	-	40,588	-	1,070,203
Investment Income	4,814	-	-	39,761	44,575
State contribution to teachers' pension plan	-	-	343,083	-	343,083
Medicaid reimbursement	-	-	28,401	-	28,401
Other revenue	1,347,793	667,469	109,786	694,105	2,819,153
<b>Total revenue</b>	<b>16,930,135</b>	<b>667,469</b>	<b>791,150</b>	<b>733,866</b>	<b>19,122,620</b>
<b>Expenditures</b>					
General government	3,237,336	-	-	-	3,237,336
Public safety	1,799,572	-	-	-	1,799,572
Health and human services	-	-	-	120	120
Education	-	-	6,115,448	-	6,115,448
Public works	2,489,068	-	-	-	2,489,068
Recreation, library, and other	1,961,709	-	-	15,239	1,976,948
Public infrastructure	-	-	-	81,335	81,335
Economic development	-	-	-	1,961	1,961
Capital outlay	482,330	1,164,121	162,852	1,968,141	3,777,444
Debt service					
Principal	2,561,000	-	-	-	2,561,000
Interest	364,018	-	-	-	364,018
Bond issuance cost and fees	68,124	-	-	-	68,124
<b>Total expenditures</b>	<b>12,963,157</b>	<b>1,164,121</b>	<b>6,278,300</b>	<b>2,066,796</b>	<b>22,472,374</b>
Excess (deficiency) of revenues over expenditures	3,966,978	(496,652)	(5,487,150)	(1,332,930)	(3,349,754)
<b>Other financing sources (uses)</b>					
Bond proceeds - Town	7,350,000	-	-	-	7,350,000
Other, including bond premiums	653,437	-	-	-	653,437
Transfers in	423,107	-	5,576,187	114,420	6,113,714
Transfers out	(5,540,396)	-	(35,792)	(537,526)	(6,113,714)
Other financing sources (uses)	<b>2,886,148</b>	<b>-</b>	<b>5,540,395</b>	<b>(423,106)</b>	<b>8,003,437</b>
<b>Excess of revenue and other sources over expenditures and other uses</b>	<b>6,853,126</b>	<b>(496,652)</b>	<b>53,245</b>	<b>(1,756,036)</b>	<b>4,653,683</b>
Fund balance - beginning	8,155,890	(10,762,224)	712,873	807,196	(1,086,265)
Fund balance - ending	<b>\$ 15,009,016</b>	<b>\$ (11,258,876)</b>	<b>\$ 766,118</b>	<b>\$ (948,840)</b>	<b>\$ 3,567,418</b>

\*School unrestricted, restricted and capital projects detail is found in the supplementary information section of this report as combined funds and combined is considered a major program by the Town.

*The accompanying notes are an integral part of this statement*

## Town of New Shoreham, Rhode Island

### Reconciliation of the Governmental Funds Statements of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities *For the Year Ended June 30, 2024*

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Net change in fund balances - total governmental funds	\$ 4,653,683
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	653,110
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 inflows of resources.	102,063
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.	
Principal payments	2,561,000
Premium payments	(645,737)
Capital lease activity	16,988
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(37,840)
In the Statement of Activities, loss on refunding is accrued on outstanding long-term debt, whereas in governmental funds interest is not reported until due.	(12,634)
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.	
Change in OPEB related outflows	(67,303)
Change in OPEB related inflows	28,759
Change in OPEB net liability	57,218
Some expenses reported in the Statement of Activities, such as compensated absences do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	8,191
The net pension asset/liability expense reported in the Statement of activities requires the use of current financial resources and is not reported as an expenditures in the governmental funds.	
Change in pension related outflows	952,454
Change in pension related inflows	(1,388,264)
Change in net pension liability	108,310
Change in net position of governmental activities	\$ (360,002)

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Proprietary Funds Statement of Net Position June 30, 2024

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Sewer Enterprise</b>	<b>Water Enterprise</b>	<b>Total Enterprise</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	\$ 1,846,043	\$ 454,450	\$ 2,300,493
Receivables, net			
User fees	240,026	133,697	373,723
Intergovernmental	1,597,647	157,493	1,755,140
Assessments and miscellaneous fees	-	-	-
Other	-	23,393	23,393
Due from other funds	84,043	1,300,357	1,384,400
<b>Total current assets</b>	<b>3,767,759</b>	<b>2,069,390</b>	<b>5,837,149</b>
Non-current assets			
Capital assets not being depreciated	2,605,209	1,116,836	3,722,045
Capital assets being depreciated, net	5,209,450	5,524,431	10,733,881
<b>Total non-current assets</b>	<b>7,814,659</b>	<b>6,641,267</b>	<b>14,455,926</b>
<b>Total assets</b>	<b>11,582,418.00</b>	<b>8,710,657</b>	<b>20,293,075</b>
<b>Deferred outflows of resources</b>			
Deferred outflows	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 11,582,418</b>	<b>\$ 8,710,657</b>	<b>\$ 20,293,075</b>

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Proprietary Funds Statement of Net Position June 30, 2024

	<b>Business-type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Sewer</b>	<b>Water</b>	<b>Total</b>
	<b>Enterprise</b>	<b>Enterprise</b>	<b>Enterprise</b>
<b>Liabilities</b>			
Current liabilities			
Accounts payable and accrued expenses	\$ 666,174	\$ 298,428	\$ 964,602
Current portion of bonds payable	56,941	91,124	148,065
Current portion of capital leases	-	7,895	7,895
Current portion of compensated absences	24,736	18,641	43,377
Accrued interest payable	18,298	6,839	25,137
Due to other funds	59,795	390,940	450,735
Total current liabilities	<u>825,944</u>	<u>813,867</u>	<u>1,639,811</u>
Non-current liabilities			
Bonds payable	2,459,326	2,268,788	4,728,114
Compensated absences	33,412	34,531	67,943
Total non-current liabilities	<u>2,492,738</u>	<u>2,303,319</u>	<u>4,796,057</u>
Total liabilities	<u>3,318,682</u>	<u>3,117,186</u>	<u>6,435,868</u>
<b>Deferred inflows of resources</b>			
Deferred inflows	-	-	-
<b>Total deferred inflows of resources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>			
Net investment in capital assets	5,280,094	4,266,621	9,546,715
Restricted for apartments	32,956	-	32,956
Unrestricted	2,950,686	1,326,850	4,277,536
<b>Total net position</b>	<u>8,263,736</u>	<u>5,593,471</u>	<u>13,857,207</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,582,418</u>	<u>\$ 8,710,657</u>	<u>\$ 20,293,075</u>

*The accompanying notes are an integral part of this statement*

**Town of New Shoreham, Rhode Island**

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Position

*For the Year Ended June 30, 2024*

	<b>Business-type Activities Enterprise Funds</b>		
	<b>Sewer Enterprise</b>	<b>Water Enterprise</b>	<b>Total Enterprise</b>
<b>Operating revenues</b>			
Charges for services	\$ 1,681,308	\$ 1,044,321	\$ 2,725,629
Other revenues	128,628	23,374	152,002
<b>Total operating revenues</b>	1,809,936	1,067,695	2,877,631
<b>Operating expenses</b>			
Salaries and benefits	486,344	348,109	834,453
Services and supplies	609,532	331,825	941,357
Debt service	72,348	51,804	124,152
Capital outlay	8,034	8,032	16,066
Depreciation	391,045	228,714	619,759
<b>Total operating expenses</b>	1,567,303	968,484	2,535,787
Operating income (loss)	242,633	99,211	341,844
<b>Nonoperating revenues (expenses)</b>			
Debt administration fees			-
Grant activity	1,597,647	443,443	2,041,090
Interest income/(expense)	12,716	9,087	21,803
<b>Total nonoperating revenue (expenses)</b>	1,610,363	452,530	2,062,893
Change in net position	1,852,996	551,741	2,404,737
Total net position - beginning	6,410,740	5,041,730	11,452,470
Total net position - ending	\$ 8,263,736	\$ 5,593,471	\$ 13,857,207

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

## Proprietary Fund

### Statement of Cash Flows

*For the Year Ended June 30, 2024*

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Sewer Enterprise</b>	<b>Water Enterprise</b>	<b>Total Enterprise</b>
<b>Cash flows from operating activities</b>			
Cash received from customers	\$ 1,808,822	\$ 1,112,448	\$ 2,921,270
Cash due from (to) governments	-	607,990	607,990
Payments to suppliers and employees	(510,317)	(564,176)	(1,074,493)
Net cash provided (used) by operating activities	1,298,505	1,156,262	2,454,767
<b>Cash flows from noncapital financing activities</b>			
Grant revenue	12,716	443,443	456,159
Transfers in (out)	(23,249)	(902,478)	(925,727)
Net cash provided by noncapital financing activities	(10,533)	(459,035)	(469,568)
<b>Cash flows from capital and related financing activities</b>			
Purchases and construction of capital assets	(2,411,337)	(784,211)	(3,195,548)
Principal paid on capital debt	(55,083)	(96,178)	(151,261)
Interest paid on capital debt	(72,893)	(70,145)	(143,038)
Net cash used by capital and related financing activities	(2,539,313)	(950,534)	(3,489,847)
<b>Cash flows from investing activities</b>			
Interest and dividends	-	9,087	9,087
Net cash used by investing activities	-	9,087	9,087
Net increase in cash and cash equivalents	(1,251,341)	(244,220)	(1,495,561)
Balances - beginning	3,097,384	698,670	3,796,054
Balances - ending	\$ 1,846,043	\$ 454,450	\$ 2,300,493
Displayed as:			
Cash and cash equivalents	\$ 1,846,043	\$ 454,450	\$ 2,300,493

*The accompanying notes are an integral part of this statement*

**Town of New Shoreham, Rhode Island**

Proprietary Fund

Statement of Cash Flows

*For the Year Ended June 30, 2024*

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	<u>Sewer Enterprise</u>	<u>Water Enterprise</u>	<u>Total Enterprise</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 242,633	\$ 99,211	\$ 341,844
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation expense	391,045	228,714	619,759
Change in assets and liabilities:			
(Increase) decrease in user charges receivables, net	(1,115)	652,743	651,628
Increase (decrease) in due to other funds	54,608	-	54,608
Increase (decrease) in compensated absences	6,610	5,050	11,660
Increase (decrease) accounts payable and accrued expenses	604,724	170,544	775,268
Net cash provided (used) by operating activities	<u>\$ 1,298,505</u>	<u>\$ 1,156,262</u>	<u>\$ 2,454,767</u>

*The accompanying notes are an integral part of this statement*

**Town of New Shoreham, Rhode Island**

Fiduciary Funds

Statement of Fiduciary Net Position

June 30, 2024

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	<b>Other Post Employee Benefits Trust Fund</b>	<b>Custodial Fund North Light Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ -	\$ 14,922
Investments	472,714	-
Accounts receivable	-	-
Total assets	<u>472,714</u>	<u>14,922</u>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ -
Deposits held	-	-
Total liabilities	<u>-</u>	<u>-</u>
<b>Net Position</b>	<u>472,714</u>	<u>-</u>
Total net position	<u>472,714</u>	<u>14,922</u>
Total liabilities and net position	<u>\$ 472,714</u>	<u>\$ 14,922</u>

*The accompanying notes are an integral part of this statement*

**Town of New Shoreham, Rhode Island**

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

*For the Year Ended June 30, 2024*

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	<b>Other Post Employee Benefits Trust Fund</b>	<b>Custodial Fund North Light Fund</b>
<b>Additions</b>		
Employer contributions	\$ 35,100	\$ -
Donations	-	10
Earnings on investment	40,132	-
Total additions	<u>75,232</u>	<u>10</u>
<b>Deductions</b>		
Administrative expenses	<u>1,328</u>	<u>-</u>
Total deductions	<u>1,328</u>	<u>-</u>
Changes in fund equity held in trust for individuals, organizations, and other governments	73,904	10
Net position - beginning	<u>398,810</u>	<u>14,912</u>
Net position - ending	<u><u>\$ 472,714</u></u>	<u><u>\$ 14,922</u></u>

*The accompanying notes are an integral part of this statement*

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies:**

The accompanying basic financial statements of the Town of New Shoreham, 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 other disclosures to which they relate.

### ***Financial reporting entity:***

The Town was incorporated in 1672 and is governed under a home rule charter adopted in 1988 and revised in 2001, 2011 and 2021. The charter provides for a Town Council/Town Manager form of government. Legislative authority is vested in a five-member Town Council elected to biennial terms. A five-member School Committee is vested with autonomous legislative authority over the Town's public school system. Members of the School Committee are elected to biennial terms.

The council-appointed Town Manager serves as chief executive officer over all municipal services including public safety, public works (highway, harbors, maintenance, and sanitation), health and social services, recreation, public improvements, planning, zoning and inspection, and general administrative services. The Superintendent of Schools, appointed by the School Committee, serves as the chief executive officer for the School Department, which provides elementary and secondary education to Town residents.

All legislative powers of the Town, except such powers as are reserved by state law or vested in the Financial Town Meeting by the Charter and by-laws enacted by the Town Council, are vested in the Town Council by the Charter, including the ordering of any tax, making of appropriations and transacting of any other business pertaining to the financial affairs of the Town.

In evaluating the inclusion of other separate and distinct legal entities as component units within its financial reporting structure, the Town applied the criteria prescribed by Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, "Determining Whether Certain Organizations Are Component Units." A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable or for which the nature and significance of its relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. It was further noted through GASB 61 that the Land Trust and Town share a material financial relationship. Through the application of GASB Statement Nos. 14 and GASB 61 criteria, the Block Island Land Trust (Land Trust) has been presented as a component unit of the Town, hereinafter referred to as "component unit," in the accompanying government wide financial statements. The separate financial statements of the Land Trust can be obtained from the Block Island Land Trust, PO Box 220, Block Island, RI 02807.

An elected Board of Trustees governs the Land Trust. The purpose of the Land Trust is to promote preservation of the environment and character of the Town; preserve suitable open spaces for recreation and for the conservation of forestry and wildlife; promote responsible development of real estate and sound conservational practices; protect environmentally sensitive or threatened existing and/or future fresh-water wellfields, aquifer recharge areas and wetlands; and to promote public access and views of harbors, ponds, marshes, farmland or forest situated in the Town. Upon termination or dissolution of the Land Trust, title to all remaining funds, land and land rights will vest with the Town. The Land Trust is included in the Town's reporting entity because of the significance of its operational and financial relationships with the Town.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### **Note 1. Summary of significant accounting policies (continued):**

marshes, farmland or forest situated in the Town. Upon termination or dissolution of the Land Trust, title to all remaining funds, land and land rights will vest with the Town. The Land Trust is included in the Town's reporting entity because of the significance of its operational and financial relationships with the Town.

#### ***Basis of presentation:***

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, public works, community services, education and general and financial administrative services are classified as governmental activities. The Town's Water and Sewer Funds are classified as a business-type activity.

#### ***Government-wide financial statements:***

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

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

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

#### ***Basic Financial Statements - Fund financial statements:***

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

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### **Note 1. Summary of significant accounting policies (continued):**

Fund financial statements of the Town are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts which constitute its assets, liabilities, fund equity, revenues, and expenditures. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds, each displayed in a separate column.

Major individual governmental and proprietary 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 both of 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
- (b) Total assets plus deferred outflows of resources, liabilities plus deferred inflows of resources, revenues, or expenditures/expenses of that 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 and enterprise 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:

#### ***General fund:***

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 operates with a positive unassigned fund balance.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## Note 1. Summary of significant accounting policies (continued):

### *Governmental funds (continued):*

#### *Special revenue funds:*

**Special revenue funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Town's only major special fund is comprised of aggregate School Department funds. All other special revenue funds are non-major.

#### *Capital projects funds:*

**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 outlays. The Town's capital project funds include funds restricted for use on road construction, broadband construction projects and general public works. The school's capital project fund is for School improvement projects, which are included within the combined School Department funds.

#### *Permanent funds:*

**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.

### *Proprietary funds:*

Proprietary funds are used to account for business-like activities provided to the general public ("enterprise funds") or within the government ("internal service funds"). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town's enterprise funds include both the Sewer and Water funds, both are considered a major fund. The Town has no internal service 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:

#### *Private purpose trust:*

The Town's **private purpose trust funds** are used to account for resources legally held in trust for use by parties outside of the Town in accordance with a donor's instructions, and cannot be used at the Town's discretion or to support the Town's general operations. These trusts are for the benefit of local educational organizations, social benefit groups, and other private parties. The Town has no private purpose trust funds.

#### *Other Employee Benefits Trust Fund:*

The Town currently has a Other Post Employment Benefit (OPEB) Trust fund established in 2016 for the benefit of the school department retirees health insurance.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 1. Summary of significant accounting policies (continued):

#### *Fiduciary funds (continued):*

##### *Custodial:*

**Custodial funds** are established when the Town holds assets in custody for others.

#### *Measurement Focus and Basis of Accounting*

The government wide-financial statements, proprietary and fiduciary fund financial statements, including the component unit, 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 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 fund 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, payments in lieu of taxes, federal impact aid, state aid, telephone, hotel and 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 revenues.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies (continued):**

### ***Measurement Focus and Basis of Accounting (continued)***

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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.

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

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.

### ***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 has adopted an investment policy for custodial credit risk and 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. State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, and repurchase agreements.

The Town does have a deposit policy that addresses various investment risks. These risks are also mitigated by collateralization agreements held by the Town which protect their investments.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies (continued):**

### ***Fair value measurements:***

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 quoted 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.

### ***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 elimination made between or within funds. Reimbursements are accounted for as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund. All other interfund transactions in the governmental fund financial statements are operating transfers on the operating statements of the funds involved.

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

### ***Intergovernmental receivables:***

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 grants requirements are met.

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

### ***Prepaid Items:***

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

### ***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.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 1. Summary of significant accounting policies (continued):

#### *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 the price that would be paid to acquire an asset or liquidate a liability at the date of donation (acquisition value).

Capitalized fixed assets are defined by the Town as assets with an initial, individual cost of \$25,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

The Town is exempt from reporting the value of prior infrastructure assets in its financial statements; however, the Town elected to report infrastructure assets commencing July 1, 2005. The value of business-type fund infrastructure assets is fully reported and depreciated as applicable in the enterprise fund financial statements.

Depreciation of 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>Useful Years</u>
Land improvements	30
Buildings and improvements	10-30
Motor vehicles and vessels	5-10
Furniture and equipment	5
Machinery and equipment	5-10
Infrastructure	30

Capital assets of the component unit consist principally of non-depreciable land, which is stated at cost, if acquired, or estimated fair value at date of donation, if donated.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### **Note 1. Summary of significant accounting policies (continued):**

#### ***Leases:***

A lease is a contract that conveys the controls of the right to use another entity's nonfinancial asset (the underlying asset) for a period of time in an exchange or exchange-like transactions. 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 cannot be readily determined from the lease agreement, the Town would use 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 the criteria are recognized as current period revenues and expenses.

