

TOWN OF FOSTER RHODE ISLAND



FOSTER FAIRGROUNDS

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2023

TOWN OF FOSTER, RHODE ISLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ending June 30, 2023

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

INTRODUCTORY SECTION

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TOWN OF FOSTER, RHODE ISLAND
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TOWN OF FOSTER RHODE ISLAND

KELLI M. RUSS

FINANCE DIRECTOR

April 12, 2024

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

The Annual Comprehensive Financial Report of the Town of Foster, for the fiscal year ended June 30, 2023, is hereby submitted. This report was prepared by the Finance Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the Town's management. We believe the information, as presented, is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the Town, and that all disclosures necessary to enable the reader to gain adequate understanding of the Town's financial affairs have been included.

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

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

GOVERNMENT PROFILE

The land area that is now the Town of Foster was founded in 1636 and considered part of Providence, Rhode Island; was later divided from Providence and included in the Town of Scituate, Rhode Island; and was separated from Scituate and incorporated as a Town on August 24, 1781. The Town of Foster is located at the southeastern corner of Providence County on the Rhode Island/Connecticut line. It is bounded by Killingly and Sterling, Connecticut on the west; Glocester, Rhode Island on the north; Coventry, Rhode Island on the south, and Scituate, Rhode Island on the east; and remains sparsely settled with a population density of only 86 persons per square mile. It is connected to the southeast corridor by a network of highways including Interstates 295 and 95, and Route 6. It currently occupies 52.21 square miles and serves a population of approximately 4,491.

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

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

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

COMPONENT UNIT

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

EDUCATION

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

The Foster-Glocester Regional School District was incorporated, and its fiscal authority established by Acts of the General Assembly in 1958 and 1959. In fiscal year ending June 30, 2023, the Town of Foster paid \$5,808,469 to the Foster-Glocester Regional School District.

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

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

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

A new law was enacted requiring that 3% of operations annually be allocated for the ongoing maintenance of school buildings.

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

Actual Enrollment

School Year	Captain Isaac Paine School	Foster-Glocester Regional School	Total
2013-2014	287	356	643
2014-2015	285	350	635
2015-2016	278	357	635
2016-2017	271	356	627
2017-2018	279	374	653
2018-2019	277	375	652
2019-2020	240	373	613
2020-2021	220	361	581
2021-2022	224	387	611
2022-2023	227	394	621

Projected Enrollment

School Year	Captain Isaac Paine School	Foster-Glocester Regional School	Total
2023-2024	228	349	577
2024-2025	246	325	567
2025-2026	248	298	535
2026-2027	250	282	516
2026-2027	255	268	516

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

MUNICIPAL SERVICES

The Town provides the following major public services:

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

ANIMAL CONTROL – The Police Department is responsible for Animal Control but shares the staff and animal pound with the Town of Scituate to fully provide this service.

FIRE AND RESCUE – Fire protection and rescue services in the Town of Foster are provided by four separate non-profit volunteer entities created by State statute: Foster Center Fire Company, Moosup Valley Fire Company, South Foster Fire Company, and the Foster Ambulance Corps. As of April 1, 2022, the Foster Ambulance Corps transitioned from a volunteer company to paid personnel due to the lack of volunteers and in July of 2022 joined operations with the South Foster Volunteer Fire Company. Although they are treated and operate as a separate entity, they legally fall under the South Foster Fire Company’s umbrella; doing business as the South Foster EMS. The Town processes all of the financial record keeping for the South Foster EMS and acts as a custodian of their financial records.

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

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

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

ECONOMIC CONDITIONS AND OUTLOOK

Foster is considered a rural residential community. Residential property accounts for 84.15% of the total tax roll.

EMPLOYMENT

Most employment opportunities extend outside the Town to the Cities of Hartford, Providence, and Boston. The majority of job opportunities offered in Town are part-time. The principal

employers are the Foster School Department and the Town of Foster, Foster Golf & Country Club, Little Rhody Farms, Well One Foster, Dr. Daycare, Shady Acres, and the United States Postal Service (USPS).

Listed below is the Rhode Island Department of Labor and Training Quarterly Census of Employment and Wages – Second Quarter 2023 Report.

Foster			
	Number of Units	Average Employment	Total Wages
Total Private & Government	138	520	6,435,414
Total Private Only	132	428	5,120,235
Agriculture, Forestry, Fishing & Hunting	2	*	*
Construction	28	67	919,918
Manufacturing	3	*	*
Wholesale Trade	10	27	438,050
Retail Trade	7	23	155,212
Transportation & Warehousing	4	21	395,662
Information	4	12	86,131
Finance & Insurance	3	*	*
Real Estate & Rental & Leasing	1	*	*
Professional & Technical Services	21	34	484,402
Management of Companies & Enterprises	2	*	*
Administrative Support & Waste Mgmt.	16	62	830,163
Educational Services	2	*	*
Health Care & Social Assistance	13	47	704,200
Arts, Entertainment, & Recreation	3	*	*
Accommodation & Food Services	5	25	125,896
Other services (except Public Admin)	8	18	117,708
Unclassified Establishments	0	0	0
Government	6	93	1,315,179

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

HOUSING

At June 30, 2023 sale prices for single family homes or land in Foster ranged from \$120,000 to more than \$950,000. The 2023 second quarter median sales price for single family homes in Foster was \$452,900.

POPULATION TRENDS

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

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

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

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

LONG-TERM FINANCIAL PLANNING

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

Even with these funding initiatives, the anticipated expenditures for the ongoing replacement, repair, and maintenance of property including infrastructure, significantly outweighs the anticipated revenue set aside to fund these projects. Therefore, the Town budgeted an additional contribution of \$209,926 in 2023 to fund capital endeavors and is looking into changes in policy, grants, and alternate funding sources for future capital projects.

MAJOR INITIATIVES

Ongoing or recently completed projects include:

- New security cameras at the Foster Elementary School
- New pavilion at the Foster Elementary School
- Network upgrades at the Foster Elementary School
- Tank replacement for Foster Center Volunteer Fire Company Tanker
- Purchase of a 3-5 ton roller for small paving jobs
- Completed the project of a wash bay and garage roof replacement for the Department of Public Works
- Continued phase two of the new youth athletic field complex which includes a walking trail, tennis and basketball courts, and a soccer/football field
- Asphalt overlays and repair on segments of Boswell Trail
- Final phase of plan and design of a new Police Station site and building

FINANCIAL INFORMATION

A detailed understanding of the financial position and operating results of the Town is provided in the Annual Comprehensive Financial Report. The Management's Discussion and Analysis starting on page 5 of the Annual Comprehensive Financial Report provides additional information to assess the Town's financial condition.

INTERNAL CONTROLS

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

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

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

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

INDEPENDENT AUDIT

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

REPORTING ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Foster for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the tenth year that the government has achieved this prestigious award; however, the Annual Comprehensive Financial Report was not submitted for consideration for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish

an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGMENT

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

Respectfully,

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

Kelli M. Russ
Finance Director

TOWN OF FOSTER, RHODE ISLAND

TOWN COUNCIL

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

TOWN CLERK

Susan M. Dillon

TREASURER / FINANCE DIRECTOR

Kelli M. Russ

ASSESSOR

Karen Williams

TAX COLLECTOR

Catherine Hadfield

PLANNER

Grant McGregor

BUILDING AND ZONING OFFICIAL

George Dumont

POLICE CHIEF

Gina-marie Lindell

DIRECTOR OF HUMAN SERVICES

Allison Bouchard

DIRECTOR OF PUBLIC WORKS

Gordon Rogers

LIBRARY DIRECTOR

Jayne Lear

SCHOOL SUPERINTENDENT

Dr. Michael Barnes

SCHOOL COMMITTEE

Shelley D. Pezza, Chair
Brendan Mara
Eileen Cook

FIRE CHIEF - SOUTH FOSTER

Gordon Brayton

FIRE CHIEF - MOOSUP VALLEY

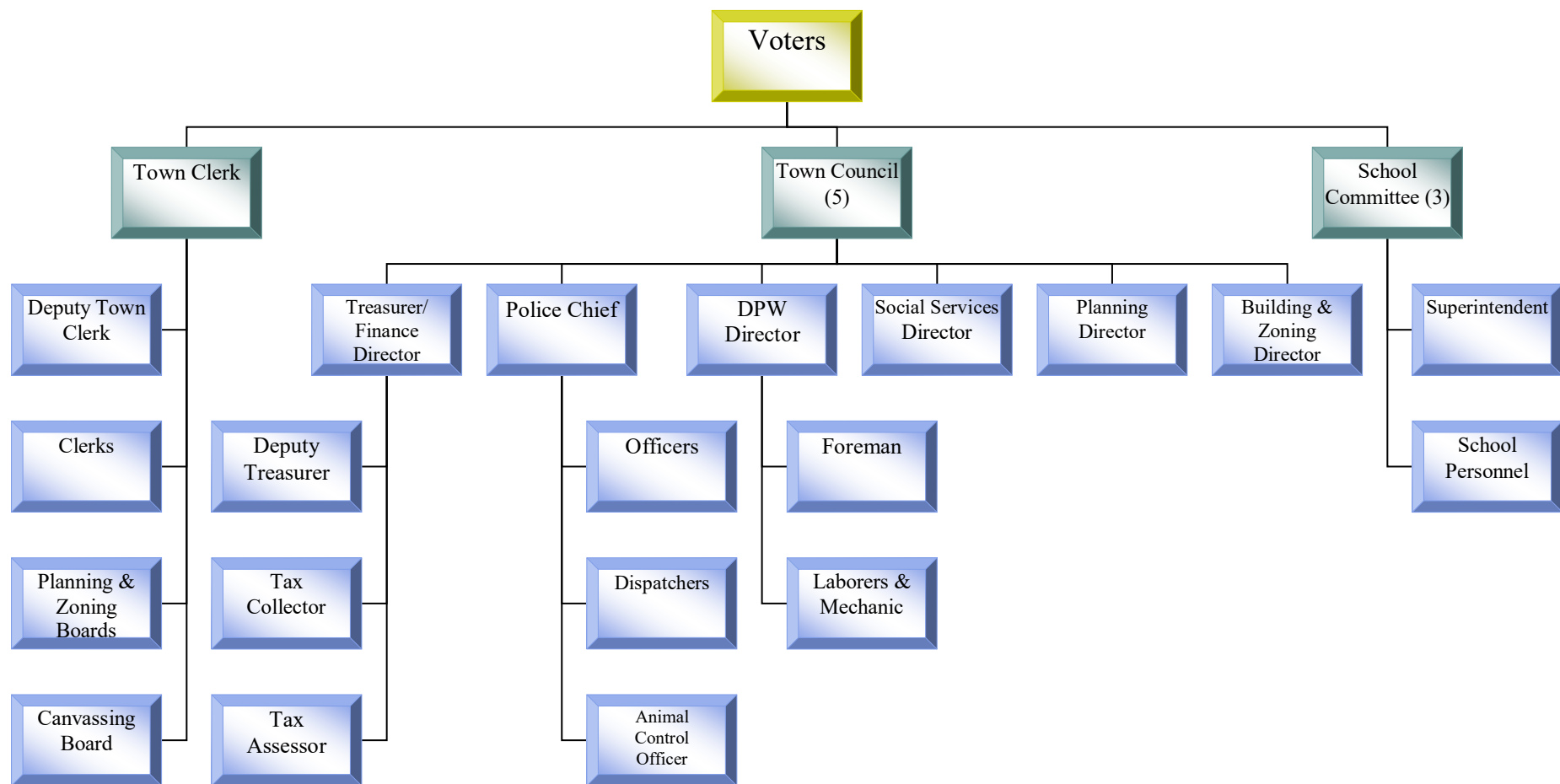
Paul Cunniff

FIRE CHIEF - FOSTER CENTER

William Paul

COMMANDER – SOUTH FOSTER EMS

Gordon Brayton





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Foster
Rhode Island**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

THIS SECTION CONTAINS THE FOLLOWING:

Independent Auditor's Report

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information

Other Supplementary Information

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Foster, Rhode Island, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Foster, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Foster, Rhode Island, as of June 30, 2023, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 Foster, 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 Foster, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Foster, 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 Foster, Rhode Island's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and supplementary pension and other postemployment benefit information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 Foster, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are 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 GAAS. In our opinion, the combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information and schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 12, 2024 on our consideration of the Town of Foster, Rhode Island's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
April 12, 2024

TOWN OF FOSTER, RHODE ISLAND
Management's Discussion and Analysis
For the Year Ended June 30, 2023
(Un-audited)

Management of the Town of Foster provides this Management's Discussion and Analysis of the Town of Foster's financial statements for the readers of the Town's Annual Comprehensive Financial Report. This narrative overview and analysis of the financial statements of the Town of Foster is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the Town's financial statements that follow.

FINANCIAL HIGHLIGHTS

- The Town's governmental funds reported combined ending fund balances of \$8,105,761 of which \$0 is unassigned.
- At the end of the current fiscal year the committed fund balance in the general fund for the Foster reserve fund was \$1,555,868, or 10.00% of the total 2023 budgeted expenditures and other financing uses less budgeted capital expenditures. This is an increase of \$79,063 from the previous year.
- At the end of the current fiscal year the fund balance committed for capital in the general fund was \$3,723,792 of which \$1,143,845 was committed for specific projects with the remaining \$2,579,947 available for future projects.
- The School unrestricted fund ended the year with a restricted (for education) fund balance of \$1,505,627. This is a decrease of \$16 from the prior year. The School Committee created a capital reserve account for surplus monies in excess of 4% of the operations budget; therefore, the \$1,505,627 restricted (for education) fund balance is comprised of \$190,056 for education and \$1,315,571 for capital for education.
- The Town ended the fiscal year with a budgetary operating surplus of \$552,660. The underlying causes are discussed later in this document. The School ended with a budgetary operating surplus of only \$5,981.
- On a government-wide basis the assets and deferred outflows of resources of the Town of Foster exceeded its liabilities and deferred inflows of resources as of June 30, 2023 by \$15,402,373; an increase from the prior year of \$1,967,315, or 14.64%. Net position of the Town's component unit increased by \$70,010, or 2.6%, to \$2,764,156.
- Net position includes transactions recording activity in the Town's pension plans, including net pension liabilities. The net pension liability as of June 30, 2023 is \$3,748,599, a significant increase from the prior year of \$2,819,674, or 32.94%. Additional information on the Town of Foster's pension plans can be found in Note 16 of the financial statements found on pages 50-72.
- The Town's Government-wide operating expenses were \$16,299,150, an increase of \$1,548,252 or 10.5%, from the prior year. The net increase is primarily due to an increase in education expenses of \$976,818 resulting from the increase in the net pension liability and related costs. This increase was compounded by an increase in nearly all other governmental functions including public safety expenses partially due to the additional cost of operating the rescue services through the South Foster Volunteer Fire Company, to fund the immediate need for paid personnel in order to keep the rescue services ongoing and fully operational. Public works expenses increased by

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\$191,372, or 11.92%. Revenues recognized were \$18,266,465, an increase of \$272,466 or 1.51%, mainly due to an increase in State aid, not restricted for special purposes, due to the State's program to reimburse the local communities for lost income resulting from the State's change in legislation to fully phase-out motor vehicle property taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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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 most recent fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

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

The government-wide financial statements are reported on pages 17 and 18 of this report.

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

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

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

The Town maintains 35 active individual governmental funds. Information is presented separately in the *Governmental Funds Balance Sheet* and in the *Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances* for the general fund, the School unrestricted fund, and the Town capital

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project fund, which are considered major funds. Data from the remaining 32 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements on pages 95 through 104 in this report. The governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds – Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. They are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees. The town has 1 proprietary fund used to manage the healthcare management transactions. The proprietary fund financial statements can be found on pages 23 through 25 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town's own programs. The fiduciary funds maintained by the Town include one other post-employment benefit trust fund, one private purpose trust fund, and one custodial fund. The fiduciary funds financial statements can be found on pages 26 and 27 of this report.

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town's net position as of June 30, 2023 totaled \$15,402,373, an increase of \$1,967,315 or 14.64% from 2022.

The largest portion of the Town's net position, \$9,068,029 or 58.87%, reflects its investments in capital assets such as land, buildings and improvements, motor vehicles, machinery and equipment, and infrastructure, less any debt used to acquire these assets, which is still outstanding. The Town uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be

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noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are unlikely to be used to liquidate these liabilities.

An additional portion of the Town's net position, \$3,088,947 or 20.00% represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

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

Town of Foster
Statement of Net Position

	June 30, 2023		June 30, 2022	
	Governmental Activities	Component Unit	Governmental Activities	Component Unit
Other assets	\$ 11,732,144	\$ 562,203	\$ 11,974,387	\$ 489,081
Capital assets	9,128,830	2,204,300	8,029,321	2,205,350
Total assets	<u>\$ 20,860,974</u>	<u>\$ 2,766,503</u>	<u>\$ 20,003,708</u>	<u>\$ 2,694,431</u>
Deferred outflows of resources	\$ 1,381,534	\$ -	\$ 1,382,343	\$ -
Current liabilities	\$ 1,063,873	\$ 2,347	\$ 1,262,076	\$ 285
Noncurrent liabilities	4,224,959	-	3,524,230	-
Total liabilities	<u>\$ 5,288,832</u>	<u>\$ 2,347</u>	<u>\$ 4,786,306</u>	<u>\$ 285</u>
Deferred inflows of resources	\$ 1,551,303	\$ -	\$ 3,164,687	\$ -
Net Position:				
Net investments in capital assets	\$ 9,068,029	\$ 2,204,300	\$ 7,909,712	\$ 2,205,350
Restricted	3,088,947	-	2,360,635	-
Unrestricted	3,245,397	559,856	3,164,711	488,796
Total net position	<u>\$ 15,402,373</u>	<u>\$ 2,764,156</u>	<u>\$ 13,435,058</u>	<u>\$ 2,694,146</u>

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Changes in Net Position

The government's total net position increased by \$2,037,325 including the component unit during the current fiscal year.

Town of Foster Statement of Activities				
	June 30, 2023		June 30, 2022	
	<u>Governmental Activities</u>	<u>Component Unit</u>	<u>Governmental Activities</u>	<u>Component Unit</u>
<i>Revenues</i>				
Program revenues				
Charges for services	\$ 390,430	\$ -	\$ 403,389	\$ -
Operating grants	1,963,363	-	2,676,063	-
Capital grants	376,325	-	35,220	-
General revenues				
Property taxes	13,526,328	-	13,784,701	-
State aid	1,738,676	-	1,000,075	-
Interest and investment income	176,005	12,421	15,746	(10,314)
Miscellaneous	95,338	70,318	78,805	63,074
Total revenues	<u>\$ 18,266,465</u>	<u>\$ 82,739</u>	<u>\$ 17,993,999</u>	<u>\$ 52,760</u>
<i>Expenses</i>				
Legislative, judicial & general admin	\$ 1,034,272	\$ -	\$ 1,000,058	\$ -
Health and welfare	80,695	-	69,463	-
Public Safety	2,257,701	-	1,974,937	-
Public Works	1,796,862	-	1,605,490	-
Planning, building and zoning	212,392	-	153,676	-
Recreation	47,966	-	41,848	-
Education	10,563,893	-	9,587,075	-
Food services	102,354	-	125,654	-
Libraries	171,956	-	167,341	-
Interest expense	31,059	-	25,356	-
Land Trust	-	12,729	-	10,348
Total expenses	<u>\$ 16,299,150</u>	<u>\$ 12,729</u>	<u>\$ 14,750,898</u>	<u>\$ 10,348</u>
Change in net position	1,967,315	70,010	3,243,101	42,412
Net position - beginning of year	<u>13,435,058</u>	<u>2,694,146</u>	<u>10,191,957</u>	<u>2,651,734</u>
Net position - end of year	<u><u>\$ 15,402,373</u></u>	<u><u>\$ 2,764,156</u></u>	<u><u>\$ 13,435,058</u></u>	<u><u>\$ 2,694,146</u></u>

Governmental activities – As previously stated, the Governmental activities increased the Town's net position overall by \$1,967,315, or 14.64%. This is partially due to the increase in property taxes and State aid. Although it is not clear by simply reviewing the statements, the property taxes were increased;

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(Un-audited)

however, the motor vehicles levy was completely phased out in 2023, with the State increasing revenues to each community to offset this phase-out. Combined, property taxes and state aid increased from the previous year \$480,228, or 3.25%. The Town also recognized an increase in capital grants, and investment income. These increases in revenue were offset by the impact in expenses as follows:

- 1) An increase in public works due to an increase in resurfacing/paving projects and an increase in personnel and related expenses.
- 2) An increase in planning, building, and zoning due to an increase in personnel and related expenditures.
- 3) An increase in public safety due to an increase in funding the outside agencies that support the fire and rescue services provided to the Town's residents.
- 4) An increase in education expenses due to an increase in the net pension liability and the increased costs in personnel related expenses.

Component unit activities - Component unit activities increased its net position by \$70,010 or 2.6% from 2022. The key elements for this increase were the receipt of conveyance fees allocated to the preservation of open space.