#### ***Subscription-based information technology arrangements (SBITA):***

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in conjunction with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period in which the municipality has a noncancellable right to use the IT asset. The subscription also includes the periods covered by an option to extend or to terminate the contract. The Town would recognize a right-to-use subscription based asset as an intangible asset with a corresponding subscription based liability. The liability should be initially measured at the present value of the payments expected to be made during the term. Future payments should be discounted using the interest rate the Software vendor charges or the government's incremental borrowing rate.

#### ***Compensated absences:***

The liability for compensated absences reported in the government-wide financial statements consists of unpaid, accumulated annual vacation 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 expenditure and a fund liability of the governmental fund(s) that will pay it.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### **Note 1. Summary of significant accounting policies (continued):**

#### ***Long-term obligations:***

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations (including compensated absences) are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the term of the related debt using the effective interest method. Bond issuance costs are expensed as incurred.

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 face amount of debt issued is reported as another financing source. Bond premiums are reported as other financing sources while discounts are reported as other financing uses.

#### ***Deferred inflows and outflows of resources:***

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

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

#### ***Accrued liabilities:***

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

#### ***Pensions:***

For the purposes of measuring the net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System plans and the additions to/ deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, 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.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies (continued):**

### ***Fund balance / net position:***

#### ***Government-wide and proprietary fund financial statements:***

The Town of New Shoreham's net position has been segregated into the following three components:

- 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 other borrowings that are attributable to the acquisition, construction or improvements of those assets.
- Restricted – assets that have been limited to uses specified either externally by creditors, contributors, laws or regulations of other governments or internally by enabling legislation or law; reduced by liabilities and deferred inflows of resources related to the restricted assets.
- Unrestricted – a residual category for the balance of net position. All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

#### ***Governmental fund financial statements:***

Governmental fund equity is classified as fund balance. The Town’s fund balance is reported in the following categories:

- Non-spendable – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact (such as corpus of an endowment fund).
- Restricted – amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. The Town’s restricted fund balance consists principally of bond funds restricted for capital projects, amounts in permanent funds restricted for specific uses, and grant funds restricted for specific grant expenditures.
- Committed – amounts constrained to specific purposes by the Town, using its highest level of decision-making authority. Commitments will only be used for specific purposes pursuant to a formal action of the Town Council. A majority vote is required to approve, modify, or rescind a fund balance commitment.
- Assigned – amounts that are intended by the Town to be used for specific purposes, but are neither restricted nor committed. 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 – amounts available for any purpose; these amounts are reported only in the General fund.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies (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.

### ***Property taxes:***

The Town is permitted by state law to levy property taxes. Current tax collections for the Town were approximately 95.1% of the total 2024 levy. The tax levy of the Town is approved by the citizens at the Financial Town Meeting.

The Town's fiscal 2023-2024 property taxes were levied in July 2023 on assessed valuation as of December 31, 2022. Upon levy, taxes are due and payable on August 15 or may be paid quarterly on August 15, November 15, February 15 and May 15. Failure to mail payments by due dates will result in lien on taxpayer's property. Taxable assessed values are established by Tax Assessor's Office and are currently calculated at approximately 80% of current market value.

### ***Intergovernmental revenues:***

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the fiscal year.

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.

State aid is recognized as revenue in the year in which funds are appropriated by the Rhode Island General Assembly, provided they are collected during the same fiscal year or during the period of availability.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies (continued):**

### ***Program revenues and expenses:***

In the statement of activities specific revenues are allocated to program expenses due to their direct relationships. Collections for licenses, fees, tickets and fines are among some of the revenue sources that are program revenues. Indirect expenses are not allocated to functions in the statement of activities.

### ***Bond premiums:***

In the Governmental Fund Financial Statements, bond premiums and debt issuance costs are treated as period costs in the year of issuance. Debt issuance costs are shown as an "expenditure" and bond premiums are reflected as an "other financing source".

In the Government-Wide Statements, bond premiums are deferred and amortized over the term of the related debt. Bond premiums are presented as an addition to the face amount of the bonds.

### ***Interfund activity:***

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. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

### ***Bond issuance costs:***

Bond issuance costs for government-wide operations and proprietary funds are no longer deferred and amortized over the terms of the bonds. Bond issuance costs are recognized as debt service expenditures in the period in which they occurred per GASB Statement 65.

### ***Encumbrances:***

Encumbrance accounting, under which purchase orders, contracts and other commitments for fund expenditures and/or expense are recorded in order to reserve portions of applicable appropriations, is employed in the governmental and business-type funds.

### ***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 New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## **Note 1. Summary of significant accounting policies (continued):**

### ***Employees' Retirement System (ERS) Pension:***

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.

### ***Municipal Employees' Retirement System (MERS) Pension:***

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Municipal Employees' Retirement System (MERS) of Rhode Island and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. 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.

### ***Other Post-Employment Benefits (OPEB):***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town'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.

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## Note 1. Summary of significant accounting policies (continued):

### *Accounting pronouncements implemented in the current year:*

During the fiscal year June 30, 2024, the Town of New Shoreham implemented GASB Statement Nos. 99 and 100, which all had no material reporting impacts on these financial statements.

### *Recently issued accounting pronouncements not yet effective:*

The GASB has issued the following statements:

- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, which is required to be implemented during fiscal year 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 101, *Compensated Absences*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 102, *Certain Risk Disclosures*, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statement at some point in the future.
- GASB Statement No. 103, *Financial Reporting Model Improvements*, which is required to be implemented during fiscal year 2026. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*, which is required to be implemented during fiscal year 2026. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 2. Compliance, and Accountability:

#### *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.

### Note 3. Cash, and cash equivalents:

At June 30, 2024, the carrying amount of the Town's deposits was \$13,559,544, of which \$7,625,577 was the carrying amount of the Block Island Land Trust, and the total bank balance was \$13,551,376.

The Town continues to maintain its collateralization and custodian agreement with the Washington Trust Company whereby certain funds are collateralized and held in the Town's name.

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.

The Town has not experienced any losses of funds in excess of federally insured limits held in any financial institutions. Management feels that the Town is not exposed to any significant credit risk related to cash.

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

At June 30, 2024, cash and cash equivalents of the Town and its component unit consists of the following:

#### *Cash and Cash Equivalents*

Funds with Financial Institutions	
Deposits	\$ 13,100,061
Money Market	445,886
Other funds	
Petty Cash	13,597
<b><i>Total cash and cash equivalents</i></b>	<b><u>\$ 13,559,544</u></b>

## Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

### Note 3. Cash, and cash equivalents (continued):

At June 30, 2024, cash and cash equivalents of the Town and its component unit are classified in the financial statements as follows:

**Statement of Net Position**

Cash and cash equivalents	\$ 13,693,039
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**Fiduciary Funds**

Cash and cash equivalents	14,922
<b>Total cash and cash equivalents</b>	<u><u>\$ 13,707,961</u></u>

*Custodial Credit Risk* - custodial credit risk is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk, but is governed by State laws as described below.

As of June 30, 2024, the Town's bank balance was exposed to custodial credit risk as follows:

	<b>Insured/ Collateralized in Town's Name</b>	<b>Maturities</b>	<b>Total Bank Balance</b>	<b>Carrying Amount</b>
Deposits:				
Demand deposits	\$ 4,323,004		\$ 4,323,004	\$ 4,323,004
Petty cash	-		-	13,597
Money market	445,886		445,886	445,886
Block Island Land Trust	8,782,486		8,782,486	8,777,057
	<u>\$ 13,551,376</u>		<u>\$ 13,551,376</u>	<u>\$ 13,559,544</u>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2024, the uninsured and uncollateralized deposits with institutions were \$0. These deposits are not time deposits with maturities greater than 60 days and are held by an institution that meets the minimum capital standards prescribed by federal regulators.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 4. Investments:

#### *Investments:*

The Town's investments at June 30, 2024, cash and cash equivalents of the Town are classified in the financial statements as follows:

<b><i>Investments</i></b>	
Certificates of Deposits	\$ -
Mutual funds	472,714
<b><i>Total Investments</i></b>	<b><u>\$ 472,714</u></b>

At June 30, 2024, investment of the Town are classified in the financial statements as follows:

<b><i>Statement of Net Position</i></b>	
Investments	\$ 27,921
<b><i>Fiduciary Funds</i></b>	
Investments	472,714
<b><i>Total investments</i></b>	<b><u>\$ 500,635</u></b>

#### *Interest rate risk:*

The Town policy limits investment maturities based on projected cash flow needs for each fund. In order to minimize risk of fair value losses arising from interest rate fluctuations, the Town uses the three-month U.S. Treasury Bill as a performance benchmark.

#### *Credit risk:*

The Town is governed by State Laws that limit investment choices to short-term investments for its' public deposits (General Fund) and reserve funds (Capital Projects). The investment choices are also limited as described above.

#### *Concentration of credit risk:*

The Town does not have any policies that limit the amount that can be invested with one issuer.

#### *Custodial credit risk:*

Custodial credit risk for investments is the risk that in the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy governing custodial credit risk.

## Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

### Note 4. Investments (continued):

At June 30, 2024, investments of the Town are categorized as follows:

Investments at Fair Value	June 30, 2024	Fair Value Measurements		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of deposit	\$ -	\$ -	\$ -	\$ -
Mutual funds (OPEB Trust)	472,714	472,714	-	-
Total investments measured at fair value	<u>\$ 472,715</u>	<u>\$ 472,715</u>	<u>\$ -</u>	<u>\$ -</u>

In determining fair value, the Town uses various valuation approaches, as appropriate in the circumstances. GASB Statement No. 72 establishes a fair value hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. 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 the 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)

### Note 5. Assets Held in Trust:

The Town's library is the beneficiary of the Island Free Library Endowment Fund held by the Rhode Island Foundation. Since the assets are administered at the discretion of the trustee, which has the unilateral power to redirect the use of the assets to another beneficiary, the assets are not included in the accompanying financial statements. The fair value of these assets at June 30, 2024 totaled approximately \$88,498.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

### Note 6. Interfund Transactions:

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have sufficient resources to cover all costs with revenue generated by the fund at the time the cost is uncured, or as a matter of administrative convenience in terms of where cash is deposited and drawn from Interfund receivables and payables at June 30, 2024 are as follows:

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>	<u>Other Financing Sources</u>	<u>Other Financing Uses</u>
<b>Governmental Funds</b>				
General Fund	\$ 14,588,831	\$ 2,253,049	\$ 423,107	\$ 5,540,396
Broadband Fund	-	11,421,358	-	-
School Department Fund	1,341,187	258,531	5,576,187	35,792
Non-Major Governmental Fund	14,750	2,945,495	114,420	537,526
<b>Proprietary Funds</b>				
Sewer	84,043	59,795	-	-
Water	1,300,357	390,940	-	-
	<u>\$ 17,329,168</u>	<u>\$ 17,329,168</u>	<u>\$ 6,113,714</u>	<u>\$ 6,113,714</u>

### Note 7. Block Island Power Company Investment:

On November 7, 2016 the Town acquired 2/3 of the outstanding shares of the Block Island Power Company for \$1,800,000, financed with general obligation debt. Effective July 21, 2017 the RI State Legislature created the Block Island Utility District, a quasi-municipal corporation legally distinct from the State or the Town, to provide utility (including power) products to Block Island. In March 25, 2019 the assets of Block Island Power Company were sold to the Block Island Utility District, completing the transition to a non-profit, ratepayer-controlled utility district to own and operate the electric utility. Block Island Power Company (now Island Light and Power) held the proceeds of that asset sale and the Town is the sole shareholder of Island Light and Power. The Town's liquidated investment in Island Light and Power was used to establish a debt service reserve to be used toward the repayment of the \$1,800,000 general obligation debt. During fiscal year 2023 the Town recognized a \$906,977 loss on the Block Island Power Company Investment (BIPCO).

On August 8, 2020 the Town issued a bond of \$3,300,000 for 10 years. Of this amount \$1,800,000 was to pay the Short-Term BAN and the remainder was used to for funding of Thomas Property Capital Projects.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

### Note 8. Capital Assets:

	Balance July 1, 2023	Increases	Decreases	Disposal	Balance June 30, 2024
<b>Governmental Activities:</b>					
Capital assets not being depreciated					
Land	\$ 22,944,328	\$ -	\$ -	\$ -	\$ 22,944,328
Construction in progress	1,357,492	2,229,513	-	-	3,587,005
Subtotal	<u>24,301,820</u>	<u>2,229,513</u>	<u>-</u>	<u>-</u>	<u>26,531,333</u>
Capital assets being depreciated					
Infrastructure	14,439,888	315,456	-	-	14,755,344
Land improvements	8,614,988	-	-	-	8,614,988
Buildings and improvements	23,633,051	151,925	-	-	23,784,976
Machinery and equipment	3,491,719	69,221	-	-	3,560,940
Furniture and fixtures	973,669	-	-	-	973,669
Library books and textbooks	304,853	17,072	-	-	321,925
Motor vehicles and vessels	4,520,111	110,961	-	21,340	4,609,732
Total capital assets being depreciated:	<u>55,978,279</u>	<u>664,635</u>	<u>-</u>	<u>21,340</u>	<u>56,621,574</u>
Amortized Assets:					
Intangible right to use					
Leased vehicles	115,129	-	-	-	115,129
Total Leases being amortized	<u>115,129</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>115,129</u>
Less accumulated depreciation for:					
Infrastructure	2,092,315	679,867	-	-	2,772,182
Land improvements	3,557,781	392,001	-	-	3,949,782
Buildings and improvements	15,807,535	750,344	-	-	16,557,878
Machinery and equipment	2,159,904	187,057	-	-	2,346,960
Furniture and fixtures	749,803	21,776	-	-	771,579
Library books and textbooks	293,174	18,518	-	-	311,693
Motor vehicles and vessels	2,828,866	177,818	-	21,340	2,985,344
Total accumulated depreciation	<u>27,489,378</u>	<u>2,227,381</u>	<u>-</u>	<u>21,340</u>	<u>29,695,419</u>
Total capital assets being depreciated, net	<u>28,488,901</u>	<u>(1,562,746)</u>	<u>-</u>	<u>-</u>	<u>26,926,155</u>
Less accumulated amortization for:					
Leased vehicles	98,141	16,988	-	-	115,129
Total accumulated amortization	<u>98,141</u>	<u>16,988</u>	<u>-</u>	<u>-</u>	<u>115,129</u>
Governmental activities capital assets, net	<u>\$ 52,807,709</u>	<u>\$ 649,779</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,457,488</u>

Depreciation & Amortization was charged to functions as follows:

General government	\$ 693,273
Public safety	428,453
Public works	413,076
Recreation, library, and other	275,170
Education	434,397
	<u>\$ 2,244,369</u>

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2024*

### Note 8. Capital assets (continued):

	<b>Balance July 1, 2023</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2024</b>
<b>Business-type activities:</b>				
Capital Assets not being depreciated				
Land	\$ 954,203	\$ -	\$ -	\$ 954,203
Construction in progress	1,093,514	1,965,494	291,165	2,767,843
Subtotal	2,047,717	1,965,494	291,165	3,722,046
Capital assets being depreciated:				
Buildings and improvements	5,190,201	44,500	-	5,234,701
Equipment	1,913,698	56,771	-	1,970,469
Underground piping	16,893,933	1,121,571	-	18,015,504
Wells / reserves osmosis / water supply	1,940,455	298,379	-	2,238,834
Total capital assets being depreciated	25,938,287	1,521,221	-	27,459,508
Amortized Assets:				
Intangible right to use				
Leased vehicles	37,368	-	-	37,368
Total Leases being amortized	37,368	-	-	37,368
Less accumulated depreciation for:				
Buildings and improvements	4,036,438	135,887	-	4,172,325
Equipment	1,692,878	56,401	-	1,749,279
Underground piping	9,631,922	378,657	-	10,010,579
Wells / reserves osmosis / water supply	744,630	48,814	-	793,444
Total accumulated depreciation	16,105,868	619,759	-	16,725,627
Less accumulated amortization for:				
Leased vehicles	22,025	15,343	-	37,368
Total accumulated amortization	22,025	15,343	-	37,368
Total capital assets being depreciated, net	9,832,419	901,462	-	10,733,881
Business-type activities capital asset, net	\$ 11,895,479	\$ 2,851,613	\$ 291,165	\$ 14,455,927

Depreciation and Amortization was charged to functions as follows:

Business-type activities:

Sewer Fund	\$ 391,045
Water Fund	228,714
	\$ 619,759

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 9. Debt:**

Changes in debt obligations during the year ended June 30, 2024, were as follows:

***Short-term debt:***

Purpose	Amount of Original Issue	Fiscal Year of Issue	Interest Rate	Fiscal Year of Maturity	Balance July 1, 2023	New Issues	Refundings	Retirements	Balance, June 30, 2024
<b>Governmental Activities</b>									
2023 BAN	\$ 8,000,000	2023	1.21%	2024	\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -
					\$ 8,000,000	\$ -	\$ -	\$ 8,000,000	\$ -

***Long-term liabilities:***

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due within one year
<b>Governmental activities:</b>					
Bonds payable:					
Bonds and notes	\$ 18,397,000	\$ 7,350,000	\$ 2,561,000	\$ 23,186,000	\$ 3,152,000
Premium on bonds	67,894	698,697	52,960	713,631	52,960
<b>Total bonds payable</b>	<u>18,464,894</u>	<u>8,048,697</u>	<u>2,613,960</u>	<u>23,899,631</u>	<u>3,204,960</u>
Capital leases	16,989	-	16,989	-	-
Net pension liability	4,237,976	-	187,366	4,050,610	-
Net other post-employment benefit liability	335,447	-	57,217	278,230	-
Compensated absences	352,452	-	8,191	344,261	143,584
<b>Total long-term obligations</b>	<u>\$ 23,407,758</u>	<u>\$ 8,048,697</u>	<u>\$ 2,883,723</u>	<u>\$ 28,572,732</u>	<u>\$ 3,348,544</u>
<b>Business-type activities:</b>					
Bonds and notes	\$ 5,012,097	\$ -	\$ 143,810	\$ 4,868,287	\$ 148,065
Capital leases	15,343	-	7,448	7,895	7,895
Compensated absences	99,660	11,660	-	111,320	43,377
<b>Total long-term obligations</b>	<u>\$ 5,127,100</u>	<u>\$ 11,660</u>	<u>\$ 151,258</u>	<u>\$ 4,987,502</u>	<u>\$ 199,337</u>
<b>Total government-wide obligations</b>	<u>\$ 28,534,858</u>	<u>\$ 8,060,357</u>	<u>\$ 3,034,981</u>	<u>\$ 33,560,234</u>	<u>\$ 3,547,881</u>

All debt of the Government Activities is general obligation debt. The payments on the bonds are paid from the General Fund. The compensated absences, financed purchase and net pension liabilities are paid from the General Fund. The payments on the bonds in the Business-type activities are paid from the Water and Sewer Fund.