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,105,761, a decrease of \$157,108 in comparison with the prior year. The decrease was from the general fund, with smaller positive increases in the School unrestricted fund and other governmental funds. The Town received grants and support from the state and other resources for projects that will be funded over time, resulting in an increase in fund balance in other governmental funds. The detail of this activity is reported on pages 95-104 in this report.

The local School maintains its own operating budget and records the activity in the School unrestricted fund; one of the three major funds reported on pages 19 and 21 of this report. Any excess funds remaining at year-end remain with the school department to be used at their discretion for capital and education, per State law. At the end of the fiscal year, the non-spendable fund balance and fund balance restricted or assigned for education totaled \$1,516,416, an increase of only \$5,981 from the prior year. The Town capital fund balance at June 30, 2023 totaled \$413,001, an increase of \$21,359 from 2022, primarily due to the

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interest on investments and the receipt of State housing aid which is reserved for the School for educational capital reserves. The Town also budgets for the use of funds reserved in the general fund for capital, to preserve the balance in the capital project fund. The Town continues to plan to increase appropriations to fund capital projects to maintain the Town's infrastructure, buildings, and equipment in excess of the allocation of 2% (of annual operations) to capital, mandated by the Homerule Charter adopted in 1976.

Town of Foster
Governmental Funds
Fund Balances

	Total General Fund 6/30/23	Total Other Funds 6/30/23	Total Governmental Funds 6/30/2023	Total General Fund 6/30/2022	Total Other Funds 6/30/2022	Total Governmental Funds 6/30/2022
Nonspendable:						
Prepaid expenditures	\$ 14,055	\$ 5,997	\$ 20,052	\$ 3,144	\$ -	\$ 3,144
Restricted:						
Education	-	1,554,850	1,554,850	-	1,542,424	1,542,424
Historical records preservation	-	90,380	90,380	-	88,960	88,960
Health and welfare programs	-	149,915	149,915	-	95,284	95,284
Public safety programs	-	132,861	132,861	-	132,568	132,568
Capital	-	413,001	413,001	-	391,642	391,642
Other programs	13,684	6,901	20,585	13,349	64,525	77,874
Committed:						
Student population change	234,648	-	234,648	337,252	-	337,252
Townhouse maintenance	-	15,053	15,053	-	13,458	13,458
Recycling programs	-	13,652	13,652	-	14,519	14,519
Open space and conservation	-	54,945	54,945	-	51,096	51,096
Capital	3,723,792	-	3,723,792	3,717,142	-	3,717,142
Revaluation	52,965	-	52,965	35,965	-	35,965
Contingency	53,919	-	53,919	51,689	-	51,689
Foster reserve fund	1,555,868	-	1,555,868	1,476,805	-	1,476,805
Assigned:						
Recreation	3,510	-	3,510	3,255	-	3,255
Rescue services	10,973	-	10,973	225,000	-	225,000
Educational enrichment programs	-	4,792	4,792	-	4,792	4,792
Unassigned:	-	-	-	-	-	-
Total fund balances	<u>\$ 5,663,414</u>	<u>\$ 2,442,347</u>	<u>\$ 8,105,761</u>	<u>\$ 5,863,601</u>	<u>\$ 2,399,268</u>	<u>\$ 8,262,869</u>

The general fund is the principal operating fund of the Town and the largest major fund reported. At the end of the current fiscal year, the fund balance for the general fund totaled \$5,663,414, a decrease of \$200,187, or 3.41%, from the previous fiscal year. The general fund utilized the assigned fund balance from 2022 of \$225,000; an administrative initiative to provide additional funding for paid rescue services beyond the amount budgeted in fiscal year 2023. Due to the lack of volunteers, the rescue services could not continue in fiscal year 2023 without this unbudgeted additional funding to maintain public safety for

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the Town's citizens. Also, the student population change reserve decreased by \$102,604, or 30.42%, as a result of a budgetary use of this reserve in 2023 to offset the increase in the appropriation for the Regional school directly resulting from the student population change between the two participating communities. The decreases were offset by an increase in the Foster reserve fund of \$79,063, or 5.35%. The Town has a policy that fund balance in excess of 10% of budgeted operations be committed for capital. This resulted in a net increase in committed fund balance for capital expenditures of \$6,650, despite the Town utilizing these reserves for significant capital projects. The general fund also ended the year with increases in committed fund balance for contingencies and revaluation in the amount of \$2,230 and \$17,000, respectively.

General Fund Budgetary Highlights

The Town ended fiscal year 2023 with a budgetary operating surplus of \$552,660. Of this, \$252,851 was due to positive revenue variances and \$299,809 was due to positive expenditure variances.

Revenues

Actual revenues and other financing sources reported in 2023 exceeded budgeted revenues by \$252,851 or 1.53%. This gain in revenues was primarily due to the following:

Favorable budgetary variances in accounts related to the collection of property taxes; specifically *real estate and personal property tax* revenue and *finer and interest on late payments* which exceeded anticipated revenue by \$74,638, collectively, or 0.55% and in *building and zoning fees* which exceeded the budget by \$39,475, or 59.81%. Additionally, *interest on investments* exceeded the budgetary expectations by \$137,672, or 917.81%.

Expenses

Budgeted expenditures and other financing uses in the Town's general fund exceeded actual expenditures by \$299,809, or 1.81%. This was primarily due to favorable variances in all departments particularly in public safety of \$133,151, or 6.23%, due to savings in police salaries and benefits resulting from open positions. Other notable favorable expenditure variances occurred in public works of \$95,708 or 6.13% for savings in personnel due to a relatively mild snow season and savings in tipping fees as they relate to rubbish removal; and finance administration of \$43,336, or 10.75%, due to a change in personnel and open positions.

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

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Capital Assets and Debt Administration

Capital Assets

The Town of Foster's investment in capital assets for its governmental activities as of June 30, 2023 amounted to \$9,128,830 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, motor vehicles, machinery and equipment, infrastructure, and construction in progress.

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

Town of Foster
Capital Assets (net of Accumulated Depreciation)

	June 30, 2023		June 30, 2022	
	Governmental Activities	Component Unit	Governmental Activities	Component Unit
Land	\$ 327,392	\$ 2,196,775	\$ 327,392	\$ 2,196,775
Construction in progress	905,227	-	94,869	-
Land Improvements	1,159,492	-	761,726	-
Buildings and improvements	2,131,479	-	2,028,594	-
Motor vehicles	731,169	-	760,822	-
Machinery and equipment	839,970	7,525	885,201	8,575
Infrastructure - roads and bridges	3,034,101	-	3,170,717	-
Total	<u>\$ 9,128,830</u>	<u>\$ 2,204,300</u>	<u>\$ 8,029,321</u>	<u>\$ 2,205,350</u>

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

- | | |
|---|-----------|
| 1) Updated network at the Foster Elementary School | \$ 24,991 |
| 2) New playground at the Foster Elementary School | \$326,116 |
| 3) New pavilion at the Foster Elementary School | \$101,700 |
| 4) Replace tank on Foster Fire Center emergency vehicle | \$ 26,954 |
| 5) Purchase of new roller for small paving projects for Department of Public Works | \$ 30,000 |
| 6) Completed the wash bay project which included a new roof for the garage at the Department of Public Works | \$215,217 |
| 7) Continued Phase II of the Recreation Field which includes a basketball and tennis court, soccer and football field, and a walking path. This project is reflected in the construction-in-progress. | \$701,850 |

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Debt Administration

In fiscal year 2006, the Town of Foster made its final payment on outstanding debt which fully satisfied the Town's obligation. As of June 30, 2023, the Town had issued no additional bonded debt; however, the Town issued General Obligation Bonds in July of 2023 for \$3,000,000.

Except as provided below, under Section 45-12-2 of the General Laws of Rhode Island, the Town may not, without special statutory authorization, incur any debt which would increase its aggregate indebtedness not otherwise excepted by law to an amount greater than 3% of the taxable property of the Town. Deducted from the computation of aggregated indebtedness is the amount of any borrowing in anticipation of taxes authorized by law and the amount of any sinking funds maintained by the Town. The current 3% debt limit of the Town is \$19,160,795 (based on the net assessed valuation at December 31, 2021 of (\$638,693,173). As of June 30, 2023, the Town had no outstanding bonds and notes issued within the 3% debt limit leaving a borrowing capacity of \$19,160,795.

The State legislature may by special act, permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit. Special legislation adopted by the Legislature authorizing the Town to incur debt is subject to referendum by the electors of the Town. On June 30, 2023, the total outstanding debt of the Town issued outside the 3% debt limit was \$0.

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

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

Economic Factors and Next Year's Budgets and Rates

Unemployment rates as of June 30, 2023 and June 30, 2022 (not seasonally adjusted)

<u>6/30/2023</u>	<u>6/30/2022</u>	
2.1%	2.3%	Town of Foster
2.5%	3.0%	State of Rhode Island
3.8%	3.8%	United States

- Median household income in Foster was \$99,892 compared to the State of Rhode Island median income of \$74,489. The median income for the United States was \$74,489.
- Per Capita family income in Foster was \$42,667 compared to the State of Rhode Island per capita family income of \$43,324. The per capita family income for the United States was \$41,261.
- Existing single-family home median sale prices were approximately \$379,000 in Foster, lower than the state average of \$401,926 from the 2023 RI Housing Fact Book.

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- Foster ranks 37th in population among Rhode Island's 39 cities and towns.
- The Town's total general fund budget for fiscal year 2024 approved at the May 2, 2023 Financial Town Meeting is \$16,999,499 including expenditures funded by a transfer from the capital fund allocated as follows:
 - Education - \$9,607,738 or 56.52%
 - Capital - \$1,424,363, or 8.38% (includes a budgeted transfer to the capital project fund)
 - Other - \$5,967,398, or 35.10%
- The total fund balance committed for student population changes at June 30, 2023 was \$234,648. The adopted budget for fiscal year 2024 includes an additional appropriation to further fund this set-aside of \$20,243 increasing this committed fund balance to \$254,891.
- The 2024 FTM adopted budget reflects an increase of \$551,445 or 3.54%, from 2023, excluding capital expenditures funded by the capital fund. The increase is the net result of significant changes in a few departments. These changes include an increase in the local school appropriation of \$150,073 for operations, or 4.0%; an increase in public safety- other for support of fire and rescue services of \$145,000, or 29.47%; an increase of \$86,969, or 5.29% for public safety including police and animal control services; an increase of \$69,523, or 4.45% in public works, primarily for refuse removal/tipping fees and personnel costs; and an increase in general government of \$26,775, or 4.34%, for personnel related expenditures, insurance, and legal fees.
- State law legislating tax levies limits the amount a municipality can raise taxes to 104% of the prior year tax levy.
- Since December 2000, per Rhode Island General Law 44-5-11.6, municipalities in Rhode Island are required to perform full revaluations on all "ratable" property every nine years and statistical revaluations every three years for the years in-between. The Town completed a statistical revaluation in 2014 and 2020 which affected the fiscal years ending 2016 and 2022, respectively. Also, the Town completed a full revaluation in 2017 which is reflected in the 2019 fiscal year. The Town's tax rates for 2024 and 2023 with their differences are listed below. Rates are per \$1,000.

Tax Rates

	Fiscal Year <u>2023-2024</u>	Fiscal Year <u>2022-2023</u>	Increase (Decrease)
Real Property	\$ 22.67	\$ 21.96	\$ 0.71
Tangible	31.12	30.15	0.97

REQUEST FOR INFORMATION

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

BASIC FINANCIAL STATEMENTS

THE BASIC FINANCIAL STATEMENTS INCLUDE:

Government-Wide Financial Statements

Fund Financial Statements:

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

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF FOSTER, RHODE ISLAND

Statement of Net Position

June 30, 2023

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Foster Land Trust</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 8,055,893	\$ 495,537
Investments	-	62,629
Property taxes receivable	886,640	-
Accrued interest receivable	138,555	641
Due from federal and state governments	486,024	-
Other receivables, net	239,514	-
Due from primary government	-	3,396
Prepaid expenses	20,052	-
Total current assets	<u>9,826,678</u>	<u>562,203</u>
Noncurrent assets:		
Capital assets: (Note 7)		
Land and other nondepreciable assets	1,232,619	2,196,775
Depreciable buildings, property, equipment, and infrastructure (net)	7,896,211	7,525
Net pension asset	695,472	-
Other assets	1,209,994	-
Total noncurrent assets	<u>11,034,296</u>	<u>2,204,300</u>
Total assets	<u>20,860,974</u>	<u>2,766,503</u>
Deferred outflows of resources:		
Pension related	1,289,644	-
OPEB related	91,890	-
Total deferred outflows of resources	<u>1,381,534</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	439,544	2,347
Due to component unit	3,396	-
Claims payable	22,563	-
Unearned revenue	236,261	-
Compensated absences payable	61,205	-
Settlement payable	206,000	-
Financed purchase payable	60,801	-
Other liabilities	34,103	-
Total current liabilities	<u>1,063,873</u>	<u>2,347</u>
Noncurrent liabilities:		
Compensated absences payable	261,584	-
Settlement payable	189,085	-
Net pension liabilities	3,748,599	-
Net other postemployment benefit liability	25,691	-
Total noncurrent liabilities	<u>4,224,959</u>	<u>-</u>
Total liabilities	<u>5,288,832</u>	<u>2,347</u>
Deferred inflows of resources:		
Unavailable property taxes	38,654	-
Pension related	1,434,700	-
OPEB related	77,949	-
Total deferred inflows of resources	<u>1,551,303</u>	<u>-</u>
Net Position		
Net investment in capital assets	9,068,029	2,204,300
Restricted for:		
Capital purposes	413,001	-
Education programs	1,554,850	-
Historical records preservation	90,380	-
Public safety programs	132,861	-
Employee benefit plans	695,472	-
Other programs	202,383	-
Unrestricted	3,245,397	559,856
Total net position	<u>\$ 15,402,373</u>	<u>\$ 2,764,156</u>

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Activities
For the Fiscal Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Total Governmental Activities	Foster Land Trust
Primary Government:						
Governmental Activities:						
Legislative, judicial and general administrative	\$ 1,034,272	\$ 64,718	\$ 2,000	\$ -	\$ (967,554)	\$ -
Health and welfare	80,695	30,670	38,157	57,600	45,732	-
Public safety	2,257,701	44,784	13,180	-	(2,199,737)	-
Public works	1,796,862	893	35,000	-	(1,760,969)	-
Planning, building and zoning	212,392	105,475	54,189	-	(52,728)	-
Recreation	47,966	820	1,000	296,921	250,775	-
Education	10,563,893	107,308	1,739,362	21,804	(8,695,419)	-
Food services	102,354	35,762	80,475	-	13,883	-
Libraries	171,956	-	-	-	(171,956)	-
Interest expense	31,059	-	-	-	(31,059)	-
Total primary government	\$ 16,299,150	\$ 390,430	\$ 1,963,363	\$ 376,325	(13,569,032)	-
Component Unit:						
Foster Land Trust	\$ 12,729	\$ -	\$ -	\$ -	-	(12,729)
General Revenues:						
Taxes:						
Property taxes, levied for general purposes						13,526,328
State aid, not restricted for a specific purpose						1,738,676
Interest and investment income						176,005
Miscellaneous						95,338
Total general revenues						15,536,347
Change in net position						1,967,315
Net position - beginning of year						13,435,058
Net position - end of year						\$ 15,402,373
						\$ 2,764,156

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

FUND FINANCIAL STATEMENTS

TOWN OF FOSTER, RHODE ISLAND

*Balance Sheet
Governmental Funds
June 30, 2023*

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Town Capital Fund</i>	<i>Nonmajor Other Governmental Funds</i>	<i>Total Governmental Funds</i>
ASSETS					
Cash	\$ 6,606,572	\$ 531,504	\$ 569,669	\$ 348,148	\$ 8,055,893
Property taxes receivable	886,640	-	-	-	886,640
Due from federal and state governments	62,623	4,915	-	418,486	486,024
Other receivables, net	127,915	21,719	-	82,722	232,356
Due from other funds	334,639	1,105,596	-	415,824	1,856,059
Prepaid expenditures	14,055	5,997	-	-	20,052
Total assets	<u>\$ 8,032,444</u>	<u>\$ 1,669,731</u>	<u>\$ 569,669</u>	<u>\$ 1,265,180</u>	<u>\$ 11,537,024</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenditures	\$ 259,319	\$ 133,426	\$ -	\$ 46,799	\$ 439,544
Due to other funds	1,242,195	19,889	156,668	437,307	1,856,059
Due to component unit	3,396	-	-	-	3,396
Unearned revenue	-	-	-	236,261	236,261
Other liabilities	34,103	-	-	-	34,103
Total liabilities	<u>1,539,013</u>	<u>153,315</u>	<u>156,668</u>	<u>720,367</u>	<u>2,569,363</u>
Deferred Inflows of Resources:					
Unavailable - property taxes	830,017	-	-	-	830,017
Unavailable - loans	-	-	-	31,883	31,883
Total deferred inflows of resources	<u>830,017</u>	<u>-</u>	<u>-</u>	<u>31,883</u>	<u>861,900</u>
Fund Balances					
Nonspendable:					
Prepaid expenditures	14,055	5,997	-	-	20,052
Restricted for:					
Education programs	-	1,505,627	-	49,223	1,554,850
Historical records preservation	-	-	-	90,380	90,380
Health and welfare programs	-	-	-	149,915	149,915
Public safety programs	-	-	-	132,861	132,861
Capital expenditures - Town	-	-	355,977	-	355,977
Capital expenditures - School	-	-	57,024	-	57,024
Other programs	13,684	-	-	6,901	20,585
Committed for:					
Student population change	234,648	-	-	-	234,648
Townhouse maintenance	-	-	-	15,053	15,053
Recycling programs	-	-	-	13,652	13,652
Open space and conservation	-	-	-	54,945	54,945
Capital expenditures	3,723,792	-	-	-	3,723,792
Revaluation	52,965	-	-	-	52,965
Contingency	53,919	-	-	-	53,919
Foster reserve fund	1,555,868	-	-	-	1,555,868
Assigned for:					
Recreation programs	3,510	-	-	-	3,510
Police	10,973	-	-	-	10,973
Educational enrichment programs	-	4,792	-	-	4,792
Total fund balance	<u>5,663,414</u>	<u>1,516,416</u>	<u>413,001</u>	<u>512,930</u>	<u>8,105,761</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 8,032,444</u>	<u>\$ 1,669,731</u>	<u>\$ 569,669</u>	<u>\$ 1,265,180</u>	<u>\$ 11,537,024</u>

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

TOWN OF FOSTER, RHODE ISLAND
*Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023*

Total Fund Balances - Total Governmental Funds	\$ 8,105,761
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the Governmental Funds Balance Sheet. See note 7 to the financial statements.	9,128,830
Accrued interest receivable on property taxes is reported as revenue in the Government-Wide Financial Statements in the period earned. In the Governmental Fund Financial Statements, interest on property taxes is reported when received.	138,555
Delinquent taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are reported as deferred inflow of resources in the Governmental Fund Financial Statements.	791,363
Other long-term receivables are not available to pay for current period expenditures and, therefore, are reported as a deferred inflow of resources in Governmental Fund Financial Statements.	31,883
Long-term liabilities (including settlement payable, financed purchase payable, compensated absences, net pension liabilities and net OPEB liability) are not due and payable in the current period and therefore they are not reported in the Governmental Funds Balance Sheet. See note 8 to the financial statements.	(4,552,965)
Net pension assets are not available to pay for current period expenditure and, therefore are not reported in the Governmental Fund Financial Statements.	695,472
Deferred pension and OPEB amounts are not reported in the Governmental Fund Financial Statements, but are reported in the Government-Wide Financial Statements as follows:	
Deferred outflows of resources	1,381,534
Deferred inflows of resources	(1,512,649)
The Internal Service Fund is reported as a Proprietary Fund in the Fund Financial Statements, but is reported as governmental activities in the Government-Wide Financial Statements.	1,194,589
Net Position - Governmental Activities	<u>\$ 15,402,373</u>

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

TOWN OF FOSTER, RHODE ISLAND
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Town Capital Fund</i>	<i>Nonmajor Other Governmental Funds</i>	<i>Total Governmental Funds</i>
Revenues					
General property taxes	\$ 13,393,952	\$ -	\$ -	\$ -	\$ 13,393,952
Intergovernmental and departmental revenues	1,739,676	1,340,434	21,804	1,003,854	4,105,768
Licenses and permits	57,063	-	-	-	57,063
Building and zoning fees	105,475	-	-	-	105,475
Fines and interest on late payments	146,218	-	-	-	146,218
Interest on investments	152,831	5,295	15,404	2,475	176,005
Other revenues	85,739	118,219	-	100,485	304,443
Total revenues	<u>15,680,954</u>	<u>1,463,948</u>	<u>37,208</u>	<u>1,106,814</u>	<u>18,288,924</u>
Expenditures					
Current:					
Legislative, judicial and general administrative	624,594	-	-	49,803	674,397
Financial administration	342,610	-	-	-	342,610
Health and welfare	50,629	-	-	30,316	80,945
Public safety	2,228,755	-	-	12,887	2,241,642
Public works	1,466,579	-	-	1,760	1,468,339
Planning, building and zoning	169,356	-	-	54,189	223,545
Recreation	27,130	-	-	-	27,130
Education	5,808,469	4,694,492	-	510,845	11,013,806
Food services	-	-	-	102,354	102,354
Libraries	171,956	-	-	-	171,956
Providence Water settlement	200,000	-	-	-	200,000
Capital outlay	1,052,112	-	-	847,196	1,899,308
Total expenditures	<u>12,142,190</u>	<u>4,694,492</u>	<u>-</u>	<u>1,609,350</u>	<u>18,446,032</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>3,538,764</u>	<u>(3,230,544)</u>	<u>37,208</u>	<u>(502,536)</u>	<u>(157,108)</u>
Other financing sources (uses)					
Transfers in	530,849	3,751,800	515,000	518,275	5,315,924
Transfers out	(4,269,800)	(515,275)	(530,849)	-	(5,315,924)
Total other financing sources (uses)	<u>(3,738,951)</u>	<u>3,236,525</u>	<u>(15,849)</u>	<u>518,275</u>	<u>-</u>
Net change in fund balance	(200,187)	5,981	21,359	15,739	(157,108)
Fund balances - beginning of year	<u>5,863,601</u>	<u>1,510,435</u>	<u>391,642</u>	<u>497,191</u>	<u>8,262,869</u>
Fund balances - end of year	<u>\$ 5,663,414</u>	<u>\$ 1,516,416</u>	<u>\$ 413,001</u>	<u>\$ 512,930</u>	<u>\$ 8,105,761</u>

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

TOWN OF FOSTER, RHODE ISLAND
*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended June 30, 2023*

Net Changes in Fund Balances - Total Governmental Funds \$ (157,108)

Amounts reported for Governmental Activities in the Statement of Activities are different because:

Governmental Fund Financial Statements report capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount of capital asset additions recorded in the current period. 1,609,674

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in Governmental Fund Financial Statements.