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

For the Year Ended June 30, 2024

**Note 9. Debt (continued):**

***Bonds and Notes Payable***

General obligation bonds and notes currently outstanding for governmental activities are as follows:

Purpose	Amount of Original Issue	Fiscal Year of Issue	Interest Rate	Fiscal Year of Maturity	Balance July 1, 2023	New Issues	Refundings	Retirements	Balance, June 30, 2024
<b>Governmental Activities</b>									
BILT 2012 New Money	\$ 2,364,000	2012	2.0-4.0%	2032	\$ 1,235,000	\$ -	\$ -	\$ 120,000	(a) \$ 1,115,000
School Construction 2005 (2015 Refunding)	4,930,000	2015	2.25%	2025	1,020,000	-	-	500,000	520,000
School Construction 2006 (2015 Refunding)	645,000	2015	2.40%	2026	180,000	-	-	60,000	120,000
Town Hall Construction 2006 (2015 Refunding)	640,000	2015	2.40%	2026	175,000	-	-	60,000	115,000
2014 MRBRF (Weldon's Way)	255,000	2015	0.6-3.0%	2029	128,000	-	-	17,000	111,000
2016 MRBRF (Road & Bridge Old Town Road)	296,000	2016	0.8-2.7%	2035	213,000	-	-	14,000	199,000
2017 MRBRF (Road & Bridge Old Town Road)	449,000	2017	.72 - 2.22%	2037	352,000	-	-	20,000	332,000
2017 Series B Refunding (2009)	1,635,000	2017	2.69%	2029	940,000	-	-	155,000	785,000
2017 Series A (Beach House, Drs House)	1,400,000	2017	2.30%	2027	740,000	-	-	140,000	600,000
2018 RIIB/ West Beach	1,995,000	2018	1.21-2.53%	2033	1,527,000	-	-	123,000	1,404,000
2020 Refunding (2010 Refunding)	2,080,000	2020	1.406%	2030	1,496,000	-	-	203,000	1,293,000
2020 Series B (Thomas Property, BIPCO)	3,300,000	2020	1.78%	2030	2,364,000	-	-	320,000	2,044,000
2020 Series A (Broadband CAI)	550,000	2020	1.41%	2030	392,000	-	-	54,000	338,000
2021 Series 2022, General Obligation Bond	8,400,000 (b)	2022	2.14%	2031	7,635,000	-	-	775,000 (b)	6,860,000
2023 GO Bonds (Broadband)	7,350,000	2024	5.00%	2034	-	7,350,000	-	-	7,350,000
<b>Total</b>	<b>\$ 44,998,000</b>				<b>\$ 18,397,000</b>	<b>\$ 7,350,000</b>	<b>\$ -</b>	<b>\$ 2,561,000</b>	<b>\$ 23,186,000</b>

(a) Includes amounts paid by BILT \$115,000

(b) Includes \$1,500,000 as shared debt with BILT

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

For the Year Ended June 30, 2024

**Note 9. Debt (continued):**

***Bonds and Notes Payable (continued)***

General obligation bonds and notes currently outstanding for business-type activities are as follows:

Purpose	Amount of Original Issue	Fiscal Year of Issue	Interest Rate	Fiscal Year of Maturity	Balance July 1, 2023	New Issues	Refundings	Retirements	Balance, June 30, 2024
<b>Enterprise Funds</b>									
<b><i>Sewer Fund</i></b>									
Headworks	\$ 349,000	2007	4.13%	2047	\$ 270,351	\$ -	\$ -	\$ 6,812	\$ 263,539
2006 Sewer Improvements	192,500	2006	4.375%	2046	147,119	-	-	3,840	143,279
Land	472,175	2005	4.25%	2045	349,242	-	-	9,909	339,333
2012 Sewer Improvements	458,000	2012	2.75%	2052	385,119	-	-	8,435	376,684
2014 Sewer Improvements	219,000	2014	2.75%	2053	188,072	-	-	3,926	184,146
2015 Sewer Improvements	689,000	2015	2.75%	2055	603,731	-	-	12,019	591,712
2017 Sewer Improvements	674,000	2018	3.13%	2058	627,719	-	-	10,142	617,577
<b>Sewer Total</b>	<b>\$ 3,053,675</b>				<b>\$ 2,571,353</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 55,083</b>	<b>\$ 2,516,270</b>
<b><i>Water Fund</i></b>									
Discharge	\$ 442,000	2007	4.125%	2047	\$ 342,394	\$ -	\$ -	\$ 8,625	\$ 333,769
2011 Water Supply	450,000	2011	3.25%	2051	368,825	-	-	8,277	360,548
2005 Water Supply	179,445	2005	4.25%	2045	132,724	-	-	3,766	128,958
Clean Water GOB	614,287	2004	3.26%	2024	83,000	-	-	41,000	42,000
2015A Water Supply	123,000	2015	2.75%	2055	107,774	-	-	2,146	105,628
2015 Water Supply	98,000	2015	2.75%	2055	85,872	-	-	1,710	84,162
2022 Water Supply	1,343,000	2022	2.75%	2062	1,320,155	-	-	23,203	1,296,952
<b>Water Total</b>	<b>\$ 3,249,732</b>				<b>\$ 2,440,744</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 88,727</b>	<b>\$ 2,352,017</b>
<b>Total</b>	<b>\$ 6,303,407</b>				<b>\$ 5,012,097</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 143,810</b>	<b>\$ 4,868,287</b>

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 9. Debt (continued):**

***Bonds and Notes Payable (continued)***

At June 30, 2024 annual debt service requirements to maturity for bonds and Notes payable are as follows:

**Governmental activities:**

Year ending June 30,	Principal	Interest	Total
2025	\$ 3,152,000	\$ 756,890	\$ 3,908,890
2026	2,753,000	620,570	3,373,570
2027	2,712,000	542,479	3,254,479
2028	2,779,000	464,221	3,243,221
2029	2,700,000	385,114	3,085,114
2030-2034	8,947,000	795,471	9,742,471
2035-2039	143,000	6,769	149,769
	<u>\$ 23,186,000</u>	<u>\$ 3,571,513</u>	<u>\$ 26,757,513</u>

**Business-type activities:**

Year ending June 30,	Principal	Interest	Total
2025	\$ 148,065	\$ 143,929	\$ 291,993
2026	109,356	139,768	249,124
2027	112,757	136,367	249,124
2028	116,210	132,914	249,124
2029	119,906	129,218	249,124
2030-2034	658,427	587,193	1,245,620
2035-2039	769,651	380,610	1,150,261
2040-2044	901,243	344,377	1,245,620
2045-2049	795,694	200,388	996,082
2050-2054	636,863	102,569	739,432
2055-2059	360,759	34,995	395,754
2060-2064	139,356	4,704	144,060
	<u>\$ 4,868,287</u>	<u>\$ 2,337,032</u>	<u>\$ 7,205,318</u>

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 9. Debt (continued):**

***Bonds and Notes Payable (continued)***

This component unit general obligation bond is being paid by the Town’s general government with funds being transferred from the component unit. This amount is already being accounted for within the governmental activities portion of this note.

**Component Unit:**

Year ending June 30,	Principal	Interest	Total
2025	\$ 261,964	\$ 70,815	\$ 332,779
2026	270,536	62,977	333,513
2027	279,107	54,863	333,970
2028	285,893	46,472	332,364
2029	294,464	37,843	332,307
2029-2032	948,036	58,427	1,006,463
	\$ 2,340,000	\$ 331,395	\$ 2,671,395

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities, and are direct obligations and pledge the full faith and credit of the Town. In addition, general obligation bonds have been issued to refund previously outstanding general obligation bonds.

Rhode Island General Law caps the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from non-tax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2022 was \$2,085,227,255 limiting the amount of non-exempted general obligation bonds outstanding to \$62,556,818. At June 30, 2024, general obligation bonds outstanding totaled \$28,054,287 including amounts which are exempt from the cap.

The component unit may request that the Town issue bonds for the purpose of financing its activities. On November 15, 2002, the Town issued general obligation bonds in the amount of \$4,500,000, of which \$3,500,000 was designated to finance the acquisition of open space and farmland by the component unit. These funds were used to purchase the 24.8 acre Hodge Property for an aggregate sale price of \$8,500,000. The component unit, the Town, and each of the other two unrelated third parties are identified as the buyers, and the agreement between the buyers and seller is executed as a single contract, according to an undivided interest in the property among the four parties. On June 6, 2012, the Town issued \$2,364,000 in general obligation bonds with an average interest rate of 3.0% to finance the acquisition of open space.

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 9. Debt (continued):**

***Bonds and Notes Payable (continued)***

In March of 2022, the Town issued a general obligation bond in the amount of \$8,400,000. The Block Island Land Trust portion of the Town’s general obligation bond is \$1,500,000. The terms and payments required on this bond generally coincide with the interest rates, principal installments and maturities of the related general obligation bond of the Town.

The balance of the note receivable from the component unit at June 30, 2024 was \$2,340,000.

***Compensated absences:***

Compensated absences typically have been liquidated in the General Fund, School Department governmental funds and Sewer and Water Funds.

**Note 10. Fund Balances:**

	Major Funds			Non-Major Funds			Total
	General Fund	Capital Project Broadband Fund	School Department	Special Revenue	Capital Projects	Permanent Trust	
<b>Fund Balances:</b>							
<b>Nonspendable:</b>							
Corpus of endowment funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 302,005	\$ 302,005
Land Trust note receivable	2,340,000	-	-	-	-	-	2,340,000
<b>Restricted for:</b>							
Capital outlay by bond covenant	16,391	-	-	-	-	-	16,391
Road Repairs by Bond Allocation	-	-	-	-	-	-	-
North Light purposes	617	-	-	-	-	-	617
Opioid Settlement	-	-	-	-	-	-	-
Educational purposes	-	-	44,823	-	-	-	44,823
Bond proceeds	7,350,000	-	-	-	-	-	7,350,000
Deer Management	-	-	-	-	-	-	-
Historic records trust	23,935	-	-	-	-	-	23,935
Technology fund	85,828	-	-	-	-	-	85,828
Recreational, library, and other purposes	-	-	-	1,694,646	-	-	1,694,646
<b>Committed to:</b>							
Educational purposes	-	-	705,751	-	-	-	705,751
Capital projects	-	-	15,546	-	-	-	15,546
<b>Assigned to:</b>							
BIPCO debt service reserve	567,369	-	-	-	-	-	567,369
Reserve for encumbrances	696,921	-	-	-	-	-	696,921
Recreational, library, and other purposes	50,544	-	-	-	-	-	50,544
<b>Unassigned</b>	3,877,411	(11,258,876)	-	-	(2,945,491)	-	(10,326,956)
	<b>\$ 15,009,016</b>	<b>\$ (11,258,876)</b>	<b>\$ 766,120</b>	<b>\$ 1,694,646</b>	<b>\$ (2,945,491)</b>	<b>\$ 302,005</b>	<b>\$ 3,567,420</b>

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

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**NOTE 11: Fund Deficits**

The following funds had deficit fund balances (negative unassigned fund balances) as of June 30, 2024:

<b>Special Revenue</b>	
BICEP	\$ -
<b>Capital Projects</b>	
Broadband Construction	(11,258,876)
Roads Construction	(1,651,091)
School Construction	(591,836)
Thomas Prop Construction	(702,564)
<b>School Special Revenue</b>	
RTTT	<u>\$ -</u>
Total fund deficits	<u><u>\$ (14,204,367)</u></u>

The deficits noted above will be funded by future administration plans; bond issues and available fund balance.

**Note 12. Other Post-Employment Benefits:**

***Plan Description***

The School Department of New Shoreham Post-Employment benefit is a single employer defined benefit postretirement health insurance plan. The Town does not take part in this plan. The School Department provides health benefits to its public school professional staff with 20 years of accumulated service. A teacher at the Block Island School may continue to receive the same health care coverage as offered to the bargaining unit for five contract years, until Medicare takes over or age 65, whichever occurs first.

***Contributions***

The contribution requirements of plan members are established and may be amended through provisions of Rhode Island General Law, Town Ordinances and through collective bargaining. The plan has set up a trust in fiscal year 2016.

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 12. Other Post-Employment Benefits (continued):**

***Plan Membership***

At June 30, 2024, the plans membership consisted of the following:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Participants	17	2	19

***Concentrations***

There were no concentrations noted as of June 30, 2024.

***Rate of return***

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 10.1%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

***Net OPEB Liability of the School Department***

The components of the net OPEB liability of the School Department at June 30, 2024 were as follows:

<u>Description</u>	<u>Amounts</u>
Total OPEB Liability (TOL)	\$ 750,943
Fiduciary Net Position	<u>472,714</u>
Net OPEB Liability (NOL)	<u>278,229</u>
Funded Ratio (Fiduciary Net Position / NOL)	62.95%
Covered Payroll (active plan members)	\$ 2,311,918
NOL as a Percentage of Covered Payroll	12.03%

***Actuarial assumptions***

The total OPEB liability was determined by an actuarial valuation as of June 30, 2024, using the following actuarial assumptions applied to all periods included in the measurement, unless otherwise specified:

<u>Description</u>	<u>Assumption</u>
Single Equivalent Discount Rate	6.30%, net of OPEB plan investment expense, including inflation.
Inflation	3.00% as of June 30, 2024 and for future periods
Investment rate of return	6.30%, net of OPEB plan investment expense, including inflation.
Salary increases	3.00% annually as of June 30, 2024 and for future periods

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 12. Other Post-Employment Benefits (continued):**

***Investment Policy***

The Town’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 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’s adopted asset allocation policy as of June 30, 2024:

<b>Asset Class</b>	<b>Target Allocation</b>
U.S. Equity	24.00%
Non-U.S. Equity	12.00%
U.S. Aggregate Bonds	23.00%
Intermediate-Term Credit	14.00%
Short-Term Credit	8.00%
Non-U.S. Bonds	15.00%
REITs	4.00%
Total	100.00%

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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, 2024 are summarized in the following table:

<b>Asset Class</b>	<b>Median Nominal Return Expectation</b>
U.S. Equity	7.50%
Non-U.S. Equity	7.10%
U.S. Aggregate Bonds	4.50%
Intermediate-Term Credit	4.90%
Short-Term Credit	4.50%
Non-U.S. Bonds	4.20%
REITs	6.60%
I. Real Rate of Return	6.30%
II. Inflation Assumption	2.10%
III. Total Nominal Return [I. + II.]	8.40%

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 12. Other Post-Employment Benefits (continued):**

***Discount rate***

The discount rate used to measure the total OPEB liability was 6.30 percent. The projection of cash flows used to determine the discount rate assumed that Town 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.

***Changes in Net OPEB Liability***

	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability</b>
Balance at June 30, 2023	\$ 734,258	\$ 398,811	\$ 335,447
Service cost	31,608	-	31,608
Interest on net OPEB liability and service cost	44,704	-	44,704
Differences between actual and expected experience	(36,824)	-	(36,824)
Changes in assumptions	19,425	-	19,425
Benefit payments, including refunds	(42,228)	(42,228)	-
Contributions - employer	-	77,328	(77,328)
Administrative expenses	-	(1,328)	1,328
Net investment income	-	40,131	(40,131)
	<u>16,685</u>	<u>73,903</u>	<u>(57,218)</u>
Net changes			
Balances at June 30, 2024	<u>\$ 750,943</u>	<u>\$ 472,714</u>	<u>\$ 278,229</u>

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

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	43,923	392,927
Changes of assumptions	21,584	39,144
Net difference between projected and actual earnings on OPEB plan investments	<u>6,866</u>	<u>-</u>
	<u>\$ 72,373</u>	<u>\$ 432,071</u>
Net amount of deferred outflows and inflows		<u>\$ (359,698)</u>

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 12. Other Post-Employment Benefits (continued):**

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

Year Ended June 30:	
2025	\$ (47,230)
2026	(41,189)
2027	(54,207)
2028	(53,884)
2029	(50,848)
Thereafter	<u>(112,340)</u>
	<u>(359,698)</u>

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

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.3 percent) or 1-percentage-point higher (6.3 percent) than the current discount rate:

	<u>Impact of 1% Change in Discount Rate</u>		
	<u>1% Decrease (5.30%)</u>	<u>Current discount rate (6.30%)</u>	<u>1% Increase (7.30%)</u>
Total OPEB liability	\$ 315,281	\$ 278,229	\$ 243,250

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

The following presents the net OPEB liability of the School Department, as well as what the School Department's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 3.5 percent) or 1-percentage-point higher (8.5 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	<u>Impact of 1% Change in Healthcare Trend Rate</u>		
	<u>1% Decrease (6.50% decreasing to 3.50%)</u>	<u>Current trend rate (7.50% decreasing to 4.50%)</u>	<u>1% Increase (8.50% decreasing to 5.50%)</u>
Total OPEB liability	\$ 227,052	\$ 278,229	\$ 334,790

## Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 13. Employees' Retirement System (ERS):

#### *Employees' Retirement System Plan*

##### **General Information about the Pension Plan**

**Plan description** - Certain employees of the Town of New Shoreham, 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 to retirees based on statutory provisions (Section 36-10-35 of the Rhode Island General Laws). For members and/or beneficiaries of members who retired on or before June 30, 2012, cost of living adjustments are computed annually. For members retiring on or after July 1, 2012, twenty-five percent of the cost of living adjustment is computed annually until the plan reaches a 75% funded status. The full benefit adjustment is reinstated for all members upon the plan reaching 75% funded status.

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

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

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**Note 13. Employees' Retirement System (ERS) (continued):**

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

**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 2024, 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 15.02% and 15.06% of annual covered payroll for the fiscal year ended June 30, 2023 for the state and the Town, respectively. The Town contributed \$377,751, \$377,423 and \$378,506 for the fiscal years ended June 30, 2024, 2023 and 2022, respectively, equal to 100% of the required contributions for each year.

At June 30, 2024, the Town reported a liability of \$3,005,492 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	\$ 3,005,492
State's proportionate share of the net pension liability associated with the Town	<u>2,134,720</u>
Total net pension liability	<u>\$ 5,140,212</u>

The net pension liability was measured as of June 30, 2023 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, 2022 rolled forward to June 30, 2023. The School Department proportion of the net pension liability was based on a projection of the School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2023 the School Department's proportion was 0.12384398%.