(510,165)

Long-term compensated absences, settlement payables, net pension liabilities (assets) and net other post-employment benefit liability are reported in the Government-Wide Financial Statements, but do not require the use of current financial resources. Therefore, the change in compensated absences, settlement payables, net pension liabilities (assets) and net other postemployment benefit liability are not reported as expenditures in Governmental Fund Financial Statements.

This amount represents the change in these long-term liabilities (assets) from the prior year. 839,376

Financed purchase proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt principal is an expenditure in Government Funds, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position.

This amount represents long-term debt payments. 58,808

Property taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are recognized as revenue when measurable and available in the Governmental Fund Financial Statements.

(21,438)

Revenues in the Government-Wide Statement of Activities that are not available are not reported as revenue in the Governmental Funds.

7,596

The Internal Service Fund is used by management to charge the costs of Health and Dental Insurance to individual funds. The net revenues (expenses) of the Internal Service Fund is reported with Governmental Activities in the Government-Wide Financial Statements.

140,572

Change in Net Position of Governmental Activities

\$ 1,967,315

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Net Position

Proprietary Funds

June 30, 2023

	<i>Governmental Activities Healthcare Management Fund</i>
ASSETS	
<i>Current assets</i>	
Accounts receivable	\$ 7,158
<i>Total current assets</i>	7,158
<i>Noncurrent assets</i>	
Deposits with others	1,209,994
<i>Total noncurrent assets</i>	1,209,994
<i>Total assets</i>	1,217,152
LIABILITIES	
<i>Current liabilities</i>	
Accrued claims payable	22,563
<i>Total liabilities</i>	22,563
NET POSITION	
Unrestricted	1,194,589
<i>Total net position</i>	\$ 1,194,589

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

TOWN OF FOSTER, RHODE ISLAND
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	<i>Governmental Activities Healthcare Management Fund</i>
<i>Operating Revenues</i>	
Charges for insurance	\$ 867,158
Other revenue	55,170
<i>Total operating revenues</i>	<u>922,328</u>
<i>Operating Expenses</i>	
Health insurance claims	618,443
Dental insurance claims	26,335
Administrative and other fees	136,978
<i>Total operating expenses</i>	<u>781,756</u>
Operating income	140,572
<i>Change in net position</i>	140,572
<i>Net position - beginning of year</i>	1,054,017
<i>Net position - end of year</i>	<u><u>\$ 1,194,589</u></u>

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

TOWN OF FOSTER, RHODE ISLAND

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2023

	<i>Governmental Activities Healthcare Management Fund</i>
<i>Cash flows from operating activities</i>	
Receipts for interfund charges for insurance	\$ 867,158
Payments for health and dental insurance claims	(671,101)
Payments for other operating expenses	(130,571)
Other receipts	41,605
Increase in deposits with others	(107,091)
<i>Net cash used for operating activities</i>	<i>-</i>
<i>Net increase in cash and cash equivalents</i>	<i>-</i>
<i>Cash and cash equivalents at beginning of year</i>	<i>-</i>
<i>Cash and cash equivalents at end of year</i>	<i>\$ -</i>
<i>Reconciliation of operating income to net cash used for operating activities</i>	
Operating income	\$ 140,572
<i>Adjustments to reconcile operating income to net cash used for operating activities:</i>	
(Increase) in accounts receivable	(7,158)
(Increase) in deposits with others	(107,091)
(Decrease) in accrued claims (IBNR)	(26,323)
<i>Net cash used for operating activities</i>	<i>\$ -</i>

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

TOWN OF FOSTER, RHODE ISLAND*Statement of Fiduciary Net Position**Fiduciary Funds**June 30, 2023*

	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private Purpose Trust Cemetery Fund</i>	<i>Custodial Fund Emergency Medical Services</i>
<i>Assets</i>			
Cash and cash equivalents	\$ 307,125	\$ 33,985	\$ 43,394
Employer receivable	155	-	-
<i>Total assets</i>	<u>307,280</u>	<u>33,985</u>	<u>43,394</u>
<i>Liabilities</i>			
Accounts payable	-	-	21,453
Other liabilities	16,084	-	108,248
<i>Total liabilities</i>	<u>16,084</u>	<u>-</u>	<u>129,701</u>
<i>Net Position (Deficit)</i>			
Restricted for:			
Post-employment benefits other than pensions	291,196	-	-
Individuals and organizations	-	33,985	-
Deficit:			
Individuals and organizations	-	-	(86,307)
<i>Total net position (deficit)</i>	<u>\$ 291,196</u>	<u>\$ 33,985</u>	<u>\$ (86,307)</u>

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

TOWN OF FOSTER, RHODE ISLAND
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<i>Other Post-Employment Benefits Trust Fund</i>	<i>Private Purpose Trust Cemetery Fund</i>	<i>Custodial Fund Emergency Medical Services</i>
Additions			
Contributions:			
Employer	\$ 54,868	\$ -	\$ -
Total contributions	<u>54,868</u>	<u>-</u>	<u>-</u>
Investment earnings:			
Interest and dividends	<u>5,606</u>	<u>696</u>	<u>-</u>
Total investment earnings	<u>5,606</u>	<u>696</u>	<u>-</u>
Revenues collected for other organizations	<u>-</u>	<u>-</u>	<u>471,955</u>
Total additions	<u>60,474</u>	<u>696</u>	<u>471,955</u>
Deductions			
Benefits	34,456	-	-
Payment of expenses for other organizations	<u>-</u>	<u>-</u>	<u>558,262</u>
Total deductions	<u>34,456</u>	<u>-</u>	<u>558,262</u>
Change in fiduciary net position	26,018	696	(86,307)
Net position - beginning of year	<u>265,178</u>	<u>33,289</u>	<u>-</u>
Net position (deficit) - end of year	<u><u>\$ 291,196</u></u>	<u><u>\$ 33,985</u></u>	<u><u>\$ (86,307)</u></u>

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

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

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

The Other Post-Employment Benefits Trust is an other post-employment benefit plan established by Town Ordinance. The Other Post-Employment Benefits Trust does not have a governing board and the Town Council performs the duties of a governing board and, thus, can impose its will on the Other Post-Employment Benefits Trust. The fiscal year of the Other Post-Employment Benefits Trust ends on June 30. The Other Post-Employment Benefits Trust does not issue separate financial statements.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

The Town's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered. The Town has no business-type activities as of June 30, 2023 or for the year then ended.

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

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

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

Fund Financial Statements

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

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the Government-Wide Financial Statements.

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

Major Governmental Funds:

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

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

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

Proprietary Fund Financial Statements

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

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

revenues are recognized in the period earned while expenses are recognized in the period the liability is incurred.

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

The Town has one Internal Service Fund.

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

Fiduciary Fund Financial Statements

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

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

Private Purpose Trust Fund – This fund accounts for assets held by the Town for a cemetery under a trust arrangement for the maintenance and care of the cemetery.

Custodial Fund- This fund accounts for the assets held for the South Foster Emergency Management Services, a non-profit organization, to which the Town of Foster provides accounting services.

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

- GASB Statement No. 99 – *Omnibus 2022*, requirements related to leases, PPPs and SBITAs effective for the Town’s fiscal year ending June 30, 2023.

The adoption of GASB Statement No. 91, 94 and 96 and portions of GASB Statement No. 99 applicable in fiscal year 2023 did not have an impact on the Town’s financial position or results of operations.

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

- GASB Statement No. 99 – *Omnibus 2022*, requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 100 – *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, effective for the Town’s fiscal year ending June 30, 2024.
- GASB Statement No. 101 – *Compensated Absences*, effective for the Town’s fiscal year ending June 30, 2025.
- GASB Statement No. 102 – *Certain Risk Disclosures*, effective for the Town’s fiscal year ending June 30, 2025.

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

D. CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value.

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

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

G. PREPAID ITEMS

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

H. CAPITAL ASSETS AND DEPRECIATION

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

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

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

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

I. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

J. PROPERTY TAXES

Property taxes are levied each July on one hundred percent of the full and fair value of real and tangible personal property owned within the Town the previous December 31. Taxes levied during July are payable in quarterly installments by July 31, October 31, January 31, and April 30. Taxes due and unpaid after the respective due dates are subject to interest and penalties. Failure to make payment by due dates will result in a lien on the taxpayer's property. Rhode Island General Laws restrict the Town's ability to increase either its total tax levy or its tax rates to no more than 4.0% over that of the preceding year.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

K. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned on June 30. Sick leave benefits are based on the sick leave accumulated on June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect on June 30, 2023.

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

L. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

M. PENSIONS

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

N. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Town of Foster's Post-Employment Health Insurance Plan (the plan) and additions to/deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

For this purpose, the plan recognizes benefit payments when due and payable, in accordance with the benefit terms. Investments are reported at fair value.

O. USE OF ESTIMATES

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town's legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value which approximates \$19,160,795. As of June 30, 2023, the Town's debt is under the limit by \$19,160,795.

NOTE 3 – CASH DEPOSITS

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

	<u>Primary Government</u> <u>Carrying</u> <u>Amount</u>	<u>Component Unit</u> <u>Carrying</u> <u>Amount</u>
Total Deposits	\$8,439,097	\$495,537
Add: Petty Cash	<u>1,300</u>	<u>-</u>
<i>Total Cash and Cash Equivalents Reported in the Financial Statements</i>	<u><u>\$8,440,397</u></u>	<u><u>\$495,537</u></u>

CUSTODIAL CREDIT RISK – custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, the Town will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a formal deposit policy for custodial credit risk but is governed by State Laws as described below. As of June 30, 2023, \$1,108,933 of the Town's bank balance of \$9,295,337 was exposed to custodial credit risk as follows:

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Bank</u>	<u>Bank</u>
	<u>Balance</u>	<u>Balance</u>
Insured (Federal depository insurance funds)	\$7,690,330	\$496,074
Collateralized with securities held by pledging financial institution or its agent in the Town's name	1,019,351	-
Uninsured and uncollateralized	89,582	-
Total	<u>\$8,799,263</u>	<u>\$496,074</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. On June 30, 2023, the Town's uninsured, uncollateralized deposits with institutions was \$89,582. These deposits are held by an institution that meets the minimum capital standards as prescribed by the federal regulations.

NOTE 4 – INVESTMENTS

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

As of June 30, 2023, the Town had the following investments:

<u>Investment</u>	<u>Maturity</u>	<u>Component Unit</u>	<u>Fair Value</u>	<u>Rating</u>
Municipal Bond	11/15/2036		\$4,782	Moody's Aa1, S&P AA+
Municipal Bond	09/01/2035		9,357	Moody's A2, S&P AA
Municipal Bond	04/01/2029		9,251	Moody's Aa1, S&P AA+
Municipal Bond	05/15/2028		5,147	Moody's A1, S&P AA
Municipal Bond	04/01/2025		5,001	Moody's A1
Corporate Bond	08/01/2116		5,944	Moody's Aa2
Corporate Bond	07/15/2064		7,112	S&P BBB
Corporate Bond	08/15/2046		4,110	Moody's Baa1, S&P BBB+
Corporate Bond	03/15/2043		7,700	Moody's Baa2, S&P BBB-
	Average			
Mutual Fund - Fixed Income	22.8 years		4,225	Not rated
Total Investments reported in the Financial Statements			<u>\$62,629</u>	

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

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

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

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

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

NOTE 5 – FAIR VALUE MEASUREMENT

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

The Town has the following recurring fair value measurements as of June 30, 2023:

- The following investments are valued using quoted prices in active markets (Level 1 inputs): mutual fund - fixed income \$4,225.
- The following investments are valued by a pricing service using various techniques to estimate value or by utilizing a yield-based matrix system (Level 2 inputs): municipal bonds \$33,538 and corporate bonds \$24,866.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

NOTE 6 – INTER-FUND TRANSACTIONS

Inter-fund receivable and payable balances on June 30, 2023 are as follows:

<i>Due To:</i>	<i>Due From:</i>				<i>Total</i>
	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Town Capital Fund</i>	<i>Other Governmental Funds</i>	
<i>Governmental activities:</i>					
General Fund	\$ -	\$ 17,690	\$ 156,668	\$ 160,281	\$ 334,639
School Unrestricted Fund	828,570	-	-	277,026	1,105,596
Other Governmental Funds	413,625	2,199	-	-	415,824
<i>Total</i>	<u>\$ 1,242,195</u>	<u>\$ 19,889</u>	<u>\$ 156,668</u>	<u>\$ 437,307</u>	<u>\$ 1,856,059</u>

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

Inter-fund transfer balances on June 30, 2023 are as follows:

<i>Transfer To:</i>	<i>Transfer From:</i>			<i>Total</i>
	<i>General Fund</i>	<i>School Unrestricted Fund</i>	<i>Town Capital Fund</i>	
General Fund	\$ -	\$ -	\$ 530,849	\$ 530,849
School Unrestricted Fund	3,751,800	-	-	3,751,800
Town Capital Fund	515,000	-	-	515,000
Other Governmental Funds	3,000	515,275	-	518,275
<i>Total</i>	<u>\$ 4,269,800</u>	<u>\$ 515,275</u>	<u>\$ 530,849</u>	<u>\$ 5,315,924</u>

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them. For example, the \$3,751,800 transfer is the School appropriation that is budgeted in the General Fund as a revenue source to be transferred to the School Unrestricted Fund and expended.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

NOTE 7 - INFORMATION ABOUT CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2023 was as follows:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>
Primary Government -				
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 327,392	\$ -	\$ -	\$ 327,392
Construction in progress	94,869	1,470,129	659,771	905,227
Total nondepreciable assets	422,261	1,470,129	659,771	1,232,619
Depreciable assets:				
Land improvements	920,088	427,816	-	1,347,904
Buildings and improvements	5,246,730	215,217	-	5,461,947
Motor vehicles	3,463,757	101,292	25,002	3,540,047
Machinery and equipment	1,861,815	54,991	-	1,916,806
Infrastructure - roads and bridges	8,278,229	-	-	8,278,229
Total capital assets	20,192,880	2,269,445	684,773	21,777,552
Less accumulated depreciation for:				
Land improvements	158,362	30,050	-	188,412
Buildings and improvements	3,218,136	112,332	-	3,330,468
Motor vehicles	2,702,935	130,945	25,002	2,808,878
Machinery and equipment	976,614	100,222	-	1,076,836
Infrastructure - roads and bridges	5,107,512	136,616	-	5,244,128
Total accumulated depreciation	12,163,559	510,165	25,002	12,648,722
Governmental activities capital assets, net	\$ 8,029,321	\$ 1,759,280	\$ 659,771	\$ 9,128,830
Component Unit:				
Nondepreciable assets:				
Land	\$ 2,196,775	\$ -	\$ -	\$ 2,196,775
Total nondepreciable assets	2,196,775	-	-	2,196,775
Depreciable assets:				
Machinery and equipment	10,500	-	-	10,500
Total capital assets	2,207,275	-	-	2,207,275
Less accumulated depreciation for:				
Machinery and equipment	1,925	1,050	-	2,975
Total accumulated depreciation	1,925	1,050	-	2,975
Component unit capital assets, net	\$ 2,205,350	\$ (1,050)	\$ -	\$ 2,204,300

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

Depreciation expense was charged to functions as follows:

Governmental activities:

Legislative	\$ 136,867
Health and welfare	4,460
Public education	107,813
Public safety	124,893
Public works	115,296
Recreation	20,836
<i>Total governmental activities depreciation expense</i>	<u>\$ 510,165</u>

NOTE 8 – LONG-TERM LIABILITIES

A. LONG -TERM LIABILITIES

The following schedule reflects changes in long-term liabilities for the year ended June 30, 2023:

	<i>Beginning Balance</i>	<i>Additions</i>	<i>Retirements</i>	<i>Ending Balance</i>	<i>Amounts Due Within One Year</i>
<i>Governmental Activities:</i>					
Financed purchases payable	\$ 119,609	\$ -	\$ 58,808	\$ 60,801	\$ 60,801
Accrued compensated absences	300,629	88,605	66,445	322,789	61,205
Settlement payable	568,081	27,004	200,000	395,085	206,000
Net pension liabilities	2,819,674	928,925	-	3,748,599	-
Net other postemployment liability	40,439	-	14,748	25,691	-
<i>Total Governmental Activities Long-Term Liabilities</i>	<u>\$ 3,848,432</u>	<u>\$ 1,044,534</u>	<u>\$ 340,001</u>	<u>\$ 4,552,965</u>	<u>\$ 328,006</u>

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

B. FINANCED PURCHASES PAYABLE

The Town acquired vehicles and equipment valued at \$329,953 using financed purchase agreements.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

Obligations of Governmental Activities under financed purchases payable as of June 30, 2023 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Governmental Activities Financed Purchases Payable</i>	
	<i>Principal</i>	<i>Interest</i>
2024	\$ 60,801	\$ 2,061
	<u>\$ 60,801</u>	<u>\$ 2,061</u>

C. SETTLEMENT PAYABLE

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

NOTE 9 – TRANSCATIONS WITH THE FOSTER LAND TRUST

For the year ended June 30, 2023 the Town’s General Fund reported the following balances related to the Foster Land Trust:

Due to Foster Land Trust	<u>\$3,396</u>
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NOTE 10 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for the Community Development Block Grant loans which are due in accordance with individual loan amortization schedules. Other receivables – Community Development Block Grant include an allowance for doubtful accounts of \$180,331 as of June 30, 2023.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

B. ACCOUNTS PAYABLE AND ACCRUED EXPENDITURES/EXPENSES

The accounts payable and accrued expenditures/expenses on June 30, 2023, were as follows:

	<i>Vendors</i>	<i>Salaries and Benefits</i>	<i>Total</i>
<i>Governmental activities:</i>			
General Fund	\$ 205,548	\$ 53,771	\$ 259,319
School Unrestricted Fund	119,191	14,235	133,426
Other Governmental Funds	46,799	-	46,799
<i>Total</i>	<u><u>\$ 371,538</u></u>	<u><u>\$ 68,006</u></u>	<u><u>\$ 439,544</u></u>

NOTE 11 - FUND EQUITY

Government-Wide Financial Statements:

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

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

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

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

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

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

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

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

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

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

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

Committed fund balances are established, modified, or rescinded by a resolution approved by the citizens at the Annual Financial Town Meeting, the Town’s highest level of decision-making authority. Funds may be assigned and be designated and used for specific purposes by the Town Council and /or the Finance Director. The Town Council and/or the Finance Director may also unassign previously assigned funds. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

The Town has established a minimum amount that is committed for the Foster Reserve Fund. The reserve fund is ten percent of the projected fiscal year expenditures minus the two percent appropriated for capital investment.