For the year ended June 30, 2024 the School Department recognized gross pension expense of \$253,433 and revenue of \$211,535 for support provided by the State. At June 30, 2024 the School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 13. Employees' Retirement System (ERS) (continued):**

<b>Description of Outflows/Inflows</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 34,848	\$ 69,901
Changes of assumptions	12,867	118,829
Net difference between projected and actual earnings on pension plan investments	363,017	469,777
Changes in proportion and differences between System contributions and proportionate share contributions	237,478	186,466
Contributions subsequent to the measurement date	377,751	-
	<b>\$ 1,025,961</b>	<b>\$ 844,973</b>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<b>\$ (196,763)</b>

Deferred outflows of resources totaling \$377,751 related to pensions resulting from the School Department's contributions in fiscal year 2024 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended June 30, 2023. 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:	
2025	(38,156)
2026	(122,160)
2027	58,861
2028	(38,745)
2029	(34,757)
Thereafter	(21,806)
	<b>\$ (196,763)</b>

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

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**Note 13. Employees' Retirement System (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 – variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

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 42 sources. The June 30, 2023 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

## Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

### Note 13. Employees' Retirement System (ERS) (continued):

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b><u>GROWTH</u></b>		
<b>Global Equity:</b>		
U.S. Equity	25.10%	6.46%
International Developed Equity	10.70%	6.91%
Emerging Markets Equity	4.20%	8.92%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	12.50%	10.30%
Non-Core Real Estate	2.50%	5.01%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>INCOME</b>		
Equity Options	2.00%	6.20%
Liquid Credit	5.00%	4.56%
Private Credit	3.00%	4.56%
Collateralized Loan Obligation (CLO)	2.00%	4.56%
<b>Sub-Total</b>	<b>12.00%</b>	
<b><u>STABILITY</u></b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	0.76%
Systematic Trend	5.00%	4.07%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	5.01%
Private Infrastructure	4.00%	5.91%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	2.46%
Securitized Credit	3.25%	2.46%
Absolute Return	6.50%	4.07%
Cash	2.00%	0.76%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	

# Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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## Note 13. Employees' Retirement System (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.

<b>1.00% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1.00% Increase (8.0%)</b>
\$ 3,853,934	\$ 3,005,492	\$ 2,234,585

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

## Note 14: Municipal Employees' Retirement System (MERS):

### ***Municipal Employees' Retirement System Plans***

#### *General Information about the Pension Plan*

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

## Town of New Shoreham, Rhode Island

Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 14: Municipal Employees' Retirement System (MERS) (continued):

MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the ERSRI website at [www.ersri.org](http://www.ersri.org).

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

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

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

**Final Average Compensation (FAC):** Prior to July 1, 2012 and for general employee members eligible to retire as of June 30, 2012, the average was based on the member's highest three consecutive annual salaries. Effective July 1, 2012, the average was based on the member's highest five consecutive annual salaries. Once a member retires or is terminated, the applicable FAC will be the greater of the member's highest three year FAC as of July 1, 2012 or the five year FAC as of the retirement/termination date. For members retiring after July 1, 2024, retiree benefit amounts are based on the average three consecutive years of compensation. Monthly benefits are based on one-twelfth of this amount.

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

## Town of New Shoreham, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2024

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#### **Note 14: Municipal Employees' Retirement System (MERS) (continued):**

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

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

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

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

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

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

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

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

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

## Town of New Shoreham, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2024

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#### **Note 14: Municipal Employees' Retirement System (MERS) (continued):**

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

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

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

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

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

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

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

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

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

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### Note 14: Municipal Employees' Retirement System (MERS) (continued):

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

c.) The COLA will be limited to the first \$25,000 of the member's annual pension benefit. For retirees and beneficiaries who retired on or before July 1, 2015, years in which a COLA is payable based on the every fourth year provision described in (a) above will be limited to the first \$30,000. These limits will be indexed annually to increase in the same manner as COLAs, with the known values of \$27,608 for 2021, \$27,901 for 2022 and \$28,878 for 2023.

**Employees Covered by Benefit Terms** - At the June 30, 2023 valuation date, the following employees were covered by the benefit terms:

	<b>General Employees</b>	<b>Police Plan</b>
Retirees and Beneficiaries	37	3
Inactive, Non-retired Members	65	5
Active Members	56	4
Total	<u>158</u>	<u>12</u>

**Contributions** - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% (2% if the employer opted to provide a COLA) of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Public safety employees are required to contribute 9% (10% if employer opted to provide a COLA) of their salaries. The Town of New Shoreham contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$218,472 to their general employee plan in the year ended June 30, 2023 which was 7.33% of annual payroll and \$68,501 to their police department plan in the year ended June 30, 2023 which was 19.16% of their annual covered payroll.

**Net Pension Liability (Asset)** - The total pension liability (asset) was determined by actuarial valuations performed as of June 30, 2022 and rolled forward to June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement.

## Town of New Shoreham, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2024

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#### Note 14: Municipal Employees' Retirement System (MERS) (continued):

Actuarial cost method	Entry Age Normal - the individual Entry Age Actuarial Cost methodology is used
Amortization method	Level percentage of payroll, closed
Asset valuation method	
Investment rate of return	7.00%
Projected salary increases	General Employees - 3.25% to 7.25%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustment	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the calculation of the total pension liability at June 30, 2023 measurement date were based on the 2023 Actuarial Experience Investigation Study for the six-year period ended June 30, 2022 as approved by the System's Board on May 17, 2023.

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 42 sources.

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

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**Note 14: Municipal Employees' Retirement System (MERS) (continued):**

The June 30, 2023 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

## Town of New Shoreham, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
<b>GROWTH</b>		
<b>Global Equity:</b>		
U.S. equity	25.10%	6.46%
International Developed	10.70%	6.91%
Emerging Markets Equity	4.20%	8.92%
<b>Sub-Total</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	12.50%	10.30%
Non-Core RE	2.50%	5.01%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>INCOME</b>		
Equity Options	2.00%	6.20%
EMD (50/50 Blend)	0.00%	0.00%
Liquid Credit	5.00%	4.56%
Collateralized Loan Obligations (CLO)	2.00%	4.56%
Private Credit	3.00%	4.56%
<b>Sub-Total</b>	<b>12.00%</b>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	0.76%
Systematic Trend	5.00%	4.07%
<b>Sub-Total</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	5.01%
Private Infrastructure	4.00%	5.91%
<b>Sub-Total</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Corp Credit	3.25%	2.46%
Securitized Credit	3.25%	2.46%
Absolute Return	6.50%	4.07%
Cash	2.00%	0.76%
<b>Sub-Total</b>	<b>15.00%</b>	
<b>Total</b>	<b>100.00%</b>	

#### Note 14: Municipal Employees' Retirement System (MERS) (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.

## Town of New Shoreham, Rhode Island

### Notes to Financial Statements

*For the Year Ended June 30, 2024*

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

	General	Police
Pension liability:		
Balance as of June 30, 2022	\$ 9,905,866	\$ 2,653,820
Changes for the year:		
Service cost	211,318	64,818
Interest on total pension liability	679,869	183,765
Changes in assumptions	(42,877)	(5,850)
Difference between expected and actual experience of total pension liability	313,480	400,648
Benefit payments, including employee refunds	(598,231)	(122,025)
Balance as of June 30, 2023	10,469,425	3,175,176
Fiduciary net position:		
Balance as of June 30, 2022	9,732,170	2,140,727
Employer contributions	218,472	68,501
Employee contributions	63,458	35,752
Net investment income	810,515	182,766
Benefit payments, including employee refunds	(598,231)	(122,025)
Administrative expense	(8,724)	(1,967)
Other changes	(987)	-
Balance as of June 30, 2023	10,216,673	2,303,754
Net pension liability (asset)	\$ 252,752	\$ 871,422

**Note 14: Municipal Employees' Retirement System (MERS) (continued):**

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the net pension liability (asset) of the employer calculated using the discount rate of 7.0 percent, as well as what the employer's net pension liability (asset) would be if it were calculated using a discount rate that is I-percentage-point lower or I-percentage-point higher than the current rate.

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

For the Year Ended June 30, 2024

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General Employees

<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
\$ 1,251,688	\$ 252,752	\$ (654,802)

Police

<b>1% Decrease (6.0%)</b>	<b>Current Discount Rate (7.0%)</b>	<b>1% Increase (8.0%)</b>
\$ 1,168,578	\$ 871,422	\$ 601,478

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

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

**General Employee Plan**

For the year ended June 30, 2024, the Town recognized pension expense/(income) for the general employee's plan - \$225,642. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 14: Municipal Employees' Retirement System (MERS) (continued):**

**General Employee Plan (continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ -	\$ 10,884
Difference between expected and actual experience	666,409	40,248
Net difference between projected and actual earnings on pension plan investments	640,496	781,721
Contributions subsequent to the measurement date	218,472	-
	<u>\$ 1,525,377</u>	<u>\$ 832,853</u>
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		<u>\$ 474,052</u>

\$218,472 reported as deferred outflows of resources related to pensions resulting from the Town's contributions 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 and inflows of resources related to pensions will be recognized in pension expense in subsequent years.

Year ended June 30:		
2025	\$	90,698
2026		56,240
2027		334,681
2028		(7,567)
2029		-
Thereafter		-
	<u>\$</u>	<u>474,052</u>

**Town of New Shoreham, Rhode Island**

Notes to Financial Statements

*For the Year Ended June 30, 2024*

**Note 14: Municipal Employees' Retirement System (MERS) (continued):**

**Police Employee Plan (continued)**

For the year ended June 30, 2024 the employer recognized pension expense of \$176,169. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in assumptions	\$ 1,577	\$ 3,845
Difference between expected and actual experience	278,455	70,689
Net difference between projected and actual earnings on pension plan investments	138,912	166,448
Contributions subsequent to the measurement date	68,501	-
	\$ 487,445	\$ 240,982
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ 177,962

Deferred outflows of resources of \$68,501 related to pensions resulting from the Town's contributions in subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period.

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

Year ended June 30:	
2025	\$ 99,840
2026	71,663
2027	17,095
2028	(10,636)
2029	-
Thereafter	-
	\$ 177,962

## Town of New Shoreham, Rhode Island

### Notes to Financial Statements

For the Year Ended June 30, 2024

#### Note 15: 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 New Shoreham, Rhode Island.

<u>Town</u>	MERS General	MERS Police	ERS	Total
Deferred Outflows of Resources - Pension	\$ 1,525,377	\$ 487,445	\$ 648,210	\$ 2,661,032
Deferred Inflows of Resources - Pension	832,853	240,982	844,973	1,918,808
Net Pension Liability (Asset)	252,752	871,422	3,005,492	4,129,666
Pension Expense	225,642	176,169	253,433	655,244
Total	<u>\$ 2,836,624</u>	<u>\$1,776,018</u>	<u>\$4,752,108</u>	<u>\$ 9,364,750</u>

#### Note 16: Defined Contribution Pension Plan:

##### *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 School recognized pension expense of \$15,200, for the fiscal year ended June 30, 2024.

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 New Shoreham, Rhode Island

## Notes to Financial Statements

For the Year Ended June 30, 2024

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### **Note 17: Commitments and Contingencies:**

Amounts received or receivable from granter agencies are subject to audit and adjustment by granter 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 18. 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; injuries to employees; and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool Rhode Island Interlocal Risk Management Trust, Inc. (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. Under the participation agreement, the Town is insured for a maximum of \$3,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2024.

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). 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 pool and are used to pay for claims, reinsurance and all administrative expenses.

### **Note 19. Litigation**

#### *Litigation:*

The Town is a party to various claims, legal actions, and complaints. It is not presently possible to determine the outcome of these cases; as a result, no liability has been recorded in the financial statements. In the opinion of the Town's management and Town Solicitor, these matters are not anticipated to have a material financial impact on the Town.

# Town of New Shoreham, Rhode Island

## Notes to Financial Statements

*For the Year Ended June 30, 2024*

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### *Federal Funded Programs:*

The Town participates in a number of federally funded programs. Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. 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 20. Subsequent Events:**

For the purposes of determining the effects of subsequent events on these financial statements, management has evaluated events which have occurred subsequent to June 30, 2024, and through October 9, 2025, the date on which the financial statements were available to be issued. The following represents these subsequent events:

On July 17, 2024, the Town passed resolutions to issue bonds or notes in the following amounts for the following purposes:

- \$2,000,000 for financing capital improvements to the sewer system of the Town
- \$1,000,000 to finance the repair, replacement and/or improvements of the Town roads and bridges
- \$10,400,000 to finance the additions, renovations, improvements, alterations and repairs for schools and school facilities in the Town

On November 18, 2024, the Town awarded a contract for the FY2025 Roadway Improvement Project to J.H. Lynch & Sons, Inc. in the amount of \$1,352,470.

On May 21, 2025, the Town entered into an agreement with Puck Enterprises for NFPA 1900-tested FF4500-45 Force Feed Fire Pump, Hose Cart and related accessories for \$836,925.

# TOWN OF NEW SHOREHAM

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## *Required Supplementary Information*

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

- Budgetary Comparison Schedule – General Fund  
Budgetary Comparison Schedule – Unrestricted Fund
- Schedule of Changes in the Net Pension Liability and Related Ratios
- Schedule of Town Contributions related to retirement plans
- Schedule of Changes in the Net OPEB Liability and Related Ratios
- Schedule of OPEB Contributions

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

# Town of New Shoreham, Rhode Island

## Required Supplementary Information

### Budgetary Comparison Schedule- General Fund

*For the Year Ended June 30, 2024*

	Original Budget			Actual	Encumbrances Carried To FY 25	Variance Favorable (Unfavorable)
	Encumbrances Carried into FY 24	Budget As Adopted	Total Available			
<b>Revenues</b>						
Taxes	\$ -	\$ 12,941,461	\$ 12,941,461	\$ 12,007,413	\$ -	\$ (934,048)
Intergovernmental	-	1,750,802	1,750,802	1,785,100	-	34,298
Licenses, permits, and fees	-	669,075	669,075	755,400	-	86,325
Interest and investment	-	11,000	11,000	4,814	-	(6,186)
Other revenues	-	2,164,216	2,164,216	2,377,408	-	213,192
<b>Total revenues</b>	<b>-</b>	<b>17,536,554</b>	<b>17,536,554</b>	<b>16,930,135</b>	<b>-</b>	<b>(606,419)</b>
<b>Expenditures</b>						
General government	-	1,754,122	1,754,122	1,849,236	-	(95,114)
Finance administration	37,500	467,431	504,931	472,236	-	32,695
Fire, rescue, and emergency services	-	351,348	351,348	390,896	-	(39,548)
Police	-	1,391,057	1,391,057	1,408,676	-	(17,619)
Highways and maintenance	89,784	1,411,860	1,501,644	1,395,646	-	105,998
Harbors	-	746,427	746,427	883,592	-	(137,165)
Building official	-	235,400	235,400	209,830	-	25,570
Recreation	-	434,215	434,215	482,873	-	(48,658)
Library	-	631,323	631,323	566,914	-	64,409
GIS / Technology	-	323,000	323,000	302,035	-	20,965
Boards and commissions	20,195	231,607	251,802	250,900	20,195	(19,293)
Community support	-	897,785	897,785	881,857	-	15,928
Grant support	-	-	-	30,065	-	(30,065)
Capital outlay	749,269	370,000	1,119,269	482,330	676,728	(39,789)
Debt service	-	3,166,273	3,166,273	3,356,072	-	(189,799)
<b>Total expenditures</b>	<b>896,748</b>	<b>12,411,848</b>	<b>13,308,596</b>	<b>12,963,158</b>	<b>696,923</b>	<b>(351,485)</b>
Excess (deficiency) of revenues over expenditures	(896,748)	5,124,706	4,227,958	3,966,977	(696,923)	(957,904)
<b>Other financing sources and (uses):</b>						
Transfer from other funds	-	415,689	415,689	1,076,544	-	660,855
Bond proceeds	-	-	-	7,350,000	-	7,350,000
Transfer to other funds	-	-	-	-	-	-
Transfer to school department	-	(5,540,395)	(5,540,395)	(5,540,395)	-	-
	-	(5,124,706)	(5,124,706)	2,886,149	-	8,010,855
Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis	\$ (896,748)	\$ -	\$ (896,748)	\$ 6,853,126	\$ (696,923)	\$ 7,052,951
Adjustment of budgetary basis to U.S. GAAP				-		
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				6,853,126		
Fund balance - beginning				8,155,890		
Fund balance - ending				\$ 15,009,016		

*See accompanying notes to required supplementary information  
See independent auditor's report*

# Town of New Shoreham, Rhode Island

## Required Supplementary Information

### Notes to the Required Supplementary Information

#### Budgetary Comparison Schedule – General Fund

*For the Year Ended June 30, 2024*

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#### **Budget preparation and budgetary basis of accounting:**

In accordance with the Town Charter, the Town Manager must present to the Council, not later than the third Monday in March of each year, recommended annual operating and capital budgets for the operations of each department, agency, board and commission of town government whose activities are to be supported in whole or in part by Town funds during the next fiscal year. The School Committee makes such submissions of estimates no later than the first Monday in March. The Town Council schedules at least one public hearing on the budget recommendations it receives from the Town Manager, which takes place prior to final Council approval of the Town budgets for submission to the Financial Town Meeting, with whatever changes the Council deems appropriate to be voted no later than the third Monday in April. The electors of the Town assemble annually at a Financial Town Meeting on the first Monday in May for the purpose of approving the budget. The recommended budget must include an appropriation to fund school expenditures in excess of their anticipated revenues as requested by the Superintendent and approved by the School Committee. Estimates of sums expected to become available from federal and state grants for the support of the public schools are to be included in the total requested for school expenditures. The Town Council appropriates these funds for expenditure by the School Committee and appropriates such additional funds from local tax revenues as may be required to meet the total school budget which the Town Council approves. The School Committee does not have the authority to obligate the Town financially beyond the total budgetary amount voted by the Town Council. The Town Council can change only the total amount of the School Committee's recommended budget. The Town Council can authorize, as required, capital expenditures, grants, and expenditures over a certain dollar amount, as set by ordinance, after the Financial Town Meeting, and oversee implementation of budget proposals.

The General Fund and the School Department annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include re-appropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

#### **Budget compliance:**

Costs of operations for all departments, offices and agencies established within the Town Charter must be appropriated through an annual budget ordinance. These departments are presented within the General Fund and the School Department Municipal budgetary control is legally enforced at the department level. Appropriation transfers between departments require approval by three of the five-member Town Council. The Town Council may authorize other over-expenditures of certain appropriations, which were due to circumstances that could not be anticipated in budget preparations provided that the over-expenditures do not exceed the total budget amount for the fiscal year. The Town Council is authorized to expend grant funds applied for and awarded to the Town, and, to the extent proceeds from grants exceed the amount budgeted by the Town, the Town Treasurer is authorized with the advice and consent of the Town Council to expend these excess proceeds for the purposes designated in the grant.

**Town of New Shoreham, Rhode Island**  
 Required Supplementary Information  
 Notes to the Required Supplementary Information  
 Budgetary Comparison Schedule – General Fund  
*For the Year Ended June 30, 2024*

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**Budgetary – GAAP Reporting Reconciliation – General Fund**

	<b>General Fund</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 6,853,126
None	-
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	\$ 6,853,126

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 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 (“US GAAP”).