NOTE 12 – FOSTER-GLOCESTER REGIONAL SCHOOL DISTRICT

The Foster-Glocester Regional School District (Regional School) was created to include the high school and middle school for the Towns of Foster and Glocester (the Towns). The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School which contribute funds according to a financial formula based upon each Town’s enrollment and from the State of Rhode Island. The Town of Foster’s contribution for the fiscal year ended June 30, 2023 was \$5,808,469. Financial statements for the Regional School are issued separately and may be obtained from the Foster-Glocester Regional School District Business Office, 91 Anan Wade Road, North Scituate, Rhode Island 02857.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

NOTE 13 – RISK MANAGEMENT

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

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

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

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

The claims liability of \$22,563 reported in the Healthcare Management Fund on June 30, 2023 is based on the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

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

	<i>Beginning Fiscal Year Liability</i>	<i>Current Year Claims and Changes In Estimate</i>	<i>Claims Payments</i>	<i>Balance Fiscal Year End</i>
2022-2023	\$48,886	\$644,778	\$671,101	\$22,563
2021-2022	\$10,574	\$618,852	\$580,540	\$48,886

NOTE 14 – SUMMARY DISCLOSURE OF SIGNIFICANT CONTINGENCIES AND COMMITMENTS

A. LITIGATION

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

B. FEDERAL FINANCIAL ASSISTANCE PROGRAMS

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

NOTE 15 – POST RETIREMENT BENEFITS

Plan Description

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

Plan Membership - As of July 1, 2021, the plan membership data is as follows:

Active employees	46
Retirees	<u>6</u>
Total	<u><u>52</u></u>

TOWN OF FOSTER, RHODE ISLAND

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

- **Police** – Eligible at any age with 20 years of service if retired before July 1, 2003. Employees retiring on or after July 1, 2003 are eligible at age 55 with 25 years of service. The Town pays 40% of individual or family medical until the retiree is Medicare eligible or receives equivalent benefits under new employment. In lieu of continuing with the Town's medical, any eligible police officer may receive reimbursement for the cost of insurance premiums up to a maximum of \$11,000 annually.
- **Dispatch** - Eligible at any age with 20 years of service. The Town pays 40% of individual medical for a maximum of 5 years after retirement if date of retirement was prior to July 1, 2007 or for a maximum of 7 years after retirement if date of retirement was on or after July 1, 2007 or until the retiree is Medicare eligible, whichever comes first.
- **Town Labor Union** – Eligible at 58 years of age. The Town pays 40% of individual medical until the retiree is Medicare eligible or receives equivalent or better benefits under new employment.
- **School Non-Certified** – Eligible at 62 years of age with 10 years of service. The Town pays 100% of individual medical and dental until the retiree is Medicare eligible.
- **School Certified** – Eligible if hired prior to July 10, 2015 and have 10 years of service with the Foster School Department and are eligible and enter early retirement on either Social Security or the State Teachers' Retirement System. The Towns pays 100% of individual medical, minus any applicable retiree co-share, for a maximum of 6 years after retirement or until the retiree is Medicare eligible or receives medical insurance from any other source. Employees who retired prior to July 10, 2015 are not subject to the 6-year maximum limitation. If the date of retirement was prior to July 10, 2015, the retiree is required to pay the same co-share for medical paid at the time of their retirement. If the date of retirement is on or after July 10, 2015, the retiree is required to pay the same co-share for medical as current active employees for each year of coverage. Employees hired after July 10, 2015 are not eligible for other post-retirement benefits.

Contributions - Contribution requirements are negotiated between the Town and the respective unions. The Town is required to contribute the cost of medical and dental benefits, less the amount of any applicable retiree share of medical or dental premiums. For the year ended June 30, 2023, the plan operated on a pay as you go basis, and no provision has been made to fund future benefits to be provided to plan members. However, any surplus derived from the Town's medical expenditure accounts and any dividends derived from the Town's involvement with WB Community Health as measured by the Finance Director will also be contributed to the Other Post-Employment Benefits Trust Fund until 100% funded in accordance with Town Ordinance. For the fiscal year ended June 30, 2023, the Town contributed \$54,868 to the plan.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

Summary of Significant Accounting Policies

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

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

Investments

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

Rate of Return – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 1.98 %. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

Net OPEB Liability of the Town

The components of the net OPEB liability of the Town on June 30, 2023, were as follows:

Total OPEB Liability	\$316,887
OPEB Plan Fiduciary Net Position	<u>(291,196)</u>
Net OPEB Liability	<u>\$25,691</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	91.89%
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Actuarial Assumptions – The total OPEB liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2023, the measurement date. The following actuarial assumptions applied to all periods in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Salary Increases	3.50%
Investment Rate of Return	3.40%
Inflation Rate	2.00%
Healthcare Cost Trend Rates	Medical – 7.0% in 2021 graded down 0.5% per annum to an ultimate rate of 4.5% in 2026; Dental – 5.0%

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

Mortality

RPH-2014 Total Dataset Headcount-Weighted table, adjusted back to 2006 base rates, then projected generationally with Scale MP-2021

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and equivalents	30.00%	0.0%
Alternatives	70.00%	2.0%
	<u>100.00%</u>	

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

Discount Rate – The discount rate used to measure the OPEB liability was 3.65% for the plan. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the expected benefit payments. Based on those assumptions, the OPEB plan's net fiduciary position was not projected to be available to make all projected future benefit payments of current plan members. The municipal bond rate of 3.65% (Bond Buyer's 20 Bond Index) was applied to all periods. The prior measurement date used a discount rate of 3.54%.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balances as of June 30, 2022	\$305,617	\$265,178	\$40,439
Changes for the Year:			
Service cost	18,959	-	18,959
Interest on the total OPEB liability	10,885	-	10,885
Changes in benefits	-	-	-
Difference between expected and actual experience	17,685	-	17,685
Changes in assumptions	(1,803)	-	(1,803)
Employer contributions	-	54,868	(54,868)
Net investment income	-	5,606	(5,606)
Benefit payments, including employee refunds	(34,456)	(34,456)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	11,270	26,018	(14,748)
Balances as of June 30, 2023	\$316,887	\$291,196	\$25,691

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

	1% Decrease <u>(2.65%)</u>	Current Discount Rate <u>(3.65%)</u>	1% Increase <u>(4.65%)</u>
Net OPEB Liability	\$42,453	\$25,691	\$9,752

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates - The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a healthcare cost trend rates 1-percentage-point lower (5.0% decreasing to 3.5%) and 1-percentage-point higher (7.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (5.0% decreasing to <u>3.5%</u>)	Current Healthcare Cost Trend Rates (6.0% decreasing to <u>4.5%</u>)	1% Increase (7.0% decreasing to <u>5.5%</u>)
Net OPEB Liability	\$(3,386)	\$25,691	\$60,819

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

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

For the year ended June 30, 2023, the Town recognized OPEB expense of \$33,137. On June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$71,020	\$53,723
Changes in assumptions	13,096	24,226
Net difference between projected and actual earnings on OPEB plan investments	<u>7,774</u>	<u>-</u>
Total	<u><u>\$91,890</u></u>	<u><u>\$77,949</u></u>

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

Year ended June 30:	
2024	\$7,719
2025	6,430
2026	4,787
2027	2,289
2028	952
Thereafter	(8,236)

NOTE 16 – PENSION PLANS

A. EMPLOYEES' RETIREMENT SYSTEM PLAN

Defined Benefit Pension Plan

General Information about the Pension Plan

Plan Description - Certain employees of the Foster School Department participate in a cost-sharing multiple-employer defined benefit pension plan - the Employees' Retirement System plan - administered by the Employees' Retirement System of the State of Rhode Island (System). Under a cost-sharing plan, pension obligations for employees of all employers are pooled and plan assets are

TOWN OF FOSTER, RHODE ISLAND

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available to pay the benefits of the employees of any participating employer providing pension benefits through the plan, regardless of the status of the employers' payment of its pension obligation to the plan. The plan provides retirement and disability benefits and death benefits to plan members and beneficiaries.

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

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

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

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

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

Contributions - The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2023, Foster School Department teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the Foster School Department are required to contribute at an actuarially determined rate, 40% of which is to be paid by the State and the remaining 60% is to be paid by the Foster School Department; the rates were 11.12% and 15.04% of annual covered payroll for the fiscal year ended June 30, 2023 for the State and Foster School Department, respectively. The Foster School Department contributed \$319,862, \$302,544, and \$247,854 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year. The State's share of contributions totaling \$195,200 for fiscal year 2023 are reflected as on-behalf

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

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payments and are included as both revenue and expenditures in the Governmental Funds financial statements.

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

On June 30, 2023, the Foster School Department reported a liability of \$2,640,012 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the State. The amount recognized by the Foster School Department as its proportionate share of the net pension liability, the related State support and the total portion of the net pension liability that was associated with the Foster School Department were as follows:

Foster School Department's proportionate share of the net pension liability	\$2,640,012
State's proportionate share of the net pension liability associated with the Foster School Department	<u>1,952,474</u>
Total net pension liability	<u>\$4,592,486</u>

The net pension liability was measured as of June 30, 2022, 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, 2021 rolled forward to June 30, 2022. The Foster School Department's proportion of the net pension liability was based on a projection of the Foster School Department's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the State, actuarially determined. At June 30, 2022 the Foster School Department's proportion was 0.09775218%.

For the year ended June 30, 2023, the Foster School Department recognized in the Government-Wide financial statements gross pension expense of \$159,471 and revenue of \$73,813 for support provided by the State. On June 30, 2023, the Foster School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$319,862
Change of assumptions	53,245
Differences between expected and actual experience	39,101
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>424,456</u>
Total	<u><u>\$836,664</u></u>

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

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Deferred inflows of resources:

Change of assumptions	\$39,581
Differences between expected and actual experience	51,348
Changes in proportion and differences between employer contributions and proportionate share of contributions	462,863
Net difference between projected and actual earnings on pension plan investment	55,240
Total	<u><u>\$609,032</u></u>

\$319,862 reported as deferred outflows of resources related to pensions resulting from the Foster School Department contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$(29,806)
2025	(51,528)
2026	(73,241)
2027	58,563
2028	(25,793)
Thereafter	29,575

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

Inflation	2.5%
Salary increases	3.0% to 13.0%
Investment rate of return	7.0%
Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.	

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

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)

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

for each major asset class, based on a collective summary of capital market expectations from 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
<i>Sub-total</i>	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
<i>Sub-total</i>	15.00%	
INCOME		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
<i>Sub-total</i>	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
<i>Sub-total</i>	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
<i>Sub-total</i>	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
<i>Sub-total</i>	15.00%	
Total	100.00%	

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

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

	Current Discount	
1.0% Decrease	Rate	1.0% Increase
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$3,312,112	\$2,640,012	\$2,029,333

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

Defined Contribution Plan

Plan Description

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

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

TOWN OF FOSTER, RHODE ISLAND

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

The Foster School Department recognized pension expense of \$54,831 for the fiscal year ended June 30, 2023. For financial reporting purposes, the State's share of contributions totaling \$7,884 for fiscal year 2023 are reflected as on behalf-payments and are included as both revenue and expenditures in the accompanying financial statements.

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

B. TEACHERS' SURVIVOR BENEFIT PLAN

General Information about the Pension Plan

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

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

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

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

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

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

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

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

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

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

The Foster School Department contributed \$3,335, \$2,990, and \$2,645 for the fiscal years ended June 30, 2023, 2022 and 2021, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2023 the Foster School Department reported an asset of \$695,472 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022. The Foster School Department's proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2022 relative to the total contributions of all participating

TOWN OF FOSTER, RHODE ISLAND

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employers for that fiscal year. At June 30, 2022 the Foster School Department's proportion was 0.39576374%.

For the year ended June 30, 2023 the Foster School Department recognized pension expense of \$(76,081) an increase in the net pension asset. At June 30, 2023 the Foster School Department reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred outflows of resources:

Contributions subsequent to the measurement date	\$3,335
Change of assumptions	16,899
Differences between expected and actual experience	17,091
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,265
Total	<u><u>\$117,590</u></u>

Deferred inflows of resources:

Change of assumptions	\$23,294
Differences between expected and actual experience	89,566
Changes in proportion and differences between employer contributions and proportionate share of contributions	75,254
Net difference between projected and actual earnings on pension plan investments	16,086
Total	<u><u>\$204,200</u></u>

\$3,335 reported as deferred outflows of resources related to pensions resulting from the Foster School Department's contributions in fiscal year 2023 subsequent to the measurement date will be recognized as an addition to the net pension asset in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$(24,543)
2025	(27,680)
2026	(31,040)
2027	17,585
2028	(8,272)
Thereafter	(15,995)

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

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

Mortality – Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.

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

The actuarial assumptions used in the June 30, 2021 valuation and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 as approved by the System's Board on May 22, 2020.

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 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class, are summarized in the following table:

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June 30, 2023

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-total	15.00%	
Total	100.00%	

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

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

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

1.0% Decrease	Current Discount	1.0% Increase
<u>(6.0%)</u>	<u>Rate</u>	<u>(8.0%)</u>
<u>(6.0%)</u>	<u>(7.0%)</u>	<u>(8.0%)</u>
\$610,515	\$695,472	\$772,660

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

C. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plans

General Information about the Pension Plan

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

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

Benefits Provided – General employees, police officers and firefighters employed by electing municipalities participate in MERS. Eligible employees become members at their date of employment. Anyone employed by a municipality at the time the municipality joins MERS may elect not to be covered. Elected officials may opt to be covered by MERS. Employees covered under

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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. The Town of Foster has only general employees and police officers that participate in the MERS Plan.

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

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

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

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

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

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

Effective July 1, 2015, members will be eligible to retire with full benefits at the earlier of their current Rhode Island Retirement Security Act (RIRSA) date described above or upon the attainment

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

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

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

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

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

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

A monthly benefit is paid equal to 2.0% of the member's monthly FAC for each year of service, up to 37.5 years (75% of FAC maximum).

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If the optional 20-year retirement provisions were adopted by the municipality prior to July 1, 2012, benefits are based on 2.5% of the member's FAC for each year of service prior to July 1, 2012 and 2.0% of the member's FAC for each year of service after July 1, 2012. The benefit cannot exceed 75% of the member's FAC. The Town of Foster has elected to participate in the 20-year retirement provision.

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

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

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

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

- a) The COLA will be suspended for any unit whose funding level is less than 80%; however, an interim COLA may be granted in four-year intervals while the COLA is suspended.
- 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 3.5%. 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 \$27,184 for 2020, \$27,608 for 2021 and \$27,901 for 2020.

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

TOWN OF FOSTER, RHODE ISLAND

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Employees Covered by Benefit Terms - At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries	28	9
Inactive, Nonretired		
Members	30	5
Active Members	34	9
Total	<u>92</u>	<u>23</u>

Contributions - The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 1% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 8.25%. Police officers are required to contribute 10% of their salaries. The Town of Foster contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Foster contributed the following amounts in the year ended June 30, 2023: general employees plan - \$179,737 and police officers plan - \$119,524. The Town's contributions represented the following percentages of annual covered payroll: general employees plan – 11.73%; police officer's plan – 27.84%.

Net Pension Liability - The total pension liability was determined by actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

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June 30, 2023

Summary of Actuarial Assumptions Used in the Valuations to Determine the Net Pension Liability at the June 30, 2022 Measurement Date (June 30, 2021 valuation rolled forward to June 30, 2022)	
Actuarial Cost Method	Entry Age Normal - The Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	General Employees - 3.25% to 7.25%; Police Officers - 4.00% to 14.00%
Inflation	2.5%
Mortality	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP-16.
Cost of Living Adjustments	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 June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability on June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2019 for the six year period ended June 30, 2019 and approved by the System's Board on May 22, 2020.

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 40 sources. The June 30, 2022 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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June 30, 2023

Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	24.30%	5.52%
International Developed Equity	11.10%	6.04%
Emerging Markets Equity	4.60%	7.83%
Sub-total	40.00%	
Private Growth		
Private Equity	12.50%	9.42%
Non-Core Real Estate	2.50%	4.80%
Sub-total	15.00%	
INCOME		
Equity Options	2.00%	5.25%
EMD (50/50 Blend)	2.00%	1.82%
Liquid Credit	3.00%	2.95%
Private Credit	3.00%	2.95%
Collateralized Loan Obligations (CLO)	2.00%	2.95%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	-0.44%
Systematic Trend	5.00%	3.33%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	4.00%	4.80%
Private Infrastructure	4.00%	5.65%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.18%
Securitized Credit	3.25%	1.18%
Absolute Return	6.50%	3.33%
Cash	2.00%	-0.44%
Sub-total	15.00%	
Total	100.00%	

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

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

General Employees Plan Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2021	\$5,068,811	\$4,926,095	\$142,716
Changes for the Year:			
Service cost	111,546	-	111,546
Interest on the total pension liability	348,803	-	348,803
Changes in benefits	-	-	-
Difference between expected and actual experience	(339,385)	-	(339,385)
Changes in assumptions	-	-	-
Employer contributions	-	170,128	(170,128)
Employee contributions	-	27,703	(27,703)
Net investment income	-	(132,005)	132,005
Benefit payments, including employee refunds	(283,358)	(283,358)	-
Administrative expense	-	(4,500)	4,500
Other changes	-	10,200	(10,200)
Net changes	(162,394)	(211,832)	49,438
Balances as of June 30, 2022	\$4,906,417	\$4,714,263	\$192,154

TOWN OF FOSTER, RHODE ISLAND

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Police Officers Plan Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2021	\$4,474,621	\$3,865,313	\$609,308
Changes for the Year:			
Service cost	94,998	-	94,998
Interest on the total pension liability	306,257	-	306,257
Changes in benefits	-	-	-
Difference between expected and actual experience	(24,901)	-	(24,901)
Changes in assumptions	-	-	-
Employer contributions	-	136,646	(136,646)
Employee contributions	-	44,832	(44,832)
Net investment income	-	(101,938)	101,938
Benefit payments, including employee refunds	(294,053)	(294,053)	-
Administrative expense	-	(3,475)	3,475
Other changes	-	(6,836)	6,836
Net changes	82,301	(224,824)	307,125
Balances as of June 30, 2022	\$4,556,922	\$3,640,489	\$916,433

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 would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	Current Discount		
Plan	1.0% Decrease (6.0%)	Rate (7.0%)	1.0% Increase (8.0%)
General Employees	\$660,658	\$192,154	\$(233,489)
Police Officers	\$1,354,542	\$916,433	\$518,388

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

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

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

For the year ended June 30, 2023, the Town recognized pension expense as follows: general employees plan - \$(116,838) and police officers plan - \$62,910. The employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	General Employees Plan	Police Officers Plan
Deferred Outflows of Resources:		
Contributions subsequent to the measurement date	\$179,737	\$119,524
Assumption changes	-	7,507
Differences between expected and actual experience	15,958	12,664
Total	<u>\$195,695</u>	<u>\$139,695</u>
Deferred Inflows of Resources:		
Assumption changes	\$6,143	\$ -
Differences between expected and actual experience	321,312	215,828
Net difference between projected and actual investment earnings	40,152	38,033
Total	<u>\$367,607</u>	<u>\$253,861</u>

The deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2023 subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Net Deferred Outflows/(Inflows) of Resources	
Year Ending June 30	General Employees Plan	Police Officers Plan
2024	\$(194,170)	\$(111,235)
2025	(166,761)	(87,567)
2026	(85,524)	(91,961)
2027	94,806	57,073
2028	-	-
Thereafter	-	-

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Defined Contribution Plan

Plan Description

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

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

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

The Town of Foster recognized pension expense of \$13,712 for the fiscal year ended June 30, 2023.

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

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

Plan Description

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

All employees who are members of the Local 1322 union are eligible to participate in the Plan, (8 active employees as of June 30, 2023). An employee is eligible to receive pension benefits as follows:

- For participants who completed at least 1 hour of service prior to January 1, 2008, age 62 with 5 years of pension credit and 1 year of pension credit during the contribution period.

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

- For participants who first completed an hour of service on or after January 1, 2008, age 65 with 5 years of pension credit and 1 year of pension credit during the contribution period.

The amount of regular pension benefits payable to an employee is the accrued benefit as of December 31, 2007 based on the applicable contribution rate-benefit schedule plus the benefits earned each calendar year thereafter based on the applicable contribution rate-benefit schedule and is based on a maximum of 30 years of pension credits. The Plan also provides death and disability benefits. Information regarding the Plan can be obtained from the Fund Office maintained by the Board of Trustees at the following address: Laborers' International Union of North America National (Industrial) Pension Fund, 905 16th Street, N.W., Washington, DC 20006-1765 or on the internet at www.lnipf.com.

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

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

E. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Asset	Net Pension Liability	Pension Expense
Employees' Retirement System Plan	\$836,664	\$609,032	\$ -	\$2,640,012	\$159,471
Teachers' Survivor Benefits Plan	117,590	204,200	695,472	-	(76,081)
General Employees Plan	195,695	367,607	-	192,154	(116,838)
Police Officers Plan	139,695	253,861	-	916,433	62,910
Total	<u>\$1,289,644</u>	<u>\$1,434,700</u>	<u>\$695,472</u>	<u>\$3,748,599</u>	<u>\$29,462</u>

TOWN OF FOSTER, RHODE ISLAND

Notes to Financial Statements

June 30, 2023

NOTE 17- SUBSEQUENT EVENT

The Town issued \$3,000,000 in General Obligation Bonds on July 11, 2023, for the construction of a police station. The bonds bear interest of 3.25%-5.0% and mature July 1, 2043.

REQUIRED SUPPLEMENTARY INFORMATION

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

Budgetary Comparison Schedules – General Fund and School Unrestricted Fund

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

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

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

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

Schedule of Investment Returns – Other Post-Employment Benefit Plan

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

TOWN OF FOSTER, RHODE ISLAND
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2023

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Revenues Over (Under) Expenditures (Over) Under</i>
	<i>Original</i>	<i>Final</i>		
<u>Revenues</u>				
Real estate and personal property tax	\$ 13,353,147	\$ 13,353,147	\$ 13,393,952	\$ 40,805
Hotel, meal and beverage tax	29,642	29,642	26,719	(2,923)
Motor vehicle excise phase-out	1,652,251	1,652,251	1,652,251	-
Public utilities sharing	56,130	56,130	59,706	3,576
Licenses, permits and fees	65,000	65,000	56,657	(8,343)
Building and zoning fees	66,000	66,000	105,475	39,475
Fines and interest on late payments	112,385	112,385	146,218	33,833
Interest on investments	15,000	15,000	152,672	137,672
Use of Fund Balance Committed for Capital	461,500	461,500	461,500	-
Use of Fund Balance Committed for Debt or Other Projects	145,000	145,000	145,000	-
Other revenues	54,214	54,214	69,947	15,733
<i>Total revenues</i>	16,010,269	16,010,269	16,270,097	259,828
<u>Other Financing Sources</u>				
Transfer from Capital Project Fund	530,849	530,849	530,849	-
Transfer from Land Trust	9,922	9,922	2,945	(6,977)
<i>Total other financing sources</i>	540,771	540,771	533,794	(6,977)
<i>Total revenues and other financing sources</i>	\$ 16,551,040	\$ 16,551,040	\$ 16,803,891	\$ 252,851
<u>Expenditures</u>				
<i>Legislative, Judicial and General</i>				
<i>Administrative</i>				
Salaries	\$ 231,367	\$ 231,367	\$ 216,724	14,643
Benefits	95,774	95,774	92,664	3,110
Solicitor	67,500	67,500	67,500	-
Purchased services-probate	3,800	3,800	3,800	-
Purchased services-Board of Canvassers	3,100	3,100	2,800	300
Purchased services-election	5,900	5,900	7,776	(1,876)
Purchased services-other	18,800	18,800	28,834	(10,034)
Materials and supplies	6,300	6,300	6,895	(595)
Software licenses and support	30,168	30,168	20,969	9,199
Insurance	83,000	83,000	89,265	(6,265)
Utilities	12,950	12,950	15,049	(2,099)
Other operational expenditures	4,850	4,850	3,143	1,707
Town Council contingency	42,000	42,000	42,000	-
Land Trust	9,922	9,922	2,945	6,977
Conservation Commission	1,450	1,450	1,459	(9)
<i>Total legislative, judicial and general administrative</i>	616,881	616,881	601,823	15,058

(Continued)

TOWN OF FOSTER, RHODE ISLAND
General Fund
Schedule of Revenues and Expenditures - Budget and Actual (Continued)
For the Fiscal Year Ended June 30, 2023

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Revenues Over (Under) Expenditures (Over) Under</i>
	<i>Original</i>	<i>Final</i>		
Finance Administration				
Finance salaries	190,058	190,058	178,041	12,017
Finance benefits	66,502	66,502	39,809	26,693
Purchased services-audit	26,250	26,250	27,817	(1,567)
Purchased services-OPEB actuarial valuation	2,500	2,500	2,875	(375)
Purchased services-other	7,800	7,800	1,814	5,986
Materials and supplies-finance	3,000	3,000	2,648	352
Software licenses and support-finance	11,000	11,000	10,573	427
Utilities	7,300	7,300	8,346	(1,046)
Other operational expenditures-finance	5,000	5,000	7,515	(2,515)
Assessor salaries	35,020	35,020	35,609	(589)
Assessor benefits	7,808	7,808	7,761	47
Purchased services-tax bills/postage	6,000	6,000	3,529	2,471
Software licenses and support-assessor	14,888	14,888	14,588	300
Revaluation	17,000	17,000	17,000	-
Other operational expenditures-assessor	2,820	2,820	1,685	1,135
Total finance administration	402,946	402,946	359,610	43,336
Health and Welfare				
Human services salary	24,401	24,401	24,401	-
Benefits	5,645	5,645	5,629	16
Purchased services-other	320	320	292	28
Utilities	2,130	2,130	1,159	971
Other operational expenditures	625	625	648	(23)
Mental Health Association	3,900	3,900	3,900	-
Comprehensive Community Action	14,000	14,000	14,000	-
Sojourner House	600	600	600	-
Total health and welfare	51,621	51,621	50,629	992
Planning, Building and Zoning				
Planning salaries	69,888	69,888	62,343	7,545
Planning benefits	15,959	15,959	15,365	594
Purchased services-planning	4,900	4,900	12,608	(7,708)
Software licenses and support-planning	3,000	3,000	1,728	1,272
Utilities	2,370	2,370	1,937	433
Other operational expenditures - planning	3,360	3,360	5,419	(2,059)
Building and zoning salaries	61,118	61,118	58,020	3,098
Building and zoning benefits	5,915	5,915	5,598	317
Software licenses and support- building and zoning	5,000	5,000	2,249	2,751
Other operational expenditures- building and zoning	7,700	7,700	4,089	3,611
Total planning, building and zoning	179,210	179,210	169,356	9,854

(Continued)

TOWN OF FOSTER, RHODE ISLAND

General Fund

Schedule of Revenues and Expenditures - Budget and Actual (Continued)
For the Fiscal Year Ended June 30, 2023

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Revenues Over (Under) Expenditures (Over) Under</i>
	<i>Original</i>	<i>Final</i>		
Public Works				
Salaries	467,842	467,842	423,884	43,958
Benefits	205,413	205,413	197,336	8,077
Purchased services-other	86,450	86,450	61,072	25,378
Materials and supplies	2,500	2,500	575	1,925
Maintenance-buildings and grounds	50,000	50,000	94,155	(44,155)
Maintenance-buildings and grounds recreation field	12,100	12,100	8,354	3,746
Vehicle operations-fuel and lube oil	55,000	55,000	45,999	9,001
Vehicle operations-parts and repairs	75,000	75,000	91,881	(16,881)
Vehicle operations-tires	7,000	7,000	10,148	(3,148)
Utilities	21,000	21,000	25,156	(4,156)
Snow removal	60,000	60,000	21,932	38,068
Asphalt mix	11,500	11,500	12,170	(670)
Gravel	50,000	50,000	56,437	(6,437)
Stone	9,500	9,500	-	9,500
Road signs	3,000	3,000	5,097	(2,097)
Other road material	4,000	4,000	5,048	(1,048)
Pipe	4,500	4,500	-	4,500
Equipment	8,000	8,000	2,591	5,409
Other operational expenditures	4,800	4,800	5,153	(353)
Trash removal and recycling	285,651	285,651	286,299	(648)
Tipping fees - RI Resource Recovery	139,031	139,031	113,292	25,739
Total public works	1,562,287	1,562,287	1,466,579	95,708
Public Safety				
Salaries police	786,820	786,820	650,743	136,077
Benefits police	337,239	337,239	283,770	53,469
Purchased services-police	15,050	15,050	115,594	(100,544)
Materials and supplies-police	2,500	2,500	2,923	(423)
Software licenses and support-police	36,300	36,300	23,349	12,951
Vehicle operations-fuel and lube oil	24,000	24,000	14,759	9,241
Vehicle operations-parts and repairs	8,500	8,500	5,228	3,272
Vehicle operations-tires	3,000	3,000	1,746	1,254
Utilities-police	21,800	21,800	21,868	(68)
Other operational expenditures-police	28,710	28,710	21,329	7,381
Salaries dispatch	262,359	262,359	274,914	(12,555)
Benefits dispatch	77,404	77,404	78,347	(943)
Utilities-dispatch	4,700	4,700	2,597	2,103
Other operational expenditures-dispatch	1,500	1,500	602	898
Purchased services-animal control	24,000	24,000	26,000	(2,000)
Pound fees	10,000	10,000	10,000	-
EMA compensation	5,500	5,500	5,000	500
Payroll taxes	420	420	382	38
EMA material and supplies	2,500	2,500	-	2,500
Other public safety training	20,000	20,000	-	20,000
Ambulance Corp.	228,500	228,500	228,500	-
Foster Center Fire Company	72,000	72,000	72,000	-
South Foster Fire Company	84,000	84,000	84,000	-
Moosup Valley Fire Company	79,050	79,050	79,050	-
Total public safety	2,135,852	2,135,852	2,002,701	133,151

(Continued)

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

TOWN OF FOSTER, RHODE ISLAND
General Fund
Schedule of Revenues and Expenditures - Budget and Actual (Continued)
For the Fiscal Year Ended June 30, 2023

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Revenues Over (Under) Expenditures (Over) Under</i>
	<i>Original</i>	<i>Final</i>		
Recreation				
Salaries	2,500	2,500	2,500	-
Benefits	273	273	272	1
Purchased services rental equipment	1,200	1,200	1,315	(115)
Materials and supplies	1,500	1,500	1,149	351
Utilities	2,600	2,600	3,658	(1,058)
Sports	9,500	9,500	9,500	-
Senior citizens	2,000	2,000	2,000	-
Other operational expenditures	1,200	1,200	1,363	(163)
Activities expenditures	6,500	6,500	3,808	2,692
Total recreation	27,273	27,273	25,565	1,708
School				
Regional operations	5,397,477	5,397,477	5,397,477	-
Regional debt service	410,992	410,992	410,992	-
Region student population change transfer	(102,604)	(102,604)	(102,604)	-
Paine School operations	3,751,800	3,751,800	3,751,800	-
Total school	9,457,665	9,457,665	9,457,665	-
Libraries				
Libraries of Foster	171,956	171,956	171,956	-
Total libraries	171,956	171,956	171,956	-
Long-Term Debt and Obligations				
Providence Water settlement	200,000	200,000	200,000	-
Debt and other -police station	210,000	210,000	210,000	-
Total long-term debt and obligations	410,000	410,000	410,000	-
Capital Expenditures				
Police	59,500	59,500	59,500	-
Engineering Board	150,000	150,000	150,000	-
Public works-equipment	157,000	157,000	157,000	-
Public works-building and grounds	100,000	100,000	100,000	-
Public works-building and grounds recreation field	200,000	200,000	200,000	-
Public works highway	250,000	250,000	249,998	2
Public works bridges	60,000	60,000	60,000	-
Education- Paine School	15,849	15,849	15,849	-
Total capital expenditures	992,349	992,349	992,347	2
Total expenditures	16,008,040	16,008,040	15,708,231	299,809
Other Financing Uses				
Transfer to Town House Fund	3,000	3,000	3,000	-
Transfer to OPEB Trust Fund	25,000	25,000	25,000	-
Transfer to Capital Project Fund	515,000	515,000	515,000	-
Total other financing uses	543,000	543,000	543,000	-
Total expenditures and other financing uses	\$ 16,551,040	\$ 16,551,040	\$ 16,251,231	\$ 299,809

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

TOWN OF FOSTER, RHODE ISLAND

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

School Unrestricted Fund

For the Fiscal Year Ended June 30, 2023

	<i>Budgeted Amounts</i>		<i>Actual Amounts (Budgetary Basis)</i>	<i>Variance With Final Budget Revenues Over (Under) Expenditures (Over) Under</i>
	<i>Original</i>	<i>Final</i>		
<i>Revenues</i>				
State aid	\$ 1,050,275	\$ 1,050,275	\$ 1,137,350	\$ 87,075
Other revenues	108,125	108,125	123,514	15,389
<i>Total revenues</i>	<u>1,158,400</u>	<u>1,158,400</u>	<u>1,260,864</u>	<u>102,464</u>
<i>Expenditures</i>				
Education	4,910,200	4,910,200	4,491,408	418,792
<i>Total expenditures</i>	<u>4,910,200</u>	<u>4,910,200</u>	<u>4,491,408</u>	<u>418,792</u>
<i>Deficiency of revenues under expenditures before other financing sources (uses)</i>	<u>(3,751,800)</u>	<u>(3,751,800)</u>	<u>(3,230,544)</u>	<u>521,256</u>
<i>Other financing sources (uses)</i>				
Town appropriation	3,751,800	3,751,800	3,751,800	-
Transfer to capital reserve fund	-	-	(515,275)	(515,275)
<i>Total other financing sources (uses)</i>	<u>3,751,800</u>	<u>3,751,800</u>	<u>3,236,525</u>	<u>(515,275)</u>
<i>Net change in fund balance</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,981</u>	<u>\$ 5,981</u>

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

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

Fiscal Year	2023	2022	2021	2020	2019
Town's proportion of the net pension liability	0.09775218%	0.08785804%	0.10691281%	0.09954467%	0.09502946%
Town's proportionate share of the net pension liability	\$ 2,640,012	\$ 2,067,650	\$ 3,415,870	\$ 3,176,240	\$ 3,019,322
State's proportionate share of the net pension liability associated with the Town	1,952,474	1,533,347	2,538,075	2,379,333	2,252,197
Total	<u>\$ 4,592,486</u>	<u>\$ 3,600,997</u>	<u>\$ 5,953,945</u>	<u>\$ 5,555,573</u>	<u>\$ 5,271,519</u>
Town's covered payroll	\$ 1,903,841	\$ 1,671,103	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241
Town's proportionate share of the net pension liability as a percentage of its covered payroll	138.67%	123.73%	176.86%	174.85%	175.62%
Plan fiduciary net position as a percentage of the total pension liability	62.1%	66.5%	54.3%	54.6%	54.3%
Fiscal Year	2018	2017	2016	2015	
Town's proportion of the net pension liability	0.09924856%	0.10172130%	0.11156409%	0.12588445%	
Town's proportionate share of the net pension liability	\$ 3,130,385	\$ 3,034,934	\$ 3,071,362	\$ 3,064,028	
State's proportionate share of the net pension liability associated with the Town	2,365,819	2,078,484	2,098,258	2,101,145	
Total	<u>\$ 5,496,204</u>	<u>\$ 5,113,418</u>	<u>\$ 5,169,620</u>	<u>\$ 5,165,173</u>	
Town's covered payroll	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834	\$ 1,916,706	
Town's proportionate share of the net pension liability as a percentage of its covered payroll	178.18%	181.59%	169.42%	159.86%	
Plan fiduciary net position as a percentage of the total pension liability	54.0%	54.1%	57.6%	61.4%	

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

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

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

<i>Fiscal Year</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Town's proportion of the net pension asset	0.39576374%	0.35928064%	0.38802018%	0.43171861%	0.42062515%
Town's proportionate share of the net pension asset	\$ 695,472	\$ 703,088	\$ 460,827	\$ 489,767	\$ 375,321
Town's covered payroll	\$ 1,903,841	\$ 1,671,103	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241
Town's proportionate share of the net pension asset as a percentage of its covered payroll	36.53%	42.07%	23.86%	26.96%	21.83%
Plan fiduciary net position as a percentage of the total pension liability	177.7%	185.7%	153.1%	150.2%	137.4%
<i>Fiscal Year</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>	
Town's proportion of the net pension asset	0.47846742%	0.42449060%	0.44548472%	0.37822090%	
Town's proportionate share of the net pension asset	\$ 395,819	\$ 422,673	\$ 415,885	\$ 470,207	
Town's covered payroll	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834	\$ 1,916,706	
Town's proportionate share of the net pension asset as a percentage of its covered payroll	22.53%	25.29%	22.94%	24.53%	
Plan fiduciary net position as a percentage of the total pension liability	136.1%	153.3%	146.6%	173.3%	

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

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

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

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability:					
Service cost	\$ 111,546	\$ 109,293	\$ 107,626	\$ 113,973	\$ 118,579
Interest	348,803	352,164	337,702	328,158	301,048
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(339,385)	(215,113)	93,844	(33,383)	219,149
Changes of assumptions	-	-	(36,128)	-	-
Benefits payments, including refunds of member contributions	(283,358)	(307,600)	(286,945)	(251,539)	(246,825)
Net change in total pension liability	<u>(162,394)</u>	<u>(61,256)</u>	<u>216,099</u>	<u>157,209</u>	<u>391,951</u>
Total pension liability - beginning	<u>5,068,811</u>	<u>5,130,067</u>	<u>4,913,968</u>	<u>4,756,759</u>	<u>4,364,808</u>
Total pension liability - ending (a)	<u><u>\$ 4,906,417</u></u>	<u><u>\$ 5,068,811</u></u>	<u><u>\$ 5,130,067</u></u>	<u><u>\$ 4,913,968</u></u>	<u><u>\$ 4,756,759</u></u>
Plan fiduciary net position:					
Contributions - employer	\$ 170,128	\$ 159,105	\$ 158,232	\$ 139,375	\$ 160,968
Contributions - employee	27,703	26,792	27,341	29,863	29,647
Net investment income	(132,005)	1,065,446	146,933	249,997	282,987
Benefits payments, including refunds of member contributions	(283,358)	(307,600)	(286,945)	(251,539)	(246,825)
Administrative expense	(4,500)	(4,060)	(4,048)	(3,908)	(3,767)
Other	10,200	(38,291)	(19,312)	56,886	(44,323)
Net change in plan fiduciary net position	<u>(211,832)</u>	<u>901,392</u>	<u>22,201</u>	<u>220,674</u>	<u>178,687</u>
Plan fiduciary net position - beginning	<u>4,926,095</u>	<u>4,024,703</u>	<u>4,002,502</u>	<u>3,781,828</u>	<u>3,603,141</u>
Plan fiduciary net position - ending (b)	<u><u>\$ 4,714,263</u></u>	<u><u>\$ 4,926,095</u></u>	<u><u>\$ 4,024,703</u></u>	<u><u>\$ 4,002,502</u></u>	<u><u>\$ 3,781,828</u></u>
Town's net pension liability - ending (a) - (b)	<u><u>\$ 192,154</u></u>	<u><u>\$ 142,716</u></u>	<u><u>\$ 1,105,364</u></u>	<u><u>\$ 911,466</u></u>	<u><u>\$ 974,931</u></u>
Plan fiduciary net position as a percentage of the total pension liability	96.08%	97.18%	78.45%	81.45%	79.50%
Covered payroll	\$ 1,404,857	\$ 1,342,665	\$ 1,335,305	\$ 1,360,055	\$ 1,374,030
Net pension liability as a percentage of covered payroll	13.68%	10.63%	82.78%	67.02%	70.95%

(continued)

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

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

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

<i>Fiscal Year</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
Total pension liability:				
Service cost	\$ 108,741	\$ 101,650	\$ 102,763	\$ 105,659
Interest	313,814	287,004	290,393	273,238
Changes of benefit terms	-	-	(213)	-
Differences between expected and actual experience	(218,466)	193,993	(226,439)	-
Changes of assumptions	147,320	-	-	53,322
Benefits payments, including refunds of member contributions	(232,839)	(224,619)	(197,635)	(206,446)
Net change in total pension liability	118,570	358,028	(31,131)	225,773
Total pension liability - beginning	4,246,238	3,888,210	3,919,341	3,693,568
Total pension liability - ending (a)	\$ 4,364,808	\$ 4,246,238	\$ 3,888,210	\$ 3,919,341
Plan fiduciary net position:				
Contributions - employer	\$ 143,230	\$ 149,626	\$ 121,957	\$ 124,478
Contributions - employee	31,290	32,892	11,704	11,409
Net investment income	382,641	(556)	77,854	451,654
Benefits payments, including refunds of member contributions	(232,839)	(224,619)	(197,635)	(206,446)
Administrative expense	(3,615)	(3,684)	(3,135)	(2,828)
Other	(27,714)	34,403	(79,740)	(18,760)
Net change in plan fiduciary net position	292,993	(11,938)	(68,995)	359,507
Plan fiduciary net position - beginning	3,310,148	3,322,086	3,391,081	3,031,574
Plan fiduciary net position - ending (b)	\$ 3,603,141	\$ 3,310,148	\$ 3,322,086	\$ 3,391,081
Town's net pension liability - ending (a) - (b)	\$ 761,667	\$ 936,090	\$ 566,124	\$ 528,260
Plan fiduciary net position as a percentage of the total pension liability	82.55%	77.95%	85.44%	86.52%
Covered payroll	\$ 1,314,885	\$ 1,230,625	\$ 1,170,425	\$ 1,133,685
Net pension liability as a percentage of covered payroll	57.93%	76.07%	48.37%	46.60%