**Town of New Shoreham, Rhode Island**  
Required Supplementary Information  
Notes to the Required Supplementary Information  
Budgetary Comparison Schedule – General Fund  
*For the Year Ended June 30, 2024*

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**Budgetary – GAAP Reporting Reconciliation – General Fund**

The accompanying Statement of Revenues, Expenditures Budget to Actual (Non-GAAP Budgetary Basis) – General Funds 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:

- a) Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis).
- b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liabilities are incurred (GAAP basis).
- c) 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, 2024 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 New Shoreham, Rhode Island**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule – School Unrestricted**  
*For the Year Ended June 30, 2024*

	<u>Original Budget</u>		<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried to FY 24</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Encumbrances Carried from FY 23</u>	<u>Budget As Adopted</u>				
<b>Revenues</b>						
Federal and State governments	\$ -	\$ 184,625	\$ 184,625	\$ 150,551	\$ -	\$ (34,074)
Other revenues	-	28,401	28,401	28,401	-	-
Total revenues	-	213,026	213,026	178,952	-	(34,074)
<b>Expenditures</b>						
Salaries	-	3,512,585	3,512,585	3,434,865	-	77,720
Employee benefits	-	1,365,776	1,365,776	1,217,618	-	148,158
Purchased services	-	520,809	520,809	618,560	-	(97,751)
Supplies and materials	-	236,481	236,481	266,548	-	(30,067)
Capital outlay	-	79,770	79,770	80,402	-	(632)
Total expenditures	-	5,715,421	5,715,421	5,617,993	-	97,428
Excess (deficiencies) of revenues over expenditures	-	(5,502,395)	(5,502,395)	(5,439,041)	-	63,354
<b>Other financing sources (uses)</b>						
Transfer from Town of New Shoreham	-	5,540,395	5,540,395	5,540,395	-	-
Transfers out	-	(38,000)	(38,000)	(35,792)	-	2,208
Total other financing sources (uses)	-	5,502,395	5,502,395	5,504,603	-	2,208
<b>Excess (deficiencies) of revenues and other financing sources over expenditures and other financing uses</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 65,562	<u>\$ -</u>	<u>\$ 65,562</u>
Adjustment of budgetary basis to U.S. GAAP basis				-		
Excess of revenue and other financing sources over expenditures and other financing uses, U.S. GAAP basis				65,562		
Fund balance - beginning				<u>640,190</u>		
Fund balance - ending				<u>\$ 705,752</u>		

**Town of New Shoreham, Rhode Island**

Required Supplementary Information

Notes to the Required Supplementary Information

Budgetary Comparison Schedule – Unrestricted School Fund

*For the Year Ended June 30, 2024*

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**Budgetary – GAAP Reporting Reconciliation – Unrestricted School Fund**

The School Department annual operating budgets are in conformity with the legally enacted budgetary basis. The legally enacted budgetary basis differs from accounting principles generally accepted in the United States of America (U.S. GAAP) in several regards. Budgets are adopted on the modified accrual basis with certain exceptions. Budgetary revenues may include re-appropriations from fund equity previously recognized under U.S. GAAP. Budgetary expenditures and expenses are recognized when legally binding orders (encumbrances) are placed. Enterprise fund budgetary expenses include expenses for fixed asset additions, debt service issuance costs and debt service principal payments not recognized under U.S. GAAP but exclude depreciation and amortization, U.S. GAAP basis expenses.

The accompanying Statement of Revenues, Expenditures Budget to 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:

- a) Revenues are recorded when received in cash (budgetary basis) as opposed to when susceptible to accrual (GAAP basis);
- b) Expenditures are recorded when paid in cash (budgetary basis) as opposed to when liabilities are incurred (GAAP basis);
- c) 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, 2024 are as follows:

	<u>School Unrestricted</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	\$ 65,562
State contribution to teachers' pension plan revenue on behalf	343,083
State contribution to teacher's pension plan expense on behalf	<u>(343,083)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 65,562</u>

**Town of New Shoreham, Rhode Island**  
**Required Supplementary Information**  
**Employees' Retirement System**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
*Last Ten Years \**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Employer's proportion of the net pension liability	0.12384398%	0.13149041%	0.12481077%	0.12111085%	0.12119414%	0.11872757%	0.10739696%	0.11439191%	0.11463754%	0.12110929%
Employer's proportionate share of the net pension liability	\$ 3,005,492	\$ 3,551,187	\$ 2,937,294	\$ 3,869,499	\$ 3,867,025	\$ 3,772,270	\$ 3,387,393	\$ 3,412,971	\$ 3,155,975	\$ 2,947,801
State's proportionate share of the net pension liability associated with the school district	2,134,720	2,626,352	2,178,267	2,875,132	2,896,802	2,813,842	2,560,055	2,337,384	2,156,063	4,969,244
<b>Total</b>	<b>\$ 5,140,212</b>	<b>\$ 6,177,539</b>	<b>\$ 5,115,561</b>	<b>\$ 6,744,631</b>	<b>\$ 6,763,827</b>	<b>\$ 6,586,112</b>	<b>\$ 5,947,448</b>	<b>\$ 5,750,355</b>	<b>\$ 5,312,038</b>	<b>\$ 7,917,045</b>
Employer's covered payroll	\$ 2,514,173	\$ 2,505,374	\$ 2,560,929	\$ 2,376,727	\$ 2,281,923	\$ 2,249,388	\$ 2,138,527	\$ 2,013,831	\$ 1,972,734	\$ 1,953,073
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	119.54%	141.74%	114.70%	162.81%	169.46%	167.70%	158.40%	169.48%	159.98%	150.93%
Plan fiduciary net position as a percentage of the total pension liability	65.80%	62.10%	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.

Notes:

- The amounts presented for each fiscal year were determined as of 06/30 measurement date prior to the fiscal year-end.
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available.
- Employers participating in the State Employee's Retirements System are required by the RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution each year.

**Town of New Shoreham, Rhode Island**

Required Supplementary Information

Employees' Retirement System

Schedule of Contributions

*Last Ten Years* \*

	<u>2024</u>	<u>2023</u>	<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	\$ 377,751	\$ 377,423	\$ 378,506	\$ 344,201	\$ 322,180	\$ 302,543	\$ 283,141	\$ 251,125	\$ 258,842	\$ 250,456
Contributions in relation to the actuarially determined contribution	<u>377,751</u>	<u>377,423</u>	<u>378,506</u>	<u>344,201</u>	<u>322,180</u>	<u>302,543</u>	<u>283,141</u>	<u>251,125</u>	<u>258,842</u>	<u>250,456</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,514,173	\$ 2,505,374	\$ 2,560,929	\$ 2,376,727	\$ 2,281,923	\$ 2,249,388	\$ 2,138,527	\$ 2,013,831	\$ 1,972,734	\$ 1,953,073
Contributions as a percentage of covered payroll	15.02%	15.06%	14.78%	14.48%	14.12%	13.45%	13.24%	12.47%	13.12%	12.82%

**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.

Notes:

- The amounts presented for each fiscal year were determined as of 06/30 measurement date prior to the fiscal year-end.
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available.
- Employers participating in the State Employee's Retirements System are required by the RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution each year.

# Town of New Shoreham, Rhode Island

## Required Supplementary Information

### Municipal Employees' Retirement System (MERS) – General Employees

#### Schedule of Changes in Net Pension Liability and Related Ratios

*Last Ten Years* \*

Measurement period	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>A. Total pension liability</b>										
1. Service Cost	\$ 211,318	\$ 208,234	\$ 209,052	\$ 211,403	\$ 204,123	\$ 207,410	\$ 187,499	\$ 198,515	\$ 194,848	\$ 195,536
2. Interest on the Total Pension Liability	679,869	616,183	590,094	586,620	564,961	534,919	519,815	505,381	480,925	448,421
3. Changes of benefit terms	-	-	-	-	-	-	-	-	108,714	-
4. Difference between expected and actual experience of the Total Pension Liability	313,480	661,554	110,426	(147,788)	(12,231)	93,112	24,167	(164,932)	(171,167)	-
5. Changes of assumptions	(42,877)	-	-	(98,800)	-	-	352,282	-	-	48,761
6. Benefit payments, including refunds of employee contributions	(598,231)	(557,214)	(515,702)	(485,564)	(416,589)	(392,676)	(373,082)	(308,932)	(269,199)	(248,780)
7. Net change in total pension liability	563,559	928,757	393,870	65,871	340,264	442,765	710,681	230,032	344,121	443,938
8. Total pension liability – beginning	9,905,866	8,977,109	8,583,239	8,517,368	8,177,104	7,734,339	7,023,658	6,793,626	6,449,505	6,005,567
9. Total pension liability – ending (a)	<u>\$ 10,469,425</u>	<u>\$ 9,905,866</u>	<u>\$ 8,977,109</u>	<u>\$ 8,583,239</u>	<u>\$ 8,517,368</u>	<u>\$ 8,177,104</u>	<u>\$ 7,734,339</u>	<u>\$ 7,023,658</u>	<u>\$ 6,793,626</u>	<u>\$ 6,449,505</u>
<b>B. Plan fiduciary net position</b>										
1. Contributions – employer	\$ 218,472	\$ 197,586	\$ 194,798	\$ 188,836	\$ 158,708	\$ 163,153	\$ 176,642	\$ 177,648	\$ 170,916	\$ 168,351
2. Contributions – employee	63,458	59,716	60,141	60,859	62,942	62,060	58,797	59,083	42,359	41,678
3. Net investment income	810,515	(272,511)	2,230,750	286,728	483,638	563,546	758,523	(1,278)	154,895	867,957
4. Benefit payments, including refunds of employee contributions	(598,231)	(557,214)	(515,702)	(485,564)	(416,589)	(392,676)	(373,082)	(308,932)	(269,199)	(248,780)
5. Pension Plan Administrative Expense	(8,724)	(9,290)	(8,500)	(7,900)	(7,558)	(7,502)	(7,166)	(7,085)	(6,213)	(5,435)
6. Other	(987)	-	498,539	-	(1,457)	-	(18)	1	-	(8,676)
7. Net change in plan fiduciary net position	484,503	(581,713)	2,460,026	42,959	279,684	388,581	613,696	(80,563)	92,758	815,095
8. Plan fiduciary net position – beginning	9,732,170	10,313,883	7,853,857	7,810,898	7,531,214	7,142,633	6,528,937	6,609,500	6,516,742	5,701,647
9. Plan fiduciary net position – ending (b)	<u>\$ 10,216,673</u>	<u>\$ 9,732,170</u>	<u>\$ 10,313,883</u>	<u>\$ 7,853,857</u>	<u>\$ 7,810,898</u>	<u>\$ 7,531,214</u>	<u>\$ 7,142,633</u>	<u>\$ 6,528,937</u>	<u>\$ 6,609,500</u>	<u>\$ 6,516,742</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 252,752</u>	<u>\$ 173,696</u>	<u>\$ (1,336,774)</u>	<u>\$ 729,382</u>	<u>\$ 706,470</u>	<u>\$ 645,890</u>	<u>\$ 591,706</u>	<u>\$ 494,721</u>	<u>\$ 184,126</u>	<u>\$ (67,237)</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	97.59%	98.25%	114.89%	91.50%	91.71%	92.10%	92.96%	92.96%	97.29%	101.04%
<b>E. Covered payroll</b>	\$ 2,980,512	\$ 2,810,173	\$ 2,683,592	\$ 2,593,900	\$ 2,441,660	\$ 2,392,271	\$ 2,261,744	\$ 2,213,104	\$ 2,117,910	\$ 2,066,975
<b>F. Net pension liability as a percentage of covered payroll</b>	6.18%	6.18%	-49.81%	28.12%	28.93%	27.00%	26.16%	22.35%	8.69%	-3.25%

Notes:

- 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
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information  
See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Required Supplementary Information  
 Municipal Employees' Retirement System (MERS) – General Employees  
 Schedule of Contribution  
*Last Ten Years* \*

	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 218,472	\$ 197,586	\$ 194,798	\$ 188,836	\$ 158,708	\$ 163,153	\$ 176,642	\$ 177,648	\$ 170,916	\$ 168,351
Contributions in relation to the actuarially determined contribution	218,472	197,586	194,798	188,836	158,708	163,153	176,642	177,648	170,916	168,351
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,980,512	\$ 2,810,173	\$ 2,683,592	\$ 2,441,660	\$ 2,392,271	\$ 2,363,522	\$ 2,261,744	\$ 2,213,104	\$ 2,117,910	\$ 2,066,975
Contributions as a percentage of covered-employee payroll	7.33%	7.03%	7.26%	7.73%	6.63%	6.90%	7.81%	8.03%	8.07%	8.14%

Notes:

- 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
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

# Town of New Shoreham, Rhode Island

## Required Supplementary Information

### Municipal Employees' Retirement System (MERS) – Police Department Plan

#### Schedule of Contributions

*Last Ten Years* \*

Measurement Date	Year Ended June 30, 2023	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015	Year Ended June 30, 2014
<b>A. Total pension liability</b>										
1. Service Cost	\$ 64,818	\$ 76,431	\$ 79,632	\$ 88,333	\$ 84,050	\$ 80,284	\$ 68,447	\$ 55,494	\$ 53,176	\$ 46,199
2. Interest on the Total Pension Liability	183,765	174,455	171,362	161,766	150,926	136,509	130,826	125,264	113,763	108,488
3. Changes of benefit terms	-	-	-	-	-	-	-	-	37,126	-
4. Difference between expected and actual experience of the Total Pension Liability	400,648	5,477	(109,256)	(33,941)	(3,460)	66,028	(28,339)	(33,733)	26,464	-
5. Changes of assumptions	(5,850)	-	-	4,081	-	-	107,933	-	-	(10,469)
6. Benefit payments, including refunds of employee contributions	(122,025)	(113,087)	(78,805)	(78,805)	(78,805)	(78,671)	(79,345)	(79,345)	(77,346)	(77,381)
7. Net change in total pension liability	521,356	143,276	62,933	141,434	152,711	204,150	199,522	67,680	153,183	66,837
8. Total pension liability – beginning	2,653,820	2,510,544	2,447,611	2,306,177	2,153,466	1,949,316	1,749,794	1,682,114	1,528,931	1,462,094
9. Total pension liability – ending (a)	<u>\$ 3,175,176</u>	<u>\$ 2,653,820</u>	<u>\$ 2,510,544</u>	<u>\$ 2,447,611</u>	<u>\$ 2,306,177</u>	<u>\$ 2,153,466</u>	<u>\$ 1,949,316</u>	<u>\$ 1,749,794</u>	<u>\$ 1,682,114</u>	<u>\$ 1,528,931</u>
<b>B. Plan fiduciary net position</b>										
1. Contributions – employer	\$ 68,501	\$ 89,444	\$ 85,089	\$ 90,197	\$ 81,086	\$ 76,772	\$ 87,723	\$ 70,840	\$ 73,342	\$ 52,664
2. Contributions – employee	35,752	42,250	39,539	43,329	44,237	42,350	39,445	29,982	24,078	22,875
3. Net investment income	182,766	(59,943)	472,392	66,312	105,079	115,731	147,774	(405)	26,912	146,745
4. Benefit payments, including refunds of employee contributions	(122,025)	(113,087)	(78,805)	(78,805)	(78,805)	(78,671)	(79,345)	(79,345)	(77,346)	(77,381)
5. Pension Plan Administrative Expense	(1,967)	(2,043)	(1,800)	(1,827)	(1,642)	(1,541)	(1,396)	(1,091)	(1,080)	(919)
6. Other	-	-	(148,690)	111	479	478	28,974	-	670	8,781
7. Net change in plan fiduciary net position	163,027	(43,379)	367,725	119,317	150,434	155,119	223,175	19,981	46,576	152,765
8. Plan fiduciary net position – beginning	2,140,727	2,184,106	1,816,381	1,697,064	1,546,630	1,391,511	1,168,336	1,148,355	1,101,779	949,014
9. Plan fiduciary net position – ending (b)	<u>\$ 2,303,754</u>	<u>\$ 2,140,727</u>	<u>\$ 2,184,106</u>	<u>\$ 1,816,381</u>	<u>\$ 1,697,064</u>	<u>\$ 1,546,630</u>	<u>\$ 1,391,511</u>	<u>\$ 1,168,336</u>	<u>\$ 1,148,355</u>	<u>\$ 1,101,779</u>
<b>C. Net pension liability - ending (a) - (b)</b>	<u>\$ 871,422</u>	<u>\$ 513,093</u>	<u>\$ 326,438</u>	<u>\$ 631,230</u>	<u>\$ 609,113</u>	<u>\$ 606,836</u>	<u>\$ 557,805</u>	<u>\$ 581,458</u>	<u>\$ 533,759</u>	<u>\$ 427,152</u>
<b>D. Plan fiduciary net position as a percentage of the total pension liability</b>	80.67%	80.67%	87.00%	74.21%	73.59%	71.82%	71.38%	66.77%	68.27%	72.06%
<b>E. Covered payroll</b>	\$ 357,521	\$ 422,503	\$ 395,395	\$ 423,660	\$ 400,621	\$ 381,759	\$ 362,343	\$ 302,090	\$ 290,580	\$ 253,839
<b>F. Net pension liability as a percentage of covered payroll</b>	121.44%	121.44%	82.56%	148.99%	152.04%	158.96%	153.94%	192.48%	183.69%	168.28%

Notes:

- 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
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

*See accompanying notes to required supplementary information  
See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
**Required Supplementary Information**  
**Municipal Employees' Retirement System (MERS) – Police Department Plan**  
**Schedule of Contributions**  
*Last Ten Years \**

	<u>Fiscal 2024</u>	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 68,501	\$ 89,444	\$ 85,089	\$ 90,197	\$ 81,086	\$ 76,772	\$ 87,723	\$ 70,840	\$ 73,342	\$ 52,664
Contributions in relation to the actuarially determined contribution	<u>68,501</u>	<u>89,444</u>	<u>85,089</u>	<u>90,197</u>	<u>81,086</u>	<u>76,772</u>	<u>87,723</u>	<u>70,840</u>	<u>73,342</u>	<u>52,664</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 357,521	\$ 422,503	\$ 395,395	\$ 400,621	\$ 381,759	\$ 375,025	\$ 362,343	\$ 302,090	\$ 290,580	\$ 253,839
Contributions as a percentage of covered payroll	19.16%	21.17%	21.52%	22.51%	21.24%	20.47%	24.21%	23.45%	25.24%	20.75%

Notes:

- 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
- Schedule is intended to show information for 10 years – additional years will be displayed as they become available
- The amounts presented for the fiscal year were determined as of June 30 measurement date prior to the fiscal year end.

## Town of New Shoreham, Rhode Island

### Required Supplementary Information

#### Notes to Municipal Employees' Retirement System

##### *Last Ten Years\**

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### **Schedule of Proportionate Share of the Net Pension Liability (Asset)**

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, 2023 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, 2023 measurement date compared to the June 30, 2022 measurement date.