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

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

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

<i>Fiscal Year</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>
Total pension liability:					
Service cost	\$ 94,998	\$ 113,786	\$ 127,905	\$ 120,285	\$ 117,421
Interest	306,257	307,820	303,069	304,104	300,472
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(24,901)	(163,750)	(111,501)	(181,901)	(106,823)
Changes of assumptions	-	-	2,867	-	-
Benefits payments, including refunds of member contributions	(294,053)	(247,534)	(247,305)	(274,845)	(246,377)
Net change in total pension liability	82,301	10,322	75,035	(32,357)	64,693
Total pension liability - beginning	4,474,621	4,464,299	4,389,264	4,421,621	4,356,928
Total pension liability - ending (a)	\$ 4,556,922	\$ 4,474,621	\$ 4,464,299	\$ 4,389,264	\$ 4,421,621
Plan fiduciary net position:					
Contributions - employer	\$ 136,646	\$ 156,863	\$ 170,652	\$ 156,831	\$ 138,105
Contributions - employee	44,832	52,533	55,878	51,692	54,286
Net investment income	(101,938)	836,013	112,449	186,853	213,786
Benefits payments, including refunds of member contributions	(294,053)	(247,534)	(247,305)	(274,845)	(246,377)
Administrative expense	(3,475)	(3,185)	(3,098)	(2,921)	(2,846)
Other	(6,836)	(9,508)	-	16,916	(1)
Net change in plan fiduciary net position	(224,824)	785,182	88,576	134,526	156,953
Plan fiduciary net position - beginning	3,865,313	3,080,131	2,991,555	2,857,029	2,700,076
Plan fiduciary net position - ending (b)	\$ 3,640,489	\$ 3,865,313	\$ 3,080,131	\$ 2,991,555	\$ 2,857,029
Town's net pension liability - ending (a) - (b)	\$ 916,433	\$ 609,308	\$ 1,384,168	\$ 1,397,709	\$ 1,564,592
Plan fiduciary net position as a percentage of the total pension liability	79.89%	86.38%	68.99%	68.16%	64.61%
Covered payroll	\$ 448,314	\$ 525,328	\$ 558,783	\$ 516,912	\$ 542,863
Net pension liability as a percentage of covered payroll	204.42%	115.99%	247.71%	270.40%	288.21%

(continued)

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

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

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

<i>Fiscal Year</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>	<i>2015</i>
<i>Total pension liability:</i>				
Service cost	\$ 98,096	\$ 87,189	\$ 70,704	\$ 69,914
Interest	258,810	254,922	278,224	272,971
Changes of benefit terms	-	-	101,488	-
Differences between expected and actual experience	476,566	(66,486)	(540,538)	-
Changes of assumptions	235,793	-	-	(10,714)
Benefits payments, including refunds of member contributions	(228,188)	(230,282)	(227,338)	(297,710)
<i>Net change in total pension liability</i>	841,077	45,343	(317,460)	34,461
<i>Total pension liability - beginning</i>	3,515,851	3,470,508	3,787,968	3,753,507
<i>Total pension liability - ending (a)</i>	\$ 4,356,928	\$ 3,515,851	\$ 3,470,508	\$ 3,787,968
<i>Plan fiduciary net position:</i>				
Contributions - employer	\$ 136,147	\$ 149,967	\$ 117,553	\$ 46,299
Contributions - employee	50,332	45,689	29,050	31,684
Net investment income	286,739	(863)	59,155	339,383
Benefits payments, including refunds of member contributions	(228,188)	(230,282)	(227,338)	(297,710)
Administrative expense	(2,709)	(2,322)	(2,375)	(2,125)
Other	(28,614)	4	-	5,471
<i>Net change in plan fiduciary net position</i>	213,707	(37,807)	(23,955)	123,002
<i>Plan fiduciary net position - beginning</i>	2,486,369	2,524,176	2,548,131	2,425,129
<i>Plan fiduciary net position - ending (b)</i>	\$ 2,700,076	\$ 2,486,369	\$ 2,524,176	\$ 2,548,131
<i>Town's net pension liability - ending (a) - (b)</i>	\$ 1,656,852	\$ 1,029,482	\$ 946,332	\$ 1,239,837
<i>Plan fiduciary net position as a percentage of the total pension liability</i>	61.97%	70.72%	72.73%	67.27%
<i>Covered payroll</i>	\$ 503,314	\$ 458,405	\$ 363,141	\$ 385,837
<i>Net pension liability as a percentage of covered payroll</i>	329.19%	224.58%	260.60%	321.34%

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

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

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

<i>Fiscal Year</i>	<u>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>
<u>Employees' Retirement System Plan</u>									
Actuarially determined contribution	\$ 319,862	\$ 302,544	\$ 247,854	\$ 294,002	\$ 254,951	\$ 235,000	\$ 239,770	\$ 234,490	\$ 247,872
Contributions in relation to the actuarially determined contribution	319,862	302,544	247,854	294,002	254,951	235,000	239,770	234,490	247,872
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 1,968,891	\$ 1,903,841	\$ 1,671,103	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834
Contributions as a percentage of covered payroll	16.25%	15.89%	14.83%	15.22%	14.03%	13.67%	13.65%	14.03%	13.67%
<u>Teachers' Survivor Benefit Plan</u>									
Statutorily determined contribution	\$ 3,335	\$ 2,990	\$ 2,645	\$ 2,894	\$ 3,220	\$ 3,130	\$ 2,822	\$ 2,726	\$ 2,688
Contributions in relation to the statutorily determined contribution	3,335	2,990	2,645	2,894	3,220	3,130	2,822	2,726	2,688
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 1,968,891	\$ 1,903,841	\$ 1,671,103	\$ 1,931,435	\$ 1,816,545	\$ 1,719,241	\$ 1,756,868	\$ 1,671,269	\$ 1,812,834
Contributions as a percentage of covered payroll	0.17%	0.16%	0.16%	0.15%	0.18%	0.18%	0.16%	0.16%	0.15%

(continued)

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

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

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

<i>Fiscal Year</i>	<u>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>
<u>General Employees Plan</u>									
Actuarially determined contribution	\$ 179,737	\$ 170,128	\$ 159,105	\$ 158,232	\$ 139,375	\$ 160,968	\$ 143,230	\$ 149,626	\$ 121,957
Contributions in relation to the actuarially determined contribution	179,737	170,128	159,105	158,232	139,375	160,968	143,230	149,626	121,957
<i>Contribution deficiency (excess)</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 1,532,282	\$ 1,404,857	\$ 1,342,665	\$ 1,335,305	\$ 1,360,055	\$ 1,374,030	\$ 1,314,885	\$ 1,230,625	\$ 1,170,425
Contributions as a percentage of covered payroll	11.73%	12.11%	11.85%	11.85%	10.25%	11.72%	10.89%	12.16%	10.42%
<u>Police Officers Plan</u>									
Actuarially determined contribution	\$ 119,524	\$ 136,646	\$ 156,863	\$ 170,652	\$ 156,831	\$ 138,105	\$ 136,147	\$ 149,967	\$ 117,553
Contributions in relation to the actuarially determined contribution	119,524	136,646	156,863	170,652	156,831	138,105	136,147	149,967	117,553
<i>Contribution deficiency (excess)</i>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 429,323	\$ 448,314	\$ 525,328	\$ 558,783	\$ 516,912	\$ 542,863	\$ 503,314	\$ 458,405	\$ 363,141
Contributions as a percentage of covered payroll	27.84%	30.48%	29.86%	30.54%	30.34%	25.44%	27.05%	32.71%	32.37%

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

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

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

<i>Fiscal Year</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>
Total OPEB liability:							
Service cost	\$ 18,959	\$ 22,289	\$ 26,623	\$ 20,974	\$ 15,805	\$ 16,252	\$ 25,109
Interest	10,885	7,046	8,372	12,851	13,302	11,580	12,790
Changes of benefit terms	-	(34,197)	-	15,384	-	-	-
Differences between expected and actual experience	17,685	24,386	6,661	5,041	8,178	(42,597)	16,940
Changes of assumptions	(1,803)	(16,840)	814	6,819	8,056	(8,866)	(16,306)
Benefits payments	(34,456)	(65,399)	(52,336)	(36,836)	(38,203)	(51,384)	(48,940)
Net change in total OPEB liability	11,270	(62,715)	(9,866)	24,233	7,138	(75,015)	(10,407)
Total OPEB liability - beginning	305,617	368,332	378,198	353,965	346,827	421,842	432,249
Total OPEB liability - ending (a)	\$316,887	\$305,617	\$368,332	\$378,198	\$353,965	\$346,827	\$ 421,842
Plan fiduciary net position:							
Contributions - employer	\$ 54,868	\$ 66,189	\$ 69,545	\$ 85,114	\$ 46,614	\$ 57,234	\$ 67,394
Contributions - plan member	-	-	-	-	-	-	-
Net investment income	5,606	532	412	460	767	662	509
Benefits payments	(34,456)	(65,399)	(52,336)	(36,836)	(38,203)	(51,384)	(48,940)
Administrative expense	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	26,018	1,322	17,621	48,738	9,178	6,512	18,963
Plan fiduciary net position - beginning	265,178	263,856	246,235	197,497	188,319	181,807	162,844
Plan fiduciary net position - ending (b)	\$291,196	\$265,178	\$263,856	\$246,235	\$197,497	\$188,319	\$ 181,807
Town's net OPEB liability - ending (a) - (b)	\$ 25,691	\$ 40,439	\$104,476	\$131,963	\$156,468	\$158,508	\$ 240,035
Plan fiduciary net position as a percentage of the total OPEB liability	91.89%	86.77%	71.64%	65.11%	55.80%	54.30%	43.10%
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net OPEB liability as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>OPEB Plan</u>							
Actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	\$ 36,594
Contributions in relation to the actuarially determined contribution	N/A	N/A	N/A	N/A	N/A	N/A	67,394
<i>Contribution deficiency (excess)</i>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ (30,800)</u>
Covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a percentage of covered employee payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

<i>Fiscal Year</i>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>OPEB Plan</u>							
Annual money-weighted rate of return, net of investment expense	1.98%	0.24%	0.19%	0.21%	0.40%	0.40%	0.40%

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

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

TOWN OF FOSTER, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2023

NOTE 1 - BUDGETARY DATA AND BUDGETARY COMPLIANCE

The Town has formally established budgetary accounting control for its General Fund and the School Unrestricted Fund, which is a Special Revenue Fund. All budget requests must be submitted to the Town Council by March 1. The Town Council shall obtain from the head of each department, office and agency estimates of its revenues and expenditures and supporting data as it may request. The Town Council's proposed budget shall show all anticipated revenues and all proposed expenditures. The Town Council shall hold a public hearing on its preliminary recommended budget, prior to its adoption, at least 30 days prior to the Annual Financial Town Meeting. The Town Council shall adopt its recommended budget for presentation at the Annual Financial Town Meeting not later than fifteen days preceding its date. The recommended budget is approved or amended by the voters at the Annual Financial Town Meeting. The General Fund and School Unrestricted Fund annual operating budget amounts are supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The legal level of control for the General Fund is at the department level and the School Unrestricted Fund is at the fund level. Amendments that would change the total appropriation must be approved by the voters at a Financial Town Meeting. There were no supplemental budgetary appropriations in fiscal year 2023. Appropriations which are not expended or encumbered lapse at year end.

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

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

	<i>General Fund</i>	<i>School Unrestricted Fund</i>
<u>Revenues and Other Financing Sources</u>		
Actual amounts (budgetary basis)	\$16,803,891	\$5,012,664
Differences – budget to GAAP:		
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Foster are not reported as budgetary revenue but are a current year revenue for financial reporting purposes.	-	203,084
Unbudgeted revenues are not reported for budgetary purposes but are included for financial reporting purposes.	14,412	-

TOWN OF FOSTER, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2023

	<i>General Fund</i>	<i>School Unrestricted Fund</i>
<u>Revenues and Other Financing Sources (Continued)</u>		
The appropriated use of fund balance is reported as a revenue for budgetary purposes but is not reported as a revenue for financial reporting purposes.	(606,500)	-
<i>Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$16,211,803</u>	<u>\$5,215,748</u>
<u>Expenditures and Other Financing Uses</u>		
Actual amounts (budgetary basis)	\$16,251,231	\$5,006,683
Differences – budget to GAAP:		
Capital appropriations carried over and budgeted reserves continue in force until the purpose for which it was established is accomplished or abandoned. Capital appropriations carried over and reserves are reported as a budgetary expenditure in the year budgeted but are not reported as a current year expenditure for financial reporting purposes.	(1,221,576)	-
Unbudgeted expenditures are not reported for budgetary purposes but are reported for financial reporting purposes.	1,382,335	-
The pension contributions made to the Employees Retirement System by the State on behalf of the Town of Foster are not reported as a budgetary expenditure but are reported as a current year expenditure for financial reporting purposes.	-	203,084
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds</i>	<u>\$16,411,990</u>	<u>\$5,209,767</u>

TOWN OF FOSTER, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2023

NOTE 2 – PENSION PLANS

The net pension liability (asset) amounts presented as of the June 30, 2023 were determined as part of actuarial valuations performed as of June 30, 2021 and rolled forward to June 30, 2022, the measurement date. Additional information, including actuarial methods and assumptions, is presented in Note 16 A, B, and C to the financial statements.

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

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

June 30, 2020 measurement date –

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

June 30, 2017 measurement date –

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

June 30, 2015 measurement date –

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

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

TOWN OF FOSTER, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2023

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

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

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

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

TOWN OF FOSTER, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2023

NOTE 3 – OPEB PLAN

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

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

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

Actuarially Determined Contributions:

Actuarially determined contributions were not calculated for fiscal years 2018 through 2023, and are, therefore, not presented.

OTHER SUPPLEMENTARY INFORMATION

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

THIS SECTION CONTAINS THE FOLLOWING:

Combining Fund Financial Statements for Nonmajor Governmental Funds

Other Supplementary Information

TOWN OF FOSTER, RHODE ISLAND

Nonmajor Governmental Funds

Combining Balance Sheet

June 30, 2023

	<i>Town Special Revenue Funds</i>	<i>School Special Revenue Funds</i>	<i>School Capital Reserve Fire Safety</i>	<i>School Construction Fund</i>	<i>Total Nonmajor Governmental Funds</i>
ASSETS					
Cash	\$ 302,392	\$ 45,756	\$ -	\$ -	\$ 348,148
Due from federal and state governments	188,013	230,473	-	-	418,486
Other receivables, net	31,883	33,149	-	17,690	82,722
Due from other funds	388,458	13,702	13,664	-	415,824
Total assets	<u>\$ 910,746</u>	<u>\$ 323,080</u>	<u>\$ 13,664</u>	<u>\$ 17,690</u>	<u>\$ 1,265,180</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable and accrued expenditures	\$ 924	\$ 32,211	\$ 13,664	\$ -	\$ 46,799
Due to other funds	177,971	241,646	-	17,690	437,307
Unearned revenue	236,261	-	-	-	236,261
Total liabilities	<u>415,156</u>	<u>273,857</u>	<u>13,664</u>	<u>17,690</u>	<u>720,367</u>
Deferred inflows of resources					
Unavailable-loans	31,883	-	-	-	31,883
Total deferred inflows of resources	<u>31,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,883</u>
Fund balances					
Restricted for:					
Education programs	-	49,223	-	-	49,223
Historical records preservation	90,380	-	-	-	90,380
Health and welfare programs	149,915	-	-	-	149,915
Public safety programs	132,861	-	-	-	132,861
Other programs	6,901	-	-	-	6,901
Committed for:					
Townhouse maintenance	15,053	-	-	-	15,053
Recycling programs	13,652	-	-	-	13,652
Open space and conservation	54,945	-	-	-	54,945
Total fund balances	<u>463,707</u>	<u>49,223</u>	<u>-</u>	<u>-</u>	<u>512,930</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 910,746</u>	<u>\$ 323,080</u>	<u>\$ 13,664</u>	<u>\$ 17,690</u>	<u>\$ 1,265,180</u>

TOWN OF FOSTER, RHODE ISLAND
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	<i>Town Special Revenue Funds</i>	<i>School Special Revenue Funds</i>	<i>School Capital Reserve Fire Safety</i>	<i>School Capital Reserve Fund</i>	<i>Total Nonmajor Governmental Funds</i>
Revenues					
Intergovernmental and departmental revenue	\$ 415,657	\$ 588,197	\$ -	\$ -	\$ 1,003,854
Interest on investments	2,475	-	-	-	2,475
Other revenue	63,041	37,444	-	-	100,485
Total revenues	<u>481,173</u>	<u>625,641</u>	<u>-</u>	<u>-</u>	<u>1,106,814</u>
Expenditures					
Current:					
Legislative, judicial and general administrative	49,803	-	-	-	49,803
Health and welfare	30,316	-	-	-	30,316
Public safety	12,887	-	-	-	12,887
Public works	1,760	-	-	-	1,760
Planning, building and zoning	54,189	-	-	-	54,189
Education	-	510,845	-	-	510,845
Food service	-	102,354	-	-	102,354
Capital outlay	331,921	-	129,264	386,011	847,196
Total expenditures	<u>480,876</u>	<u>613,199</u>	<u>129,264</u>	<u>386,011</u>	<u>1,609,350</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources	<u>297</u>	<u>12,442</u>	<u>(129,264)</u>	<u>(386,011)</u>	<u>(502,536)</u>
Other financing sources					
Transfers in	3,000	-	129,264	386,011	518,275
Total other financing sources	<u>3,000</u>	<u>-</u>	<u>129,264</u>	<u>386,011</u>	<u>518,275</u>
Net change in fund balance	<u>3,297</u>	<u>12,442</u>	<u>-</u>	<u>-</u>	<u>15,739</u>
Fund balances - beginning of year	<u>460,410</u>	<u>36,781</u>	<u>-</u>	<u>-</u>	<u>497,191</u>
Fund balances - end of year	<u>\$ 463,707</u>	<u>\$ 49,223</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 512,930</u>

TOWN OF FOSTER, RHODE ISLAND

Town Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	<i>Community Development</i>	<i>Historical Records</i>	<i>Technology Recording Fee</i>	<i>DARE</i>	<i>RIPTIDE</i>	<i>RI Resource Recovery Grant</i>	<i>Townhouse Trust</i>	<i>Payments In Lieu of Land</i>
	<i>Block Grant</i>							
ASSETS								
Cash	\$ 85,468	\$ 12,279	\$ 82,335	\$ 4,465	\$ -	\$ 18,425	\$ 15,053	\$ 43,631
Due from federal and state governments	-	-	-	-	-	-	-	185,218
Other receivables, net	31,883	-	-	-	-	-	-	-
Due from other funds	-	76	-	-	-	-	-	-
Total assets	<u>\$ 117,351</u>	<u>\$ 12,355</u>	<u>\$ 82,335</u>	<u>\$ 4,465</u>	<u>\$ -</u>	<u>\$ 18,425</u>	<u>\$ 15,053</u>	<u>\$ 228,849</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 400	\$ -	\$ 368
Due to other funds	-	-	4,310	-	-	-	-	173,536
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>4,310</u>	<u>-</u>	<u>-</u>	<u>400</u>	<u>-</u>	<u>173,904</u>
Deferred inflows of resources								
Unavailable-loans	31,883	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>31,883</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances								
Restricted for:								
Historical records preservation	-	12,355	78,025	-	-	-	-	-
Health and welfare programs	85,468	-	-	-	-	-	-	-
Public safety programs	-	-	-	4,465	-	-	-	-
Other programs	-	-	-	-	-	4,373	-	-
Committed for:								
Townhouse maintenance	-	-	-	-	-	-	15,053	-
Recycling programs	-	-	-	-	-	13,652	-	-
Open space and conservation	-	-	-	-	-	-	-	54,945
Total fund balances	<u>85,468</u>	<u>12,355</u>	<u>78,025</u>	<u>4,465</u>	<u>-</u>	<u>18,025</u>	<u>15,053</u>	<u>54,945</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 117,351</u>	<u>\$ 12,355</u>	<u>\$ 82,335</u>	<u>\$ 4,465</u>	<u>\$ -</u>	<u>\$ 18,425</u>	<u>\$ 15,053</u>	<u>\$ 228,849</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND

*Town Special Revenue Funds
Combining Balance Sheet (Continued)
June 30, 2023*

	<i>EMA</i>	<i>American Rescue Plan Fund</i>	<i>Human Services Special Needs</i>	<i>Police Restricted</i>	<i>LESO</i>	<i>Federal Forfeiture</i>	<i>Other Miscellaneous Grants</i>	<i>Total</i>
ASSETS								
Cash	\$ -	\$ -	\$ 40,736	\$ -	\$ -	\$ -	\$ -	\$ 302,392
Due from federal and state governments	-	-	-	2,795	-	-	-	188,013
Other receivables, net	-	-	-	-	-	-	-	31,883
Due from other funds	59,339	236,261	5,998	-	63,810	2,644	20,330	388,458
Total assets	<u>\$ 59,339</u>	<u>\$ 236,261</u>	<u>\$ 46,734</u>	<u>\$ 2,795</u>	<u>\$ 63,810</u>	<u>\$ 2,644</u>	<u>\$ 20,330</u>	<u>\$ 910,746</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 89	\$ 67	\$ -	\$ -	\$ -	\$ 924
Due to other funds	-	-	-	125	-	-	-	177,971
Unearned revenue	-	236,261	-	-	-	-	-	236,261
Total liabilities	<u>-</u>	<u>236,261</u>	<u>89</u>	<u>192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>415,156</u>
Deferred inflows of resources								
Unavailable-loans	-	-	-	-	-	-	-	31,883
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,883</u>
Fund balances								
Restricted for:								
Historical records preservation	-	-	-	-	-	-	-	90,380
Health and welfare programs	-	-	46,645	-	-	-	17,802	149,915
Public safety programs	59,339	-	-	2,603	63,810	2,644	-	132,861
Other programs	-	-	-	-	-	-	2,528	6,901
Committed for:								
Townhouse maintenance	-	-	-	-	-	-	-	15,053
Recycling programs	-	-	-	-	-	-	-	13,652
Open space and conservation	-	-	-	-	-	-	-	54,945
Total fund balances	<u>59,339</u>	<u>-</u>	<u>46,645</u>	<u>2,603</u>	<u>63,810</u>	<u>2,644</u>	<u>20,330</u>	<u>463,707</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 59,339</u>	<u>\$ 236,261</u>	<u>\$ 46,734</u>	<u>\$ 2,795</u>	<u>\$ 63,810</u>	<u>\$ 2,644</u>	<u>\$ 20,330</u>	<u>\$ 910,746</u>

TOWN OF FOSTER, RHODE ISLAND
Town Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2023

	<i>Community Development Block Grant</i>	<i>Historical Records</i>	<i>Technology Recording Fee</i>	<i>DARE</i>	<i>RIPTIDE</i>	<i>RI Resource Recovery Grant</i>	<i>Townhouse Trust</i>	<i>Payments In Lieu of Land</i>
Revenues								
Intergovernmental and departmental revenues	\$ -	\$ 799	\$ 4,219	\$ -	\$ 4,780	\$ -	\$ -	\$ 187,888
Interest on investments	-	145	975	-	-	-	176	1,179
Other revenue	30,670	-	-	-	-	893	-	-
Total revenues	<u>30,670</u>	<u>944</u>	<u>5,194</u>	<u>-</u>	<u>4,780</u>	<u>893</u>	<u>176</u>	<u>189,067</u>
Expenditures								
Current:								
Legislative, judicial and general administrative	-	-	4,718	-	-	-	1,581	-
Health and welfare	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	4,780	-	-	-
Public works	-	-	-	-	-	1,760	-	-
Planning, building and zoning	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	185,218
Total expenditures	<u>-</u>	<u>-</u>	<u>4,718</u>	<u>-</u>	<u>4,780</u>	<u>1,760</u>	<u>1,581</u>	<u>185,218</u>
Excess of revenues over expenditures before other financing sources	<u>30,670</u>	<u>944</u>	<u>476</u>	<u>-</u>	<u>-</u>	<u>(867)</u>	<u>(1,405)</u>	<u>3,849</u>
Other financing sources								
Transfer in	-	-	-	-	-	-	3,000	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>
Net change in fund balance	30,670	944	476	-	-	(867)	1,595	3,849
Fund balances - beginning of year	54,798	11,411	77,549	4,465	-	18,892	13,458	51,096
Fund balances - end of year	<u>\$ 85,468</u>	<u>\$ 12,355</u>	<u>\$ 78,025</u>	<u>\$ 4,465</u>	<u>\$ -</u>	<u>\$ 18,025</u>	<u>\$ 15,053</u>	<u>\$ 54,945</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND

Town Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)

For the Fiscal Year Ended June 30, 2023

	<i>EMA</i>	<i>American Rescue Plan Fund</i>	<i>Human Services Special Needs</i>	<i>Police Restricted</i>	<i>LESO</i>	<i>Federal Forfeiture</i>	<i>Other Miscellaneous Grants</i>	<i>Total</i>
Revenues								
Intergovernmental and departmental revenues	\$ 4,605	\$ 196,343	\$ 8,679	\$ 3,795	\$ -	\$ -	\$ 4,549	\$ 415,657
Interest on investments	-	-	-	-	-	-	-	2,475
Other revenue	-	-	19,296	-	-	-	12,182	63,041
Total revenues	<u>4,605</u>	<u>196,343</u>	<u>27,975</u>	<u>3,795</u>	<u>-</u>	<u>-</u>	<u>16,731</u>	<u>481,173</u>
Expenditures								
Current:								
Legislative, judicial and general administrative	-	-	-	-	-	-	43,504	49,803
Health and welfare	-	-	21,816	-	-	-	8,500	30,316
Public safety	4,333	-	-	3,774	-	-	-	12,887
Public works	-	-	-	-	-	-	-	1,760
Planning, building and zoning	-	49,640	-	-	-	-	4,549	54,189
Capital outlay	-	146,703	-	-	-	-	-	331,921
Total expenditures	<u>4,333</u>	<u>196,343</u>	<u>21,816</u>	<u>3,774</u>	<u>-</u>	<u>-</u>	<u>56,553</u>	<u>480,876</u>
Excess of revenues over expenditures before other financing sources	<u>272</u>	<u>-</u>	<u>6,159</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>(39,822)</u>	<u>297</u>
Other financing sources								
Transfer in	-	-	-	-	-	-	-	3,000
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Net change in fund balance	<u>272</u>	<u>-</u>	<u>6,159</u>	<u>21</u>	<u>-</u>	<u>-</u>	<u>(39,822)</u>	<u>3,297</u>
Fund balances - beginning of year	<u>59,067</u>	<u>-</u>	<u>40,486</u>	<u>2,582</u>	<u>63,810</u>	<u>2,644</u>	<u>60,152</u>	<u>460,410</u>
Fund balances - end of year	<u>\$ 59,339</u>	<u>\$ -</u>	<u>\$ 46,645</u>	<u>\$ 2,603</u>	<u>\$ 63,810</u>	<u>\$ 2,644</u>	<u>\$ 20,330</u>	<u>\$ 463,707</u>

TOWN OF FOSTER, RHODE ISLAND

School Special Revenue Funds

Combining Balance Sheet

June 30, 2023

	<i>Title I</i>	<i>Title II</i>	<i>ARP ESSER III</i>	<i>Preschool</i>	<i>IDEA Part B</i>	<i>Student Activities</i>	<i>Rural Grant</i>	<i>School Lunch</i>
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 468	\$ -	\$ 45,288
Due from federal and state governments	14,831	4,797	116,490	-	-	-	15,122	3,493
Other receivables	-	-	-	-	-	-	-	33,149
Due from other funds	-	-	-	-	-	-	-	7,477
Total assets	<u>\$ 14,831</u>	<u>\$ 4,797</u>	<u>\$ 116,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ 15,122</u>	<u>\$ 89,407</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,611
Due to other funds	14,831	4,797	116,490	-	-	-	15,122	42,266
Total liabilities	<u>14,831</u>	<u>4,797</u>	<u>116,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,122</u>	<u>46,877</u>
Fund balances								
Restricted for education	-	-	-	-	-	468	-	42,530
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>468</u>	<u>-</u>	<u>42,530</u>
Total liabilities and fund balances	<u>\$ 14,831</u>	<u>\$ 4,797</u>	<u>\$ 116,490</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ 15,122</u>	<u>\$ 89,407</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND

School Special Revenue Funds
Combining Balance Sheet (Continued)
June 30, 2023

	<i>Title IV</i>	<i>ELC</i>	<i>SBA Grants</i>	<i>CAST Student Art</i>	<i>RI Foundation</i>	<i>Dixon Donation</i>	<i>Xmas in the Valley</i>	<i>Total</i>
ASSETS								
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,756
Due from federal and state governments	2,404	41,463	31,873	-	-	-	-	230,473
Other receivables	-	-	-	-	-	-	-	33,149
Due from other funds	-	-	-	1,469	3,100	255	1,401	13,702
Total assets	<u>\$ 2,404</u>	<u>\$ 41,463</u>	<u>\$ 31,873</u>	<u>\$ 1,469</u>	<u>\$ 3,100</u>	<u>\$ 255</u>	<u>\$ 1,401</u>	<u>\$ 323,080</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable and accrued expenditures	\$ -	\$ -	\$ 27,600	\$ -	\$ -	\$ -	\$ -	\$ 32,211
Due to other funds	2,404	41,463	4,273	-	-	-	-	241,646
Total liabilities	<u>2,404</u>	<u>41,463</u>	<u>31,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,857</u>
Fund balances								
Restricted for education	-	-	-	1,469	3,100	255	1,401	49,223
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,469</u>	<u>3,100</u>	<u>255</u>	<u>1,401</u>	<u>49,223</u>
Total liabilities and fund balances	<u>\$ 2,404</u>	<u>\$ 41,463</u>	<u>\$ 31,873</u>	<u>\$ 1,469</u>	<u>\$ 3,100</u>	<u>\$ 255</u>	<u>\$ 1,401</u>	<u>\$ 323,080</u>

TOWN OF FOSTER, RHODE ISLAND
School Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ending June 30, 2023

	<i>Title I</i>	<i>Title II</i>	<i>ARP ESSER III</i>	<i>Preschool</i>	<i>IDEA Part B</i>	<i>Student Activities</i>	<i>Rural Grant</i>	<i>School Lunch</i>
Revenues								
Intergovernmental and departmental revenue	\$ 53,724	\$ 14,351	\$ 233,264	\$ 15,166	\$ 92,759	\$ -	\$ 15,122	\$ 80,475
Other revenue	-	-	-	-	-	1,682	-	35,762
Total revenues	<u>53,724</u>	<u>14,351</u>	<u>233,264</u>	<u>15,166</u>	<u>92,759</u>	<u>1,682</u>	<u>15,122</u>	<u>116,237</u>
Expenditures								
Education	53,724	14,351	233,264	15,166	92,759	3,123	15,122	-
Food service	-	-	-	-	-	-	-	102,354
Total expenditures	<u>53,724</u>	<u>14,351</u>	<u>233,264</u>	<u>15,166</u>	<u>92,759</u>	<u>3,123</u>	<u>15,122</u>	<u>102,354</u>
Net change in fund balance	-	-	-	-	-	(1,441)	-	13,883
Fund balances - beginning of year	-	-	-	-	-	1,909	-	28,647
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468</u>	<u>\$ -</u>	<u>\$ 42,530</u>

(Continued)

TOWN OF FOSTER, RHODE ISLAND*School Special Revenue Funds**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**For the Fiscal Year Ending June 30, 2023*

	<i>Title IV</i>	<i>ELC</i>	<i>SBA Grants</i>	<i>CAST Student Art</i>	<i>RI Foundation</i>	<i>Dixon Donation</i>	<i>Xmas in the Valley</i>	<i>Total</i>
Revenues								
Intergovernmental and departmental revenue	\$ 10,000	\$ 41,463	\$ 31,873	\$ -	\$ -	\$ -	\$ -	\$ 588,197
Other revenue	-	-	-	-	-	-	-	37,444
Total revenues	<u>10,000</u>	<u>41,463</u>	<u>31,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>625,641</u>
Expenditures								
Education	10,000	41,463	31,873	-	-	-	-	510,845
Food service	-	-	-	-	-	-	-	102,354
Total expenditures	<u>10,000</u>	<u>41,463</u>	<u>31,873</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>613,199</u>
Net change in fund balance	-	-	-	-	-	-	-	12,442
Fund balances - beginning of year	-	-	-	1,469	3,100	255	1,401	36,781
Fund balances - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,469</u>	<u>\$ 3,100</u>	<u>\$ 255</u>	<u>\$ 1,401</u>	<u>\$ 49,223</u>

TOWN OF FOSTER, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2023

Real Estate and Personal Property Taxes

<i>Fiscal Year End</i>	<i>Balance 6/30/2022</i>	<i>Current Year Assessment</i>	<i>Additions</i>	<i>Abatements</i>	<i>Refunds and Adjustments</i>	<i>Amount to be Collected</i>	<i>Collections</i>	<i>Balance 6/30/2023</i>
2023	\$ -	\$ 13,429,759	\$ 9,257	\$ 30,892	\$ (35,871)	13,372,253	\$ 13,019,778	\$ 352,475
2022	481,210	-	-	987	35,350	515,573	387,953	127,620
2021	168,980	-	-	1,211	1	167,770	108,408	59,362
2020	85,986	-	-	-	-	85,986	38,263	47,723
2019	55,350	-	-	-	-	55,350	11,392	43,958
2018	46,012	-	-	-	(1,304)	44,708	3,767	40,941
2017	53,242	-	-	-	-	53,242	1,295	51,947
2016	49,512	-	-	-	-	49,512	780	48,732
2015	34,056	-	-	-	-	34,056	87	33,969
2014	26,116	-	-	-	-	26,116	145	25,971
2013	27,637	-	-	-	-	27,637	842	26,795
2012	28,587	-	-	22,047	-	6,540	-	6,540
2011	18,729	-	-	9,693	-	9,036	-	9,036
2010	5,918	-	-	-	-	5,918	-	5,918
2009	5,653	-	-	-	-	5,653	-	5,653
	<u>\$ 1,086,988</u>	<u>\$ 13,429,759</u>	<u>\$ 9,257</u>	<u>\$ 64,830</u>	<u>\$ (1,824)</u>	<u>\$ 14,459,350</u>	<u>\$ 13,572,710</u>	<u>\$ 886,640</u>

**Schedule of Most Recent Net Assessed Property
Value by Category**

Description of Property

Real Property
Tangible and Personal Property
Total
Exemptions and frozen property
Net assessed value

December 31, 2021
Net Assessed
Valuations

\$ 628,510,661
12,621,554
641,132,215
(2,439,042)
\$ 638,693,173

Levy

\$ 13,802,094
380,540
14,182,634
(752,875)
\$ 13,429,759

**Reconciliation of Current Year
Property Tax Revenue**

Current year collections \$ 13,572,710

Adjustments and reversals

Add: Revenue collected 60 days
subsequent to fiscal year
ending June 30, 2023 95,277

Less: Prior year revenue collected
60 days subsequent to fiscal year
ended June 30, 2022 (274,187)

Prepaid taxes June 30, 2023 (38,654)

Prepaid taxes June 30, 2022 40,896

Refunds (2,090)

**Current year property
tax revenue**

\$ 13,393,952

(Continued)

TOWN OF FOSTER, RHODE ISLAND

Tax Collector's Annual Report (Continued)

For the Fiscal Year Ended June 30, 2023

Fiscal Year 2022 Cash Collection Summary

<u>Fiscal Year</u>	<u>July - August 2022 Collections Subject to 60 day FY 22 Accrual</u>	<u>September 2022- June 2023 Collections</u>	<u>Total FY 2023 Cash Collections</u>	<u>July - August 2023 Collections Subject to 60 day FY 23 Accrual</u>
2023	\$ -	\$ 13,019,778	\$ 13,019,778	\$ 69,787
2022	208,938	179,015	387,953	16,297
2021	44,888	63,520	108,408	4,143
2020	13,352	24,911	38,263	1,816
2019	5,836	5,556	11,392	2,622
2018	121	3,646	3,767	-
2017	438	857	1,295	-
2016	511	269	780	-
2015	-	87	87	-
2014	103	42	145	-
2013	-	842	842	612
2012	-	-	-	-
2011	-	-	-	-
2010	-	-	-	-
2009	-	-	-	-
	<u>\$ 274,187</u>	<u>\$ 13,298,523</u>	<u>\$ 13,572,710</u>	<u>\$ 95,277</u>

TOWN OF FOSTER, RHODE ISLAND

Schedule of Unrestricted Fund - Fund Balance - Restricted for Education Programs
June 30, 2023

Restricted for Education:

Capital reserve balance per internal School Committee policy	\$ 1,315,571
Maximum balance per internal School Committee policy	<u>190,056</u>
<i>Total</i>	<u><u>\$ 1,505,627</u></u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

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

Town of Foster
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2023

REVENUE	Municipal	Education Department
Current Year Levy Tax Collection	\$ 13,054,978	\$ -
Last Year's Levy Tax Collection	231,469	-
Prior Years Property Tax Collection	107,505	-
Interest & Penalty	146,218	-
PILOT & Tax Treaty (excluded from levy) Collection	-	-
Other Local Property Taxes	-	-
Licenses and Permits	11,131	-
Fines and Forfeitures	44,378	-
Investment Income	152,831	-
Departmental	151,407	-
Rescue Run Revenue	-	-
Police & Fire Detail	52,134	-
Other Local Non-Property Tax Revenues	41,361	-
Tuition	-	6,587
Impact Aid	-	-
Medicaid	-	52,597
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	78,783
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	475,850
COVID - ESSER	-	-
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	196,343	-
MV Excise Tax Reimbursement	74,174	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	-	-
Library Construction Aid	-	-
Public Service Corporation Tax	59,706	-
Meals & Beverage Tax / Hotel Tax	26,719	-
LEA Aid	-	1,137,350
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	1,692
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	1,000	31,873
Motor Vehicle Phase Out	1,578,077	-
Other Revenue	-	101,774
Local Appropriation for Education	-	3,751,800
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
Total Revenue	\$ 15,929,431	\$ 5,638,305
Financing Sources: Transfer from Capital Funds	\$ 530,849	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
Total Other Financing Sources	\$ 530,849	\$ -

Town of Foster
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2023

EXPENDITURES	General Government	Finance	Social Services	Centralized IT	Planning	Libraries	Public Works	Parks and Rec	Police Department
Compensation- Group A	\$ 216,724	\$ 213,650	\$ 24,401	\$ -	\$ 120,363	\$ -	\$ 413,914	\$ 2,500	\$ 490,123
Compensation - Group B	-	-	-	-	-	-	-	-	-
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	9,970	-	178,202
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	34,552
Active Medical Insurance - Group A	46,067	7,250	-	-	3,095	-	76,601	-	74,853
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	2,217	230	-	-	115	-	3,471	-	3,241
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	-
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	15,972	16,122	1,866	-	9,236	-	31,214	191	52,641
Life Insurance	348	265	99	-	50	-	397	-	609
State Defined Contribution- Group A	1,992	1,823	244	-	578	-	2,742	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	2,500	570	570	-	1,140	-	36,892	81	6,822
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	23,569	21,310	2,850	-	6,748	-	46,016	-	119,322
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	150,343	36,036	292	-	62,248	-	61,072	1,315	151,594
Materials/Supplies	6,973	2,648	-	-	-	-	576	1,149	2,923
Software Licenses	20,969	25,161	-	-	3,977	-	-	-	23,349
Capital Outlays	-	-	-	-	-	-	575,141	512,570	84,150
Insurance	89,325	-	-	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-	102,502	-	-
Vehicle Operations	-	-	-	-	-	-	148,028	-	21,734
Utilities	15,049	8,346	1,159	-	1,937	-	25,156	3,658	21,868
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	21,932	-	-
Trash Removal & Recycling	-	-	-	-	-	-	286,299	-	-
Claims & Settlements	200,000	-	-	-	-	-	-	-	-
Community Support	30,000	-	-	-	-	-	-	-	-
Other Operation Expenditures	7,547	9,200	648	-	9,508	171,956	86,503	6,737	22,383
Tipping Fees	-	-	-	-	-	-	113,292	-	-
Local Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	-	-
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	-	-
OPEB Contribution- Total	-	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 829,595	\$ 342,611	\$ 32,129	\$ -	\$ 218,995	\$ 171,956	\$ 2,041,718	\$ 528,201	\$ 1,288,366

Town of Foster
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2023

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal	Education Department
Compensation- Group A	\$ -	\$ 236,979	\$ 5,000	\$ -	\$ -	\$ -	\$ 1,723,654	\$ 1,953,788
Compensation - Group B	-	-	-	-	-	-	-	252,737
Compensation - Group C	-	-	-	-	-	-	-	506,223
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	37,934	-	-	-	-	226,106	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	6,134
Police & Fire Detail	-	-	-	-	-	-	34,552	-
Active Medical Insurance - Group A	-	33,537	-	-	-	-	241,403	262,216
Active Medical Insurance- Group B	-	-	-	-	-	-	-	21,364
Active Medical Insurance- Group C	-	-	-	-	-	-	-	191,873
Active Dental Insurance- Group A	-	1,995	-	-	-	-	11,269	13,271
Active Dental Insurance- Group B	-	-	-	-	-	-	-	1,706
Active Dental Insurance- Group C	-	-	-	-	-	-	-	10,065
Payroll Taxes	-	20,354	382	-	-	-	147,978	83,245
Life Insurance	-	298	-	-	-	-	2,066	4,353
State Defined Contribution- Group A	-	976	-	-	-	-	8,355	43,831
State Defined Contribution - Group B	-	-	-	-	-	-	-	3,722
State Defined Contribution - Group C	-	-	-	-	-	-	-	4,845
Other Benefits- Group A	-	3,400	-	-	-	-	51,975	3,335
Other Benefits- Group B	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	17,787	-	-	-	-	237,602	298,151
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	27,882
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	55,075
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	-	688,550	-	-	-	1,151,450	937,713
Materials/Supplies	-	-	-	-	-	-	14,269	87,179
Software Licenses	-	-	-	-	-	-	73,456	11,882
Capital Outlays	-	-	26,954	-	-	-	1,198,815	549,433
Insurance	-	-	-	-	-	-	89,325	43,555
Maintenance	-	-	-	-	-	-	102,502	66,177
Vehicle Operations	-	-	-	-	-	-	169,762	-
Utilities	-	2,597	-	-	-	-	79,770	167,624
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	21,932	-
Trash Removal & Recycling	-	-	-	-	-	-	286,299	-
Claims & Settlements	-	-	-	-	-	-	200,000	-
Community Support	-	-	-	-	-	-	30,000	-
Other Operation Expenditures	-	602	-	-	-	-	315,084	8,850
Tipping Fees	-	-	-	-	-	-	113,292	-
Local Appropriation for Education	-	-	-	3,751,800	-	-	3,751,800	-
Regional Appropriation for Education	-	-	-	5,808,469	-	-	5,808,469	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	-	-	-	-
Municipal Debt- Interest	-	-	-	-	-	-	-	-
School Debt- Principal	-	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	51,282	51,282	1,035
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	74
OPEB Contribution- Total	-	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-
Total Expenditures	\$ -	\$ 356,459	\$ 720,886	\$ 9,560,269	\$ -	\$ 51,282	\$ 16,142,467	\$ 5,617,336