#### ***June 30, 2022 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, 2022 measurement date compared to the June 30, 2021 measurement date.

#### ***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.

## **Town of New Shoreham, Rhode Island**

### Required Supplementary Information

#### Notes to Municipal Employees' Retirement System

##### *Last Ten Years\**

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##### ***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.

##### ***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

## Town of New Shoreham, Rhode Island

### Required Supplementary Information

#### Notes to Municipal Employees' Retirement System

##### *Last Ten Years\**

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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.
- 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.

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

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

## Town of New Shoreham, Rhode Island

### Other Post-Employment Benefits

#### Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

*Last Ten Years\**

	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
<b>Total OPEB liability</b>									
Service cost	\$ 31,608	\$ 34,407	\$ 33,908	\$ 34,849	\$ 33,966	\$ 32,472	\$ 31,044	\$ 45,176	\$ 44,031
Interest on net OPEB liability and service cost	44,704	36,074	38,460	28,140	42,318	40,199	42,924	32,726	33,236
Differences between actual and expected experience	(36,824)	61,493	(150,856)	220,842	(321,174)	(19,492)	(102,667)	6,032	16,556
Changes of assumptions	19,425	(31,799)	(14,436)	(9,639)	(11,477)	-	10,324	(153,599)	-
Benefit payments, including refunds	(42,228)	(23,979)	-	-	(4,511)	(27,483)	(37,587)	(97,704)	(110,777)
Net change in total OPEB liability	16,685	76,196	(92,924)	274,192	(260,878)	25,696	(55,962)	(167,369)	(16,954)
Total OPEB liability - beginning	734,258	658,062	750,986	476,794	737,672	711,976	767,938	935,307	952,261
Total OPEB liability - ending	<u>\$ 750,943</u>	<u>\$ 734,258</u>	<u>\$ 658,062</u>	<u>\$ 750,986</u>	<u>\$ 476,794</u>	<u>\$ 737,672</u>	<u>\$ 711,976</u>	<u>\$ 767,938</u>	<u>\$ 935,307</u>
<b>OPEB fiduciary net position</b>									
Benefit payments, including refunds	\$ (42,228)	\$ (23,979)	\$ -	\$ -	\$ (4,511)	\$ (27,483)	\$ (37,587)	\$ (97,704)	\$ (110,777)
Contributions - employer	77,328	39,790	36,500	40,800	38,511	62,483	72,587	168,761	110,777
Administrative expenses	(1,328)	(1,207)	(1,170)	(955)	-	-	-	-	-
Net investment income	40,131	21,237	(45,936)	47,045	12,295	(5,031)	6,939	6,822	4,366
Net change in plan fiduciary net position	73,903	35,841	(10,606)	86,890	46,295	29,969	41,939	77,879	4,366
Plan fiduciary net position - beginning	398,811	362,970	373,576	286,685	240,390	210,421	168,482	90,603	86,237
Plan fiduciary net position - ending	<u>\$ 472,714</u>	<u>\$ 398,811</u>	<u>\$ 362,970</u>	<u>\$ 373,576</u>	<u>\$ 286,685</u>	<u>\$ 240,390</u>	<u>\$ 210,421</u>	<u>\$ 168,482</u>	<u>\$ 90,603</u>
Plan's net pension liability - ending	<u>\$ 278,229</u>	<u>\$ 335,447</u>	<u>\$ 295,092</u>	<u>\$ 377,410</u>	<u>\$ 190,109</u>	<u>\$ 497,282</u>	<u>\$ 501,555</u>	<u>\$ 599,456</u>	<u>\$ 844,704</u>

*\*Ninth Year of implementation of GASB 75, therefore only nine years of the ten required date is available.*

**Town of New Shoreham, Rhode Island**

Other Post-Employment Benefits

Schedule of Changes in the Town's Net OPEB Liability and Related Ratios

*Last Ten Years\**

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<b>Actuarial Valuation Date</b>	<b>Fiduciary Net Position</b>	<b>Total OPEB Liability (TOL)</b>	<b>Net OPEB Liability (NOL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>NOL as a % of Covered Payroll</b>
6/30/2024	\$ 472,714	\$ 750,943	\$ 278,229	62.90%	\$ 2,311,918	12.00%
6/30/2023	398,811	734,258	335,447	54.30%	2,287,646	14.70%
6/30/2022	362,970	658,062	295,092	55.20%	2,560,929	11.50%
6/30/2021	373,575	750,986	377,411	49.74%	2,026,587	18.62%
6/30/2020	286,685	476,794	190,109	60.13%	2,150,555	8.84%
6/30/2019	240,390	737,672	497,282	32.59%	2,116,782	23.49%
6/30/2018	210,421	711,976	501,555	29.55%	2,063,140	24.31%
6/30/2017	168,482	767,938	599,456	21.94%	2,066,162	29.01%
6/30/2016	90,603	935,307	844,704	9.69%	2,013,803	41.95%

*\*Nineth Year of implementation of GASB 75, therefore only nine years of the ten required date is available.*

**Town of New Shoreham, Rhode Island**

Other Post-Employment Benefits

Schedule of Contributions

*Last Ten Years\**

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	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<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>
Actuarial determined contribution	\$ 73,515	\$ 68,214	\$ 73,454	\$ 55,705	\$ 23,466	\$ 25,882	\$ 58,123	\$ 59,397	\$ 69,632
Contributions in relation to the actuarially determined contribution	<u>77,328</u>	<u>39,790</u>	<u>36,500</u>	<u>40,800</u>	<u>38,511</u>	<u>62,483</u>	<u>72,587</u>	<u>168,761</u>	<u>110,777</u>
Contribution deficiency (excess)	<u>\$ (3,813)</u>	<u>\$ 28,424</u>	<u>\$ 36,954</u>	<u>\$ 14,905</u>	<u>\$ (15,045)</u>	<u>\$ (36,601)</u>	<u>\$ (14,464)</u>	<u>\$ (109,364)</u>	<u>\$ (41,145)</u>
Covered-employee payroll	\$ 2,311,918	\$ 2,287,646	\$ 2,560,929	\$ 2,026,587	\$ 2,150,555	\$ 2,116,782	\$ 2,063,140	\$ 2,066,162	\$ 2,013,803
Contributions as a percentage of covered-employee payroll	3.34%	1.74%	1.43%	2.01%	1.79%	2.95%	3.52%	8.17%	5.50%

*\*Ninth Year of implementation of GASB 75, therefore only nine years of the ten required date is available.*

# Town of New Shoreham, Rhode Island

## Other Post-Employment Benefits Actuarial Method and Assumptions For the Year Ended June 30, 2024

### Notes to Required Supplementary Information:

#### Actuarial Methods and Assumptions:

Measurement Date June 30, 2024

Actuarial Valuation Date July 1, 2023

Liabilities as of June 30, 2024 are based on an actuarial valuation date of July 1, 2023 projected to June 30, 2024, on a rolled forward basis with adjustments for actual premium and discount rate changes from 2023 to 2024.

Liabilities as of June 30, 2024 are based on an actuarial valuation date of July 1, 2023 with no adjustments to get to the June 30, 2023 measurement date.

Discount Rate 6.00% as of June 30, 2023 and 6.30% as of June 30, 2024 for accounting and funding disclosure purposes. Refer to the Discussion of Discount Rate section for more information on the selection of the discount rate.

Long-term Rate of Return The long-term expected rate of return on the OPEB plan investment is assumed to be 6.30% as of June 30, 2024. This was determined using a building block method in which expected future rates of return are developed for each major asset class. Refer to the Discussion of Discount Rates section for more information.

Payroll Growth 3.0% per year - based on future plan sponsor expectations.

Inflation Rate 3.00% per year - based on current economic environment and future expectations

Cost Method Allocation of Actuarial Present Value of Future Benefits for services prior and after the Measurement Date was determined using Entry Age Normal Level % of Salary method where:  
\*Service Cost for each individual participant, payable from date of employment to date of retirement, is sufficient to pay for the participant's benefit at retirement; and  
\*Annual Service Cost is a constant percentage of the participant's salary that is assumed to increase according to the Payroll Growth.

Asset Valuation Method Market Value

FYE	Medical/Rx	FYE	Medical/Rx
2024	*.***%	2028	6.50%
2025	8.00%	2029	6.00%
2026	7.50%	2030	5.50%
2027	7.00%	2031	5.00%
		2032+	4.50%

\* FYE 2024 Health Care Trend Rates are based on the actual rate of increase from the medical premium rates effective July 1, 2023 to those effective July 1, 2024.

Retiree Contribution Retiree contributions are assumed to increase according to health care trend rates

ProVal Valuation software developed by Winklevoss Technologies, LLC. This software is widely used for the purpose of performing postretirement medical valuations. We coded the plan provisions, assumptions, methods and participant data summarized in this report, and reviewed the liability and cost outputs for reasonableness. We are not aware of any weakness or limitations in the software and have determined it is appropriate for performing this valuation.

HealthcareMAPS Manual Rating manual developed by WTW. Aging factors are used to develop per capita costs by age for plans with limited credible exposure to develop plan-specific factors. We are not aware of any weakness or limitations in the factors and have determined they are appropriate for performing this valuation.

# TOWN OF NEW SHOREHAM

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## *Supplementary Information*

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

- Budgetary Comparison – Sewer Enterprise Fund
- Budgetary Comparison – Water Enterprise Fund
- Combining Fund Financial Statements – Non-Major Governmental Funds
- Combining Financial Statements – Special Revenue Funds
- Combining Financial Statements – Capital Project Funds
- Combining Financial Statements – Permanent Fund
- Combining Financial Statements – School Department Funds
- Tax Collectors Annual Report

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# Town of New Shoreham, Rhode Island

## Supplementary Information

### Budgetary Comparison Schedule – Sewer Enterprise Fund

*For the Year Ended June 30, 2024*

	<u>Encumbrances Carried Forward</u>	<u>Original Budget As Adopted</u>	<u>Additional Appropriations and Transfers</u>	<u>Total Available</u>	<u>Actual</u>	<u>Encumbrances Carried Forward</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenue</b>							
Charges for services	\$ -	\$ 1,688,725	\$ -	\$ 1,688,725	\$ 1,681,308	\$ -	\$ (7,417)
Interest income	-	9,000	-	9,000	12,716	-	3,716
Miscellaneous	-	88,412	-	88,412	128,628	-	40,216
Total revenue	<u>-</u>	<u>1,786,137</u>	<u>-</u>	<u>1,786,137</u>	<u>1,822,652</u>	<u>-</u>	<u>36,515</u>
<b>Expenses</b>							
Personnel services	-	456,930	-	456,930	486,344	-	(29,414)
Purchase of services	-	386,422	-	386,422	383,229	-	3,193
Supplies	-	189,800	-	189,800	160,837	-	28,963
Other charges and expenditures	-	101,000	-	101,000	65,466	-	35,534
Capital outlay	-	141,000	-	141,000	8,034	-	132,966
Debt service	-	127,820	-	127,820	127,431	-	389
Depreciation	-	383,165	-	383,165	391,045	-	(7,880)
Total expenses	<u>-</u>	<u>1,786,137</u>	<u>-</u>	<u>1,786,137</u>	<u>1,622,386</u>	<u>-</u>	<u>163,751</u>
Excess(deficiency) of revenues over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,266</u>	<u>-</u>	<u>200,266</u>
<b>Other financing sources (uses):</b>							
Transfers between funds	-	-	-	-	-	-	-
Contribution to reserve	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenses and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 200,266</u>	<u>\$ -</u>	<u>\$ 200,266</u>
Adjustments of budgetary basis for US GAAP basis					<u>1,652,731</u>		
Excess of revenues and other source over expenditures and other financing uses, US GAAP basis					<u>1,852,997</u>		
Net Position - beginning					<u>6,226,259</u>		
Net Position - ending					<u>\$ 8,079,256</u>		

# Town of New Shoreham, Rhode Island

## Supplementary Information

### Budgetary Comparison Schedule – Water Enterprise Fund

*For the Year Ended June 30, 2024*

	Encumbrances Carried Forward	Original Budget As Adopted	Additional Appropriations and Transfers	Total Available	Actual	Encumbrances Carried Forward	Variance Favorable (Unfavorable)
<b>Revenues:</b>							
Charges for services	\$ -	\$ 899,261	\$ -	\$ 899,261	\$ 1,044,321	\$ -	\$ 145,060
Interest income		5,000	-	5,000	9,087	-	4,087
Miscellaneous		8,000	-	8,000	23,374	-	15,374
<b>Total revenues</b>	<b>-</b>	<b>912,261</b>	<b>-</b>	<b>912,261</b>	<b>1,076,782</b>	<b>-</b>	<b>164,521</b>
<b>Expenses:</b>							
Personnel services	-	356,971	-	356,971	348,109	-	8,862
Purchase of services	-	234,781	-	234,781	220,894	-	13,887
Supplies	-	34,000	-	34,000	37,928	-	(3,928)
Other charges and expenditures	-	49,500	-	49,500	55,172	-	(5,672)
Depreciation	-	261,550	-	261,550	228,714	-	32,836
Debt service	-	143,228	-	143,228	140,534	-	2,694
Capital Outlay	-	13,000	-	13,000	8,032	-	4,968
<b>Total expenses</b>	<b>-</b>	<b>1,093,030</b>	<b>-</b>	<b>1,093,030</b>	<b>1,039,383</b>	<b>-</b>	<b>53,647</b>
Excess(deficiency) of revenues over expenses	-	(180,769)	-	(180,769)	37,399	-	218,168
<b>Other financing sources (uses):</b>							
Contributions from Reserves	-	180,769	-	180,769	-	-	(180,769)
Excess (deficiency) of revenues and other sources over expenses and other uses	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>37,399</b>	<b>\$ -</b>	<b>\$ 37,399</b>
Adjustments of budgetary basis for US GAAP basis					532,173		
Excess of revenue and other source over expenditures and other financing uses, US GAAP basis					569,572		
Net Position - beginning					4,565,649		
Net Position - ending					<b>\$ 5,135,221</b>		

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Budgetary Comparison Schedule Water and Sewer Fund

Notes to Supplementary Information

*For the Year Ended June 30, 2024*

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The previous budgetary comparison pages are held on the budgetary basis of accounting. The following schedule provides a reconciliation from the budgetary basis of accounting to the GAAP basis of accounting.

	<u>Sewer</u>	<u>Water</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 200,266	\$ 37,399
Unbudgeted grant revenues	1,597,647	443,443
Budgeted debt principal not considered an expense on full accrual statements	<u>55,084</u>	<u>88,730</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 1,852,997</u>	<u>\$ 569,572</u>

**Town of New Shoreham, Rhode Island**

Supplementary Information

Nonmajor Governmental Funds

Combining Balance Sheet

*June 30, 2024*

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Permanent Trust Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 1,588,830	\$ -	\$ 287,255	\$ 1,876,085
Investments	27,921	-	-	27,921
Federal and state grants receivable	76,852	-	-	76,852
Due from other funds	-	-	14,750	14,750
Total assets	1,693,603	-	302,005	1,995,608
<b>Deferred outflows of resources</b>				
Deferred outflows	-	-	-	-
Total assets and deferred outflows of resources	1,693,603	-	302,005	1,995,608
<b>Liabilities</b>				
Accounts payable and accrued expenses	(1,047)	-	-	(1,047)
Due to other funds	4	2,945,491	-	2,945,495
Total liabilities	(1,043)	2,945,491	-	2,944,448
<b>Deferred inflows of resources</b>				
Deferred revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
<b>Fund balances</b>				
Nonspendable	-	-	302,005	302,005
Restricted	1,694,646	-	-	1,694,646
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(2,945,491)	-	(2,945,491)
Total fund balance	1,694,646	(2,945,491)	302,005	(948,840)
Total liabilities, deferred inflows of resources, and fund balance	\$ 1,693,603	\$ -	\$ 302,005	\$ 1,995,608

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	<b>Special Revenue</b>	<b>Capital Projects</b>	<b>Permanent Trust Funds</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>				
Federal and state grant income	\$ -	\$ -	\$ -	\$ -
Other revenue	679,356	-	14,749	694,105
Investment income	29,238	-	10,523	39,761
Total revenue	708,594	-	25,272	733,866
<b>Expenditures</b>				
Health and human services	120	-	-	120
Recreation, library, and other	15,239	-	-	15,239
Public infrastructure	-	81,335	-	81,335
Economic development	1,961	-	-	1,961
Capital outlay	37,957	1,930,184	-	1,968,141
Total Expenditures	55,277	2,011,519	-	2,066,796
Excess (deficiency) of revenues over expenditures	653,317	(2,011,519)	25,272	(1,332,930)
<b>Other financing sources (uses)</b>				
Transfers in	114,420	-	-	114,420
Transfers out	(306,916)	(230,610)	-	(537,526)
Total other financing sources (uses)	(192,496)	(230,610)	-	(423,106)
Excess of revenue and other sources over expenditures and other uses	460,821	(2,242,129)	25,272	(1,756,036)
Fund balance - beginning	1,233,825	(703,362)	276,733	807,196
Fund balance - ending	\$ 1,694,646	\$ (2,945,491)	\$ 302,005	\$ (948,840)

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Special Revenue Funds

Combining Balance Sheet

*June 30, 2024*

		<b>Special Revenue Funds</b>					
		Landing Fees	BICEP - RLO Fund	OHTF - RLO Fund	BIHB - RLO Fund	Library Fund	<b>Town Special Revenue Total</b>
ASSETS							
<b>Assets</b>							
Cash and cash equivalents	\$ 172,744	\$ -	\$ 97,831	\$ 1,257,678	\$ 60,577	\$ 1,588,830	
Investments	-	-	-	-	27,921	27,921	
Federal and state grants receivable	-	-	-	76,852	-	76,852	
Total assets	<u>172,744</u>	<u>-</u>	<u>97,831</u>	<u>1,334,530</u>	<u>88,498</u>	<u>1,693,603</u>	
	-	-	-	-	-	-	
<b>Deferred Outflows of Resources</b>							
None	-	-	-	-	-	-	
Total outflows of resources and assets	<u>172,744</u>	<u>-</u>	<u>97,831</u>	<u>1,334,530</u>	<u>88,498</u>	<u>1,693,603</u>	
LIABILITIES AND FUND BALANCES							
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	-	-	-	(1,047)	(1,047)	
Due to other funds	-	-	-	4	-	4	
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>(1,047)</u>	<u>(1,043)</u>	
<b>Deferred Inflows of Resources</b>							
Unearned Revenue	-	-	-	-	-	-	
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	
<b>Fund Balances</b>							
Nonspendable	-	-	-	-	-	-	
Restricted	172,744	-	97,831	1,334,526	89,545	1,694,646	
Committed	-	-	-	-	-	-	
Assigned	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	
Total fund balances (deficits)	<u>172,744</u>	<u>-</u>	<u>97,831</u>	<u>1,334,526</u>	<u>89,545</u>	<u>1,694,646</u>	
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 172,744</u>	<u>\$ -</u>	<u>\$ 97,831</u>	<u>\$ 1,334,530</u>	<u>\$ 88,498</u>	<u>\$ 1,693,603</u>	

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	<b>Special Revenue</b>					<b>Town Special Revenue Total</b>
	Landing Fees	BICEP - RLO Fund	OHTF - RLO Fund	BIHB - RLO Fund	Library Fund	
<b>Revenues</b>						
State grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	27,229	2,009	<b>29,238</b>
Other	174,454	126	8,238	459,966	36,572	<b>679,356</b>
Total revenues	<u>174,454</u>	<u>126</u>	<u>8,238</u>	<u>487,195</u>	<u>38,581</u>	<b><u>708,594</u></b>
<b>Expenditures</b>						
Health & Human Services	-	-	-	120	-	<b>120</b>
Culture & recreation	-	-	1,546	-	13,693	<b>15,239</b>
Economic development	-	-	-	1,961	-	<b>1,961</b>
Public infrastructure	-	-	-	-	-	<b>-</b>
Capital outlay	-	-	-	37,957	-	<b>37,957</b>
Total expenditures	<u>-</u>	<u>-</u>	<u>1,546</u>	<u>40,038</u>	<u>13,693</u>	<b><u>55,277</u></b>
<b>Excess (deficiency) of revenue over expenditures</b>	174,454	126	6,692	447,157	24,888	<b>653,317</b>
<b>Other financing sources (uses)</b>						
Transfers In	-	-	-	-	114,420	<b>114,420</b>
Transfers Out	(192,496)	-	-	-	(114,420)	<b>(306,916)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>(18,042)</u>	<u>126</u>	<u>6,692</u>	<u>447,157</u>	<u>24,888</u>	<b><u>460,821</u></b>
<b>Fund Balance - beginning</b>	<u>190,786</u>	<u>(126)</u>	<u>91,139</u>	<u>887,369</u>	<u>64,657</u>	<b><u>1,233,825</u></b>
<b>Fund Balance - ending</b>	<u>\$ 172,744</u>	<u>\$ -</u>	<u>\$ 97,831</u>	<u>\$ 1,334,526</u>	<u>\$ 89,545</u>	<b><u>\$ 1,694,646</u></b>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Capital Project Funds

Combining Balance Sheet

*June 30, 2024*

	<b>Capital Projects Fund</b>				<b>Town Capital Projects Total</b>
	Roads Const Fund	PW Infrastructure	School Construction	Thomas Prop Construction	
<b>Assets</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Federal and state grants receivable	-	-	-	-	-
Total assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Outflows of Resources</b>					
None	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total outflows of resources and assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES AND FUND BALANCES					
<b>Liabilities</b>					
Accounts payable and accrued expenses	-	-	-	-	-
Due to other funds	1,651,091	-	591,836	702,564	2,945,491
Total liabilities	<u>1,651,091</u>	<u>-</u>	<u>591,836</u>	<u>702,564</u>	<u>2,945,491</u>
<b>Deferred Inflows of Resources</b>					
Unearned Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(1,651,091)	-	(591,836)	(702,564)	(2,945,491)
Total fund balances (deficits)	<u>(1,651,091)</u>	<u>-</u>	<u>(591,836)</u>	<u>(702,564)</u>	<u>(2,945,491)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Capital Project Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	<b>Capital Projects</b>				<b>Town Capital Projects Total</b>
	Roads Const Fund	PW Infrastructure	School Construction	Thomas Prop Construction	
<b>Revenues</b>					
State grants	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Health & Human Services	-	-	-	-	-
Culture & recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Public infrastructure	-	-	-	81,335	<b>81,335</b>
Capital outlay	-	-	487,844	1,442,340	<b>1,930,184</b>
Total expenditures	<u>-</u>	<u>-</u>	<u>487,844</u>	<u>1,523,675</u>	<u><b>2,011,519</b></u>
<b>Excess (deficiency) of revenue over expenditures</b>	-	-	(487,844)	(1,523,675)	<b>(2,011,519)</b>
<b>Other financing sources (uses)</b>					
Transfers In	-	-	-	-	-
Transfers Out	-	(230,610)	-	-	<b>(230,610)</b>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>(230,610)</u>	<u>(487,844)</u>	<u>(1,523,675)</u>	<u><b>(2,242,129)</b></u>
<b>Fund Balance - beginning</b>	<u>(1,651,091)</u>	<u>230,610</u>	<u>(103,992)</u>	<u>821,111</u>	<u><b>(703,362)</b></u>
<b>Fund Balance - ending</b>	<u>\$ (1,651,091)</u>	<u>\$ -</u>	<u>\$ (591,836)</u>	<u>\$ (702,564)</u>	<u><b>\$ (2,945,491)</b></u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Permanent Funds

Combining Balance Sheet

*June 30, 2024*

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	<u>Permanent Funds</u>
	<u>Cemetery Funds</u>
<b>Assets</b>	
Cash and cash equivalents	\$ 287,255
Due from other funds	14,750
Total assets	<u>302,005</u>
	-
<b>Deferred Outflows of Resources</b>	
None	-
Total outflows of resources and assets	<u>302,005</u>
<b>Liabilities</b>	
Warrants Payable	-
Total liabilities	<u>-</u>
<b>Deferred Inflows of Resources</b>	
Unearned Revenue	-
<b>Total deferred inflows of resources</b>	<u>-</u>
<b>Fund Balance</b>	
Nonspendable	302,005
Total fund balances (deficits)	<u>302,005</u>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<u>\$ 302,005</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

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	<u>Permanent Funds</u>
	<u>Cemetery Funds</u>
<b>Revenues</b>	
Federal grants	\$ -
Investment income	10,523
Other	<u>14,749</u>
Total revenues	<u>25,272</u>
<b>Expenditures</b>	
General government	<u>-</u>
Total expenditures	<u>-</u>
Excess (deficiency) of revenue over expenditures	25,272
<b>Other financing sources (uses):</b>	
None	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	25,272
<b>Fund Balance, Nonspendable - beginning</b>	<u>276,733</u>
<b>Fund Balance, Nonspendable - ending</b>	<u>\$ 302,005</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

School Department Funds

Combining Balance Sheet

*June 30, 2024*

	<b>School Unrestricted</b>	<b>School Restricted</b>		<b>Total School Department Funds</b>
		<b>School Special Revenue</b>	<b>Capital Projects</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ 26,722	\$ 56,501	\$ -	\$ 83,223
Receivables, other	12,796	-	-	12,796
Due from state and federal government	4,341	123,420	-	127,761
Due from Town of New Shoreham	960,153	96,617	31,664	1,088,434
Due from other funds	246,557	6,196	-	252,753
<b>Total assets</b>	<u>1,250,569</u>	<u>282,734</u>	<u>31,664</u>	<u>1,564,967</u>
<b>Deferred outflows of resources</b>				
Deferred outflows	-	2,570	-	2,570
<b>Total assets and deferred outflows of resources</b>	<u>\$ 1,250,569</u>	<u>\$ 285,304</u>	<u>\$ 31,664</u>	<u>\$ 1,567,537</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	539,018	3,848	-	542,866
Due to Town of New Shoreham	5,778	-	-	5,778
Due to other funds	-	236,635	16,118	252,753
<b>Total liabilities</b>	<u>544,796</u>	<u>240,483</u>	<u>16,118</u>	<u>801,397</u>
<b>Deferred inflows of resources</b>				
Deferred Revenue	22	-	-	22
<b>Total deferred inflows of resources</b>	<u>22</u>	<u>-</u>	<u>-</u>	<u>22</u>
<b>Fund balances</b>				
Nonspendable	-	-	-	-
Restricted	-	44,823	-	44,823
Committed	705,751	-	15,546	721,297
Assigned	-	-	-	-
Unassigned	-	(2)	-	(2)
<b>Total fund balance</b>	<u>705,751</u>	<u>44,821</u>	<u>15,546</u>	<u>766,118</u>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<u>\$ 1,250,569</u>	<u>\$ 285,304</u>	<u>\$ 31,664</u>	<u>\$ 1,567,537</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

School Department Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	<b>School Unrestricted</b>	<b>School Restricted</b>		<b>Total School Department Funds</b>
		<b>Special Revenue</b>	<b>Capital Projects</b>	
<b>Revenues</b>				
Federal and state grant income	\$ 150,551	\$ 87,077	\$ 31,664	\$ 269,292
Medicaid reimbursement	28,401	-	-	28,401
Charges for services	-	40,588	-	40,588
Other revenue	-	109,786	-	109,786
State contribution to teachers' pension plan	343,083	-	-	343,083
Total revenue	<u>522,035</u>	<u>237,451</u>	<u>31,664</u>	<u>791,150</u>
<b>Expenditures</b>				
Education	5,880,674	234,774	-	6,115,448
Capital outlay	80,402	36,578	45,872	162,852
Total Expenditures	<u>5,961,076</u>	<u>271,352</u>	<u>45,872</u>	<u>6,278,300</u>
Excess (deficiency) of revenues over expenditures	(5,439,041)	(33,901)	(14,208)	(5,487,150)
<b>Other financing sources (uses):</b>				
Transfers in	5,540,395	21,583	14,209	5,576,187
Transfers out	(35,792)	-	-	(35,792)
Total other financing sources (uses)	<u>5,504,603</u>	<u>21,583</u>	<u>14,209</u>	<u>5,540,395</u>
Excess of revenue and other sources over expenditures and other uses	65,562	(12,318)	1	53,245
Fund balance - beginning	<u>640,189</u>	<u>57,139</u>	<u>15,545</u>	<u>712,873</u>
Fund balance - ending	<u>\$ 705,751</u>	<u>\$ 44,821</u>	<u>\$ 15,546</u>	<u>\$ 766,118</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Supplementary Information  
 School Department Restricted Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2024

	<b>IDEA Part B</b>	<b>IDEA Preschool</b>	<b>Title I Part A</b>	<b>Title IIA</b>	<b>Title III</b>	<b>CRRSA Act- ESSER II Priority 1 Back to School</b>
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-
Due from Town of New Shoreham	12,411	-	26,318	7,059	-	-
Due from state or federal government	2,153	3,162	-	252	683	43,398
Total assets	<u>14,564</u>	<u>3,162</u>	<u>26,318</u>	<u>7,311</u>	<u>683</u>	<u>43,398</u>
<b>Deferred Outflows of Resources</b>						
None	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>14,564</u>	<u>3,162</u>	<u>26,318</u>	<u>7,311</u>	<u>683</u>	<u>43,398</u>
	-	-	-	-	-	-
<b>Liabilities</b>						
Accounts payable and accrued expenses	-	-	-	-	-	-
Due to other funds	14,564	3,162	26,318	7,311	683	43,398
Total liabilities	<u>14,564</u>	<u>3,162</u>	<u>26,318</u>	<u>7,311</u>	<u>683</u>	<u>43,398</u>
<b>Deferred Inflows of Resources</b>						
None	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>						
Restricted	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 14,564</u>	<u>\$ 3,162</u>	<u>\$ 26,318</u>	<u>\$ 7,311</u>	<u>\$ 683</u>	<u>\$ 43,398</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Supplementary Information  
 School Department Restricted Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2024

	ARPA- ESSER II Priority 2 Extended Learning	ELC Grant	RTTT Education	Reap Grant	RISCA 1	English Language Categorical	School Building Authority Capital
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	-	-	-
Due from Town of New Shoreham	-	-	-	-	500	263	35,000
Due from state or federal government	13,763	7,302	-	45,672	-	-	-
Total assets	<u>13,763</u>	<u>7,302</u>	<u>-</u>	<u>45,672</u>	<u>500</u>	<u>263</u>	<u>35,000</u>
<b>Deferred Outflows of Resources</b>							
None	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>13,763</u>	<u>7,302</u>	<u>-</u>	<u>45,672</u>	<u>500</u>	<u>263</u>	<u>35,000</u>
	-	-	-	-	-	-	-
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	-	-	-	-	-	-
Due to other funds	13,763	7,302	2	45,672	500	263	35,000
Total liabilities	<u>13,763</u>	<u>7,302</u>	<u>2</u>	<u>45,672</u>	<u>500</u>	<u>263</u>	<u>35,000</u>
<b>Deferred Inflows of Resources</b>							
None	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>							
Restricted							
Unassigned	-	-	(2)	-	-	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 13,763</u>	<u>\$ 7,302</u>	<u>\$ -</u>	<u>\$ 45,672</u>	<u>\$ 500</u>	<u>\$ 263</u>	<u>\$ 35,000</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Supplementary Information  
 School Department Restricted Special Revenue Funds  
 Combining Balance Sheet  
 June 30, 2024

	<b>Champlin Foundation Grant</b>	<b>ACT Foundation</b>	<b>RI Wild Plant Study</b>	<b>School Lunch</b>	<b>Student Activities</b>	<b>Learning 365 Grant</b>	<b>Total School Restricted Funds</b>
<b>Assets</b>							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 17,728	\$ 38,773	\$ -	\$ 56,501
Due from other funds	257	5,339	600	-	-	-	6,196
Due from Town of New Shoreham	-	-	-	-	-	15,066	96,617
Due from state or federal government	-	-	-	2,915	-	4,120	123,420
Total assets	<u>257</u>	<u>5,339</u>	<u>600</u>	<u>20,643</u>	<u>38,773</u>	<u>19,186</u>	<u>282,734</u>
<b>Deferred Outflows of Resources</b>							
None	-	-	-	2,570	-	-	2,570
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,570</u>	<u>-</u>	<u>-</u>	<u>2,570</u>
Total assets and deferred outflows of resources	<u>257</u>	<u>5,339</u>	<u>600</u>	<u>23,213</u>	<u>38,773</u>	<u>19,186</u>	<u>285,304</u>
	-	-	-	-	-	-	
<b>Liabilities</b>							
Accounts payable and accrued expenses	-	-	-	3,417	431	-	3,848
Due to other funds	-	-	-	19,422	89	19,186	236,635
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,839</u>	<u>520</u>	<u>19,186</u>	<u>240,483</u>
<b>Deferred Inflows of Resources</b>							
None	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balance</b>							
Restricted	257	5,339	600	374	38,253	-	44,823
Unassigned	-	-	-	-	-	-	(2)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 257</u>	<u>\$ 5,339</u>	<u>\$ 600</u>	<u>\$ 23,213</u>	<u>\$ 38,773</u>	<u>\$ 19,186</u>	<u>\$ 285,304</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Supplementary Information  
 School Department Restricted Special Revenue Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended June 30, 2024

	<b>IDEA Part B</b>	<b>IDEA Preschool</b>	<b>Title I Part A</b>	<b>Title IIA</b>	<b>Title III</b>	<b>CRRSA Act- ESSER II Priority 1 Back to School</b>
<b>Revenues</b>						
Federal grant income	\$ 8,443	\$ 3,162	\$ 26,318	\$ 7,311	\$ -	\$ -
State grant income	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total revenues</b>	<b>8,443</b>	<b>3,162</b>	<b>26,318</b>	<b>7,311</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>						
Education	8,443	3,162	26,318	7,311	-	-
Capital outlay	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>8,443</b>	<b>3,162</b>	<b>26,318</b>	<b>7,311</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-
<b>Other financing sources (uses)</b>						
Transfers in (out)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-
<b>Fund balance - beginning</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balance - ending</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

School Department Restricted Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	ARPA- ESSER II Priority 2 <u>Extended Learning</u>	ELC <u>Grant</u>	RTTT <u>Education</u>	Reap Grant	RISCA 1	English Language Categorical	School Building Authority Capital
<b>Revenues</b>							
Federal grant income	\$ 4,765	\$ -	\$ -	\$ 36,578	\$ -	\$ -	\$ -
State grant income	-	-	500	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total revenues</b>	<u>4,765</u>	<u>-</u>	<u>500</u>	<u>36,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>							
Education	4,765	-	500	-	-	-	-
Capital outlay	-	-	-	36,578	-	-	-
<b>Total Expenditures</b>	<u>4,765</u>	<u>-</u>	<u>500</u>	<u>36,578</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-	-
<b>Other financing sources (uses)</b>							
Transfers in (out)	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<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	-	-	-	-	-	-	-
<b>Fund balance - beginning</b>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

School Department Restricted Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2024*

	<b>Champlin</b>	<b>ACT</b>	<b>RI Wild</b>	<b>School</b>	<b>Student</b>	<b>Learning 365</b>	<b>Total School</b>
	<b>Foundation Grant</b>	<b>Foundation</b>	<b>Plant Study</b>	<b>Lunch</b>	<b>Activities</b>	<b>Grant</b>	<b>Restricted Funds</b>
<b>Revenues</b>							
Federal grant income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,577
State grant income	-	-	-	-	-	-	500
Charges for services	-	-	-	40,588	-	-	40,588
Other	-	25,419	600	-	64,581	19,186	109,786
<b>Total revenues</b>	<b>-</b>	<b>25,419</b>	<b>600</b>	<b>40,588</b>	<b>64,581</b>	<b>19,186</b>	<b>237,451</b>
<b>Expenditures</b>							
Education	10,088	26,552	-	62,171	66,278	19,186	234,774
Capital outlay	-	-	-	-	-	-	36,578
<b>Total Expenditures</b>	<b>10,088</b>	<b>26,552</b>	<b>-</b>	<b>62,171</b>	<b>66,278</b>	<b>19,186</b>	<b>271,352</b>
Excess (deficiency) of revenue over expenditures	(10,088)	(1,133)	600	(21,583)	(1,697)	-	(33,901)
<b>Other financing sources (uses)</b>							
Transfers in (out)	-	-	-	21,583	-	-	21,583
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,583</b>	<b>-</b>	<b>-</b>	<b>21,583</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(10,088)	(1,133)	600	-	(1,697)	-	(12,318)
<b>Fund balance - beginning</b>	<b>10,345</b>	<b>6,472</b>	<b>-</b>	<b>374</b>	<b>39,950</b>	<b>-</b>	<b>57,139</b>
<b>Fund balance - ending</b>	<b>\$ 257</b>	<b>\$ 5,339</b>	<b>\$ 600</b>	<b>\$ 374</b>	<b>\$ 38,253</b>	<b>\$ -</b>	<b>\$ 44,821</b>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Supplementary Information  
 School Department Restricted Capital Project Funds  
 Combining Balance Sheet  
*June 30, 2024*

	School Improvements	Total
<b>Assets</b>		
Cash & Cash Equivalents	\$ -	\$ -
Due from Town of New Shoreham	31,664	31,664
Due from other funds	-	-
Total assets	31,664	31,664
<b>Deferred Outflows of Resources</b>		
None	-	-
Total deferred outflows of resources	-	-
<b>Liabilities</b>		
Accounts Payable	-	-
Due to Other funds	16,118	16,118
Total liabilities	16,118	16,118
<b>Deferred Inflows of Resources</b>		
None	-	-
Total deferred inflows of resources	-	-
<b>Fund Balances</b>		
Nonspendable	-	-
Restricted	-	-
Committed	-	-
Committed	-	-
Unassigned	-	-
Total fund balances (deficits)	-	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 16,118	\$ 16,118

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**  
 Supplementary Information  
 School Department Restricted Capital Project Funds  
 Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
 For the Year Ended June 30, 2024

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	<u>School Improvements</u>	<u>Total</u>
<b>Revenues</b>		
Federal and State Grants	\$ 31,664	\$ 31,664
Investment income	-	-
Other	-	-
	<u>31,664</u>	<u>31,664</u>
<b>Expenditures</b>		
Education	<u>45,872</u>	<u>45,872</u>
Total expenditures	<u>45,872</u>	<u>45,872</u>
Excess (deficiency) of revenue over expenditures	(14,208)	(14,208)
<b>Other financing sources (uses)</b>		
Transfer in	<u>14,209</u>	<u>14,209</u>
Total other financing sources (uses)	<u>14,209</u>	<u>14,209</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1	1
<b>Fund balance - beginning</b>	<u>15,545</u>	<u>15,545</u>
<b>Fund balance - ending</b>	<u>\$ 15,546</u>	<u>\$ 15,546</u>

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Tax Collector's Annual Report

*For the Year Ended June 30, 2024*

Tax Roll Year	<u>Balance</u>			<u>Abatements</u> <u>Refunds</u>	<u>Transfers/</u> <u>Adjustments</u>	<u>Amount to be</u> <u>collected</u>	<u>Collections</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>July - August</u> <u>2023</u> <u>Collections</u>			<u>July - August</u> <u>2024</u> <u>Collections</u>	
	<u>July 1, 2023</u>	<u>Assesment</u>	<u>Additions</u>						<u>Subject</u> <u>to 60-day</u> <u>FY23 Accrual</u>	<u>September -</u> <u>June</u> <u>Collections</u>	<u>Total FY 2024</u> <u>Cash</u> <u>Collections</u>	<u>Subject</u> <u>to 60-day</u> <u>FY24 Accrual</u>	
2023	\$ -	\$ 12,470,560	\$ -	\$ 398,827	\$ 16,220	\$ 12,055,513	\$ 11,858,918	\$ 196,595	\$ 71,365	\$ 11,787,553	\$ 11,858,918	\$ 68,657	
2022	197,096	-	-	1,232	(14,004)	209,868	121,763	88,106	1,132	120,631	121,763	-	
2021	53,135	-	-	-	(7)	53,142	8,816	44,326	533	8,283	8,816	14	
2020	33,910	-	-	-	-	33,910	912	32,998	-	912	912	-	
2019	28,294	-	-	-	-	28,294	13	28,281	-	13	13	-	
2018	23,924	-	-	-	-	23,924	92	23,832	-	92	92	-	
2017	23,322	-	-	-	-	23,322	-	23,322	-	-	-	-	
2016	959	-	-	-	-	959	-	959	-	-	-	-	
2015	946	-	-	-	-	946	-	946	-	-	-	-	
2014	933	-	-	-	932	1	-	1	-	-	-	-	
2013	217	-	-	-	-	217	-	217	-	-	-	-	
2012	13	-	-	-	-	13	-	13	-	-	-	-	
2011	13	-	-	-	-	13	-	13	-	-	-	-	
2010	60	-	-	-	-	60	-	60	-	-	-	-	
2009	107	-	-	-	-	107	-	107	-	-	-	-	
2008	128	-	-	-	-	128	-	128	-	-	-	-	
2007	10	-	-	-	-	10	-	10	-	-	-	-	
2006 and prior	5,700	-	-	-	(3,929)	9,629	-	9,629	-	-	-	-	
	<u>\$ 368,767</u>	<u>\$ 12,470,560</u>	<u>\$ -</u>	<u>\$ 400,059</u>	<u>\$ (788)</u>	<u>\$ 12,440,056</u>	<u>\$ 11,990,514</u>	<u>\$ 449,542</u>	<u>\$ 73,030</u>	<u>\$ 11,917,484</u>	<u>\$ 11,990,514</u>	<u>\$ 68,671</u>	

Less:  
 Allowance for  
 Uncollectible  
 accounts

40,000  
\$ 328,767

40,000  
\$ 409,542

*See independent auditor's report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Tax Collector's Annual Report

*For the Year Ended June 30, 2024*

Schedule of property valuation assessed as of December 31, 2023

	<u>Valuation</u>	<u>Levy</u>	
Real property	\$ 2,477,357,578	\$ 13,675,014	5.52
Tangible personal property	<u>59,296,940</u>	<u>356,968</u>	6.02
Total	2,536,654,518	14,031,981	
Less: Exemptions and motor vehicle phase out			
Real property	66,927,308	369,439	5.52
Tangible personal property	<u>2,390,999</u>	<u>14,394</u>	6.02
	69,318,307	383,833	
	<u>\$ 2,467,336,211</u>	<u>\$ 13,648,149</u>	

**Reconciliation of Current Year Property Tax Revenue**

Current Year Collections	\$ 11,990,514
60-day FY24 Accrual	68,671
July-August 2024 Collections	
60-day FY23 Accrual	(73,030)
July-August 2023 Collections	
Misc Adjustments	<u>(15)</u>
Current Year Property Tax Revenue	<u>\$ 11,986,140</u>

*See independent auditor's report*

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# TOWN OF NEW SHOREHAM

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## *Other Supplementary Information*

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The Annual Supplemental Transparency Report Schedules (MTP2)  
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)

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**Town of New Shoreham, Rhode Island**  
Annual Supplemental Transparency Report Schedules (MTP2)

*For the Year Ended June 30, 2024*

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 11,856,210	\$ -
Last Year's Levy Tax Collection	120,631	-
Prior Years Property Tax Collection	8,297	-
Interest & Penalty	38,022	-
PILOT & Tax Treaty (excluded from levy) Collection	21,273	-
Licenses and Permits	708,635	-
Fines and Forfeitures	13,253	-
Investment Income	32,043	-
Departmental	2,604,448	-
Police & Fire Detail	6,994	-
Other Local Non-Property Tax Revenues	229,877	-
Medicaid	-	28,401
Federal Food Service Reimbursement	-	24,046
Other Federal Aid Funds	10,111	81,812
COVID - ESSER	-	4,765
MV Excise Tax Reimbursement	6,910	-
Library Resource Aid	108,269	-
Public Service Corporation Tax	13,612	-
Meals & Beverage Tax / Hotel Tax	1,373,972	-
LEA Aid	-	150,551
Housing Aid Bonded Debt	208,732	-
State Food Service Revenue	-	525
Other State Revenue	41,203	32,164
Motor Vehicle Phase Out	156,388	-
Other Revenue	41,268	125,803
Local Appropriation for Education	-	5,540,395
<b>Total Revenue</b>	<b>\$ 17,600,148</b>	<b>\$ 5,988,462</b>
Financing Sources: Transfer from Other Funds	\$ 423,107	\$ -
Financing Sources: Debt Proceeds	7,350,000	-
Financing Sources: Other	653,437	-
<b>Total Other Financing Sources</b>	<b>\$ 8,426,544</b>	<b>\$ -</b>

*See independent auditor report*

**Town of New Shoreham, Rhode Island**  
**Supplementary Information**  
**Annual Supplemental Transparency Report (MTP2)**  
*For the Year Ended June 30, 2024*

<u>EXPENDITURES</u>	<u>General</u>		<u>Social</u>	<u>Centralized</u>				<u>Public</u>	<u>Parks and</u>	<u>Police</u>
	<u>Government</u>	<u>Finance</u>	<u>Services</u>	<u>IT</u>	<u>Planning</u>	<u>Libraries</u>		<u>Works</u>	<u>Rec</u>	<u>Department</u>
Compensation- Group A	\$ 478,566	\$ 330,063	\$ 87,025	\$ -	\$ 186,769	\$ 294,621	\$ 764,621	\$ 200,502	\$ 743,216	
Compensation - Group B	-	-	-	-	-	-	-	-	55,935	
Compensation - Group C	-	-	-	-	-	-	-	-	-	
Overtime- Group A	722	1,140	-	-	-	2,077	20,080	5,705	108,253	
Overtime - Group C	-	-	-	-	-	-	-	-	-	
Police & Fire Detail	-	-	-	-	-	-	-	-	5,100	
Active Medical Insurance - Group A	76,560	35,968	15,775	-	50,013	69,081	90,839	13,462	66,074	
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	15,755	
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-	
Active Dental insurance- Group A	5,328	1,823	949	-	2,481	4,379	5,328	583	3,430	
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	949	
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-	
Payroll Taxes	38,057	26,564	6,029	-	14,675	23,073	59,284	15,862	70,276	
Life Insurance	1,622	1,042	254	-	589	1,030	1,636	346	180	
State Defined Contribution- Group A	4,305	21,000	5,903	-	11,862	20,754	32,977	6,981	-	
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,624	
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-	
Other Benefits- Group A	9,204	-	-	-	-	-	-	-	-	
Other Benefits- Group C	-	-	-	-	-	-	-	-	-	
State Defined Benefit Pension- Group A	28,813	3,235	788	-	1,828	3,197	5,081	1,075	83,360	
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	558	
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-	
Other Defined Benefit / Contribution	3,900	4,888	-	-	3,120	5,408	8,684	832	7,436	
Purchased Services	451,235	2,466	-	29,574	179,395	29,138	67,227	60,915	46,552	
Materials/Supplies	12,073	7,295	-	1,166	3,687	10,922	26,727	1,497	10,325	
Software Licenses	-	-	-	230,044	-	-	-	-	8,567	
Capital Outlays	38,707	-	-	30,757	180,161	58,642	138,267	44,441	54,943	
Insurance	339,933	-	-	-	-	-	-	-	-	
Maintenance	-	-	-	-	-	60,638	708,014	79,509	23,895	
Vehicle Operations	-	-	-	-	-	-	77,934	1,263	65,709	
Utilities	35,866	-	-	-	-	33,821	112,172	3,379	10,230	
Street Lighting	-	-	-	-	-	-	5,630	-	-	
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	3,900	-	-	
Trash Removal & Recycling	-	-	-	-	-	-	85,684	-	-	
Claims & Settlements	-	-	-	-	-	-	-	-	-	
Community Support	831,785	-	-	-	-	-	-	-	-	
Other Operation Expenditures	652,101	36,751	22,119	29,078	6,320	8,774	204,962	90,961	79,248	
Tipping Fees	-	-	-	-	-	-	-	-	-	
Local Appropriation for Education	-	-	-	-	-	-	-	-	-	
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-	
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-	
School Debt- Principal	-	-	-	-	-	-	-	-	-	
School Debt- Interest	-	-	-	-	-	-	-	-	-	
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-	
Rounding	-	-	-	-	-	-	-	-	-	
<b>Total Expenditures</b>	<b>\$ 3,008,777</b>	<b>\$ 472,235</b>	<b>\$ 138,842</b>	<b>\$ 320,619</b>	<b>\$ 640,900</b>	<b>\$ 625,555</b>	<b>\$ 2,419,047</b>	<b>\$ 527,313</b>	<b>\$ 1,463,615</b>	

*See independent auditor report*

# Town of New Shoreham, Rhode Island

## Supplementary Information

### Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2024*

Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
\$ -	\$ 216,980	\$ -	\$ -	\$ -	\$ -	\$ 3,302,363	\$ 2,520,541
-	-	-	-	-	-	55,935	343,521
-	-	-	-	-	-	-	599,003
-	11,453	-	-	-	-	149,430	-
-	-	-	-	-	-	-	4,504
-	-	-	-	-	-	5,100	-
-	54,055	-	-	-	-	471,827	240,000
-	-	-	-	-	-	15,755	31,946
-	-	-	-	-	-	-	113,628
-	3,139	-	-	-	-	27,440	14,539
-	-	-	-	-	-	949	2,690
-	-	-	-	-	-	-	4,766
-	17,754	-	-	-	-	271,574	267,607
-	678	-	-	-	-	7,377	17,810
-	13,664	-	-	-	-	117,446	14,383
-	-	-	-	-	-	3,624	1,967
-	-	-	-	-	-	-	4,803
-	-	-	-	-	-	9,204	2,722
-	-	-	-	-	-	-	2,124
-	2,105	-	-	-	-	129,482	344,200
-	-	-	-	-	-	558	40,317
-	-	-	-	-	-	-	30,266
-	832	-	-	-	-	35,100	-
-	-	-	-	-	-	866,502	445,067
-	-	-	-	-	-	73,692	133,083
-	-	-	-	-	-	238,611	13,843
71,925	-	-	-	-	-	617,843	167,045
-	-	-	-	-	-	339,933	60,349
-	4,581	-	-	-	-	876,637	108,154
-	-	-	-	-	-	144,906	1,419
-	31,545	-	-	-	-	227,013	158,728
-	-	-	-	-	-	5,630	-
-	-	-	-	-	-	3,900	-
-	-	-	-	-	-	85,684	-
-	-	-	-	-	-	-	50,000
-	-	-	-	-	-	831,785	-
-	34,109	-	-	-	-	1,164,423	128,942
-	-	-	-	-	-	-	-
-	-	-	5,540,395	-	-	5,540,395	-
-	-	-	-	2,001,000	-	2,001,000	-
-	-	-	-	315,552	-	315,552	-
-	-	-	-	560,000	-	560,000	-
-	-	-	-	48,466	-	48,466	-
-	-	-	-	-	-	-	67,246
-	-	-	-	-	-	-	-
<b>\$ 71,925</b>	<b>\$ 390,895</b>	<b>\$ -</b>	<b>\$ 5,540,395</b>	<b>\$ 2,925,018</b>	<b>\$ -</b>	<b>\$ 18,545,136</b>	<b>\$ 5,935,215</b>

Financing Uses: Transfer to Other Funds	\$ 192,497.0	\$ -
<b>Total Other Financing Uses</b>	<u>\$ 192,497</u>	<u>\$ -</u>
<b>Net Change in Fund Balance<sup>1</sup></b>	7,289,059	53,247
<b>Fund Balance<sup>1</sup> - beginning of year</b>	\$9,325,058	\$712,873
Rounding		
<b>Fund Balance<sup>1</sup> - end of year</b>	<u>\$ 16,614,117</u>	<u>\$ 766,120</u>

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

*See independent auditor report*

**Town of New Shoreham, Rhode Island**

Supplementary Information

Annual Supplemental Transparency Report (MTP2)

Combining Schedule of Reportable Government Services with Reconciliation to MTP2

*For the Year Ended June 30, 2024*

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023</b>						\$ 9,325,058	-	\$ 9,325,058	
<i>No funds removed from RGS for fiscal 2023</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2023</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2023</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2024 adjusted</b>						\$ 9,325,058	-	\$ 9,325,058	
General Fund	\$ 16,930,135	\$ 8,426,544	\$ 12,963,157	\$ 5,540,396	\$ 6,853,126	\$ 8,155,890	-	\$ 8,155,890	\$ 15,009,016
Landing Fee Fund	174,454	-	-	192,496	(18,042)	190,786	-	190,786	172,744
Prevention Task Force / BICEP - RLO Fund	126	-	-	-	126	(126)	-	(126)	-
Old Harbor Task Force / OHTF - RLO Fund	8,238	-	1,546	-	6,692	91,139	-	91,139	97,831
Housing Board / BIHB - RLO Fund	487,195	-	40,038	-	447,157	887,369	-	887,369	1,334,526
<b>Totals per audited financial statements</b>	<b>\$ 17,600,148</b>	<b>\$ 8,426,544</b>	<b>\$ 13,004,741</b>	<b>\$ 5,732,892</b>	<b>\$ 7,289,059</b>	<b>\$ 9,325,058</b>	<b>\$ -</b>	<b>\$ 9,325,058</b>	<b>\$ 16,614,117</b>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	-	\$ 5,540,395	\$ (5,540,395)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<b>\$ 17,600,148</b>	<b>\$ 8,426,544</b>	<b>\$ 18,545,136</b>	<b>\$ 192,497</b>	<b>\$ 7,289,059</b>	<b>\$ 9,325,058</b>	<b>\$ -</b>	<b>\$ 9,325,058</b>	<b>\$ 16,614,117</b>

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

*See independent auditor report*

# Town of New Shoreham, Rhode Island

## Supplementary Information

### Annual Supplemental Transparency Report (MTP2)

#### Combining Schedule of Reportable Government Services with Reconciliation to MTP2

*For the Year Ended June 30, 2024*

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023</b>						\$ 712,873	-	\$ 712,873	
<i>No misc. adjustments made for fiscal 2023</i>						-	-	-	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2024 adjusted</b>						<u>\$ 712,873</u>	-	<u>\$ 712,873</u>	
School Unrestricted Fund	\$ 522,035	\$ 5,540,395	\$ 5,961,076	\$ 35,792	\$ 65,562	\$ 640,189	-	\$ 640,189	\$ 705,751
SBA School Capital Project Fund	31,665	14,209	45,871	-	3	15,545	-	15,545	15,548
School Special Revenue Funds	237,451	21,583	271,352	-	(12,318)	57,139	-	57,139	44,821
<b>Totals per audited financial statements</b>	<u>\$ 791,151</u>	<u>\$ 5,576,187</u>	<u>\$ 6,278,299</u>	<u>\$ 35,792</u>	<u>\$ 53,247</u>	<u>\$ 712,873</u>	<u>\$ -</u>	<u>\$ 712,873</u>	<u>\$ 766,120</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 5,540,395	\$ (5,540,395)	-	-	-	-	-	-	-
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(343,084)	-	(343,084)	-	-	-	-	-	-
Miscellaneous variances between UCOA & FS	-	(35,792)	-	(35,792)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 5,988,462</u>	<u>\$ -</u>	<u>\$ 5,935,215</u>	<u>\$ -</u>	<u>\$ 53,247</u>	<u>\$ 712,873</u>	<u>\$ -</u>	<u>\$ 712,873</u>	<u>\$ 766,120</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Miscellaneous variance between MTP2 and UCOA	-	-	-	-	-	-	-	-	-
<b>Totals per UCOA Validated Totals Report Dated 10/22/2024</b>	<u>\$ 5,988,462</u>	<u>\$ -</u>	<u>\$ 5,935,215</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

*See independent auditor report*

## Town of New Shoreham, Rhode Island

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

*For the Year Ended June 30, 2024*

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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.

## Town of New Shoreham, Rhode Island

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

*For the Year Ended June 30, 2024*

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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/>.*

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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 Members of the Town Council  
Town of New Shoreham, Rhode Island  
New Shoreham, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of New Shoreham, Rhode Island (the Town), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated October 9, 2025.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of New Shoreham, 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Town of New Shoreham, 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.

*Hague, Sahady & Co., CPAs, P.C.*

Fall River, Massachusetts  
October 9, 2025