Financing Uses: Transfer to Capital Funds	\$ 515,000	\$ -
Financing Uses: Transfer to Other Funds	3,000	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
Total Other Financing Uses	\$ 518,000	\$ -
Net Change in Fund Balance¹	(200,187)	20,969
Fund Balance1- beginning of year	\$5,863,601	\$1,547,216
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	-	-
Fund Balance¹ - beginning of year adjusted	5,863,601	1,547,216
Rounding	-	-
Fund Balance¹ - end of year	\$ 5,663,414	\$ 1,568,185

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

Town of Foster
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance1 - per MTP-2 at June 30, 2022 adjusted						\$ 5,863,601	-	\$ 5,863,601	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2022</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 5,863,601</u>	<u>-</u>	<u>\$ 5,863,601</u>	
General Fund	\$ 15,680,954	\$ 530,849	\$ 12,142,190	\$ 4,269,800	\$ (200,187)	\$ 5,863,601		\$ 5,863,601	\$ 5,663,414
American Rescue Plan Fund	196,343	-	196,343	-	-	-		-	-
Totals per audited financial statements	<u>\$ 15,877,297</u>	<u>\$ 530,849</u>	<u>\$ 12,338,533</u>	<u>\$ 4,269,800</u>	<u>\$ (200,187)</u>	<u>\$ 5,863,601</u>	<u>\$ -</u>	<u>\$ 5,863,601</u>	<u>\$ 5,663,414</u>
Reconciliation from financial statements to MTP2									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 3,751,800	\$ (3,751,800)	\$ -	\$ -	\$ -	\$ -	\$ -
RIDOT reimbursement for police details reported as expenditure credits on financial statements but revenue on MTP2	52,134	-	52,134	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 15,929,431</u>	<u>\$ 530,849</u>	<u>\$ 16,142,467</u>	<u>\$ 518,000</u>	<u>\$ (200,187)</u>	<u>\$ 5,863,601</u>	<u>\$ -</u>	<u>\$ 5,863,601</u>	<u>\$ 5,663,414</u>

Town of Foster
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Education Department
Fiscal Year Ended June 30, 2023

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance1 - per MTP-2 at June 30, 2022 adjusted <i>No misc. adjustments made for fiscal 2022</i>						\$ 1,547,216	-	\$ 1,547,216	
Fund Balance¹ - per MTP-2 at June 30, 2023 adjusted						<u>\$ 1,547,216</u>	<u>\$ -</u>	<u>\$ 1,547,216</u>	
School Unrestricted Fund	\$ 1,463,948	\$ 3,751,800	\$ 4,694,492	\$ 515,275	\$ 5,981	\$ 1,510,435	\$ -	\$ 1,510,435	\$ 1,516,416
SBA School Capital Project Fund	-	515,275	515,275	-	-	-	-	-	-
School Special Revenue Funds	625,641	-	613,199	-	12,442	36,781	-	36,781	49,223
Totals per audited financial statements	<u>\$ 2,089,589</u>	<u>\$ 4,267,075</u>	<u>\$ 5,822,966</u>	<u>\$ 515,275</u>	<u>\$ 18,423</u>	<u>\$ 1,547,216</u>	<u>\$ -</u>	<u>\$ 1,547,216</u>	<u>\$ 1,565,639</u>
<u>Reconciliation from financial statements to MTP2</u>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 3,751,800	\$ (3,751,800)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(203,084)	-	(203,084)	-	-	-	-	-	-
Indirect Cost included in audit but not in MTP2 or UCOA	-	-	(2,546)	-	2,546	-	-	-	2,546
Elimination of transfer between Unrestricted Fund and School Capital Projects Funds	-	(515,275)	-	(515,275)	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 5,638,305</u>	<u>\$ -</u>	<u>\$ 5,617,336</u>	<u>\$ -</u>	<u>\$ 20,969</u>	<u>\$1,547,216</u>	<u>-</u>	<u>\$1,547,216</u>	<u>\$ 1,568,185</u>
<u>Reconciliation from MTP2 to UCOA</u>									
Regional transportation costs included in MTP2 and in audit - not UCOA	\$ -		\$ (188,768)						
Miscellaneous Variance between MTP2 and UCOA	<u>1</u>		<u>1</u>						
Totals per UCOA Validated Totals Report Dated 4/5/24	<u>\$ 5,638,306</u>		<u>\$ 5,428,569</u>						

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

Town of Foster, Rhode Island
Reportable Government Services with
MTP2 Notes
Fiscal Year Ended June 30, 2023

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

NOTE 1. Basis of Presentation

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

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

NOTE 2. Reportable Government Services

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

NOTE 3. Allocations

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

NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

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

NOTE 5. Education Revenue and Expenditures

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

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

S T A T I S T I C A L S E C T I O N

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

Statistical Section

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial position has changed over time.	114-117
Revenue Capacity These schedules contain information to help the reader understand and assess the factors affecting the Town's ability to generate its most significant local revenue sources, the real and personal property tax.	118-121
Debt Capacity These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	122-126
Economic and Demographic Information These schedules offer economic and demographic indicators to help the reader understand the environment within which the Town's financial activities take place and to provide information that facilitates comparisons of financial information over time and among governments.	127-128
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.	129-131

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

Schedule 1

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Primary Government										
Governmental activities										
Net investment in capital assets	\$6,672,697	\$ 6,984,060	\$ 7,219,293	\$ 7,166,517	\$ 7,465,778	\$ 7,265,159	\$ 7,632,286	\$ 7,807,726	\$ 7,909,712	\$ 9,068,029
Restricted	906,460	1,042,540	1,307,019	1,577,121	1,418,596	1,475,571	1,545,485	2,139,047	2,360,635	3,088,947
Unrestricted	(1,617,387)	(2,680,568)	(2,290,329)	(2,188,795)	(1,949,585)	(1,430,845)	(728,895)	245,184	3,164,711	3,245,397
Total governmental activities net position	<u>\$5,961,770</u>	<u>\$ 5,346,032</u>	<u>\$ 6,235,983</u>	<u>\$ 6,554,843</u>	<u>\$ 6,934,789</u>	<u>\$ 7,309,885</u>	<u>\$ 8,448,876</u>	<u>\$10,191,957</u>	<u>\$13,435,058</u>	<u>\$15,402,373</u>

Source: Town of Foster Audited Financial Statements

Schedule 2

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
Legislative, judicial and general administrative	\$ 854,734	\$ 2,536,722	\$ 953,373	\$ 1,017,717	\$ 1,033,498	\$ 990,351	\$ 1,054,269	\$ 1,155,997	\$ 1,000,058	\$ 1,034,272
Health and welfare	69,059	169,208	313,184	136,610	159,201	124,203	72,665	68,348	69,463	80,695
Public safety	1,511,646	1,593,218	1,774,590	1,855,035	2,027,941	1,939,461	1,984,429	1,830,844	1,974,937	2,257,701
Public works	1,125,289	1,247,726	1,281,310	1,363,583	1,431,827	1,553,557	1,598,526	1,570,824	1,605,490	1,796,862
Planning, building and zoning	95,689	80,099	93,334	98,234	81,212	95,340	84,039	114,086	153,676	212,392
Conservation	458	809	1,425	400	603	-	-	-	-	-
Recreation	24,893	27,604	33,283	29,662	27,800	29,609	33,066	35,280	41,848	47,966
Education	8,957,305	8,995,528	9,242,208	9,471,671	9,959,572	10,411,430	10,306,722	9,826,073	9,587,075	10,563,893
Food services	70,678	76,051	77,781	75,917	82,858	73,867	67,399	75,317	125,654	102,354
Libraries	140,219	145,717	150,842	150,842	150,842	155,842	157,842	160,980	167,341	171,956
Interest expense	-	-	31,207	74,898	56,055	56,794	40,844	32,056	25,356	31,059
Total governmental activities expenses	<u>\$ 12,849,970</u>	<u>\$ 14,872,682</u>	<u>\$ 13,952,537</u>	<u>\$ 14,274,569</u>	<u>\$ 15,011,409</u>	<u>\$ 15,430,454</u>	<u>\$ 15,399,801</u>	<u>\$ 14,869,805</u>	<u>\$ 14,750,898</u>	<u>\$ 16,299,150</u>
Program Revenues										
Governmental activities:										
Charges for services:										
Legislative, judicial and general administrative	\$ 64,331	\$ 73,093	\$ 69,845	\$ 95,543	\$ 76,535	\$ 71,038	\$ 74,217	\$ 105,765	\$ 105,530	\$ 64,718
Health and welfare	1,261	-	2,963	1,150	7,035	1,098	141	29,649	5,800	30,670
Public safety	35,846	36,709	72,341	44,745	34,677	18,170	20,633	39,752	44,457	44,784
Public works	-	-	-	350	1,104	698	283	478	2,954	893
Planning, building and zoning	67,283	25,401	58,139	33,220	56,771	61,180	62,793	87,981	151,759	105,475
Recreation	640	210	3,270	1,760	380	420	1,345	490	1,540	820
Education	81,485	78,671	48,960	86,539	95,268	64,695	51,217	92,823	91,349	107,308
Food services	34,857	35,872	37,490	35,339	37,348	33,329	19,936	-	-	35,762
Operating grants and contributions:										
Legislative, judicial and general administrative	-	1,461	4,280	3,481	-	-	1,000	31,274	89,175	2,000
Health and welfare	30,494	126,648	267,396	94,549	121,591	73,003	37,286	35,675	46,628	38,157
Public safety	38,990	20,489	27,535	67,630	26,436	4,644	14,823	678,084	965,332	13,180
Public works	3,758	41,520	2,897	21,381	-	-	-	-	5,210	35,000
Planning, building and zoning	-	-	-	-	-	-	-	-	3,599	54,189
Recreation	-	-	-	-	-	-	1,500	-	-	1,000
Education	1,598,532	1,543,016	1,673,727	1,597,508	1,705,080	1,549,460	1,644,228	1,584,018	1,425,098	1,739,362
Food services	30,408	39,405	39,403	28,267	39,539	40,071	28,515	88,597	141,021	80,475
Capital grants and contributions:										
Health and welfare	-	-	-	-	-	-	-	-	-	57,600
Public safety	17,500	261,805	-	-	-	-	-	-	-	-
Public works	466,481	29,605	11,583	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	400,000	-	-	296,921
Education	-	10,444	17,793	46,584	-	154,595	74,716	59,540	35,220	21,804
Total governmental activities program revenues	<u>\$ 2,471,866</u>	<u>\$ 2,324,349</u>	<u>\$ 2,337,622</u>	<u>\$ 2,158,046</u>	<u>\$ 2,201,764</u>	<u>\$ 2,072,401</u>	<u>\$ 2,432,633</u>	<u>\$ 2,834,126</u>	<u>\$ 3,114,672</u>	<u>\$ 2,730,118</u>
Total primary government net expense	<u>\$(10,378,104)</u>	<u>\$(12,548,333)</u>	<u>\$(11,614,915)</u>	<u>\$(12,116,523)</u>	<u>\$(12,809,645)</u>	<u>\$(13,358,053)</u>	<u>\$(12,967,168)</u>	<u>\$(12,035,679)</u>	<u>\$(11,636,226)</u>	<u>\$(13,569,032)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes, levied for general purposes	\$ 11,365,484	\$ 11,774,289	\$ 12,302,201	\$ 12,701,025	\$ 12,742,875	\$ 13,156,246	\$ 13,368,076	\$ 13,414,773	\$ 13,784,701	\$ 13,526,328
Unrestricted investment earnings	2,725	3,097	7,938	9,829	10,362	46,137	52,887	15,949	15,746	176,005
Other general revenues	181,204	155,209	194,727	155,191	436,354	525,244	685,196	348,038	1,078,880	1,834,014
Total primary government	<u>\$ 11,549,413</u>	<u>\$ 11,932,595</u>	<u>\$ 12,504,866</u>	<u>\$ 12,866,045</u>	<u>\$ 13,189,591</u>	<u>\$ 13,727,627</u>	<u>\$ 14,106,159</u>	<u>\$ 13,778,760</u>	<u>\$ 14,879,327</u>	<u>\$ 15,536,347</u>
Change in Net Position										
Governmental activities:										
Total primary government	<u>\$ 1,171,309</u>	<u>\$ (615,738)</u>	<u>\$ 889,951</u>	<u>\$ 749,522</u>	<u>\$ 379,946</u>	<u>\$ 369,574</u>	<u>\$ 1,138,991</u>	<u>\$ 1,743,081</u>	<u>\$ 3,243,101</u>	<u>\$ 1,967,315</u>

Source: Town of Foster Audited Financial Statements

Schedule 3

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 665,195	\$ 870,945	\$ 1,073,581	\$ 39,009	\$ 6,035	\$ 20,142	\$ 16,108	\$ 3,351	\$ 3,144	\$ 14,055
Restricted	-	10,574	10,958	11,372	11,540	12,034	12,338	12,798	13,349	13,684
Committed	1,573,238	1,855,665	1,974,555	2,426,374	2,391,306	2,947,205	3,484,643	4,141,864	5,618,853	5,621,192
Assigned	294,762	191,104	40,226	21,963	21,963	11,622	3,251	3,255	228,255	14,483
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<u>\$ 2,533,195</u>	<u>\$ 2,928,288</u>	<u>\$ 3,099,320</u>	<u>\$ 2,498,718</u>	<u>\$ 2,430,844</u>	<u>\$ 2,991,003</u>	<u>\$ 3,516,340</u>	<u>\$ 4,161,268</u>	<u>\$ 5,863,601</u>	<u>\$ 5,663,414</u>
Education										
Nonspendable	-	-	-	-	-	-	57,429	-	-	5,997
Restricted	196,759	479,388	868,881	1,081,722	711,923	651,907	748,887	1,246,218	1,505,643	1,505,627
Assigned	-	-	-	89	3,380	4,185	4,792	4,792	4,792	4,792
Total education fund	<u>\$ 196,759</u>	<u>\$ 479,388</u>	<u>\$ 868,881</u>	<u>\$ 1,081,811</u>	<u>\$ 715,303</u>	<u>\$ 656,092</u>	<u>\$ 811,108</u>	<u>\$ 1,251,010</u>	<u>\$ 1,510,435</u>	<u>\$ 1,516,416</u>
Capital Projects Funds										
Restricted	561,636	414,801	280,627	289,552	433,899	552,022	539,159	542,885	391,642	413,001
Assigned	-	-	-	-	-	16,500	-	-	-	-
Total Capital Projects fund	<u>\$ 561,636</u>	<u>\$ 414,801</u>	<u>\$ 280,627</u>	<u>\$ 289,552</u>	<u>\$ 433,899</u>	<u>\$ 568,522</u>	<u>\$ 539,159</u>	<u>\$ 542,885</u>	<u>\$ 391,642</u>	<u>\$ 413,001</u>
All Other Governmental Funds										
Restricted	108,332	100,890	107,743	155,555	223,159	215,954	207,955	305,263	418,118	429,280
Committed	172,820	181,618	175,816	58,448	62,025	64,508	63,462	71,206	79,073	83,650
Unassigned	(7,468)	(8,242)	(9,130)	(21,441)	-	(467)	-	-	-	-
Total all other governmental funds	<u>\$ 273,684</u>	<u>\$ 274,266</u>	<u>\$ 274,429</u>	<u>\$ 192,562</u>	<u>\$ 285,184</u>	<u>\$ 279,995</u>	<u>\$ 271,417</u>	<u>\$ 376,469</u>	<u>\$ 497,191</u>	<u>\$ 512,930</u>

Source: Town of Foster Audited Financial Statements

Schedule 4

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
General property taxes	\$ 11,238,181	\$ 11,646,195	\$ 12,088,092	\$ 12,507,111	\$ 12,544,129	\$ 12,990,688	\$ 13,168,090	\$ 13,304,261	\$ 13,688,472	\$ 13,393,952
Intergovernmental and departmental revenue	2,319,585	1,978,105	2,096,807	1,962,739	2,189,299	2,385,302	2,786,970	2,697,168	3,925,880	4,105,768
Licenses and fees	240,812	178,206	254,918	223,191	229,586	281,238	224,519	302,906	386,091	308,756
Interest on investments	2,725	3,097	7,938	9,829	10,362	46,137	52,887	15,949	15,746	176,005
Other revenues	193,036	175,642	189,048	230,194	398,464	143,671	151,578	220,385	212,194	304,443
Total revenues	<u>\$ 13,994,339</u>	<u>\$ 13,981,245</u>	<u>\$ 14,636,803</u>	<u>\$ 14,933,064</u>	<u>\$ 15,371,840</u>	<u>\$ 15,847,036</u>	<u>\$ 16,384,044</u>	<u>\$ 16,540,669</u>	<u>\$ 18,228,383</u>	<u>\$ 18,288,924</u>
Expenditures										
Legislative, judicial and general administrative	\$ 314,398	\$ 321,183	\$ 337,135	\$ 338,155	\$ 344,111	\$ 515,874	\$ 544,282	\$ 580,635	\$ 638,172	\$ 674,397
Financial administration	233,211	254,178	278,012	317,718	362,567	301,214	348,051	394,134	350,486	342,610
Miscellaneous administration	215,083	258,285	218,696	280,718	265,431	-	-	-	-	-
Health and welfare	68,784	167,042	312,854	136,280	158,871	121,708	71,761	66,244	71,436	80,945
Public safety	1,424,460	1,505,076	1,689,813	1,834,011	1,929,219	1,754,337	1,869,029	1,773,918	2,098,206	2,241,642
Public works	1,005,484	1,096,139	1,219,398	1,379,133	1,368,482	1,258,164	1,311,753	1,372,319	1,427,451	1,468,339
Planning, building and zoning	95,689	79,749	93,334	98,234	81,212	91,403	83,241	109,745	160,512	223,545
Recreation	24,132	26,843	32,522	144,901	27,039	28,848	32,305	25,259	22,330	27,130
Education	8,925,897	9,055,639	9,058,972	9,493,336	9,872,319	10,288,288	10,079,574	9,840,626	10,527,250	11,013,806
Food services	70,678	76,051	77,781	75,917	82,858	73,867	67,399	75,317	125,654	102,354
Libraries	140,219	145,717	150,842	150,842	150,842	155,842	157,842	160,980	167,341	171,956
Capital outlay	697,617	588,159	565,930	166,133	736,302	437,109	1,280,420	747,884	508,308	1,899,308
Providence Water Settlement	-	-	175,000	175,000	190,000	190,000	205,000	200,000	200,000	200,000
Total Expenditures	<u>\$ 13,215,652</u>	<u>\$ 13,574,061</u>	<u>\$ 14,210,289</u>	<u>\$ 14,590,378</u>	<u>\$ 15,569,253</u>	<u>\$ 15,216,654</u>	<u>\$ 16,050,657</u>	<u>\$ 15,347,061</u>	<u>\$ 16,297,146</u>	<u>\$ 18,446,032</u>
Excess of revenues over (under) expenditures	\$ 778,687	\$ 407,184	\$ 426,514	\$ 342,686	\$ (197,413)	\$ 630,382	\$ 333,387	\$ 1,193,608	\$ 1,931,237	\$ (157,108)
Other Financing Sources (uses)										
Capital lease	\$ -	\$ 124,285	\$ -	\$ 26,450	\$ -	\$ -	\$ 303,503	\$ -	\$ -	\$ -
Transfers in	3,617,181	3,868,742	4,246,101	4,165,809	4,389,418	4,180,798	4,499,335	4,509,330	5,737,005	5,315,924
Transfers out	(3,617,181)	(3,868,742)	(4,246,101)	(4,165,809)	(4,389,418)	(4,180,798)	(4,499,335)	(4,509,330)	(5,737,005)	(5,315,924)
Total other financing sources (uses)	-	124,285	-	26,450	-	-	303,503	-	-	-
Net change in fund balances	<u>\$ 778,687</u>	<u>\$ 531,469</u>	<u>\$ 426,514</u>	<u>\$ 369,136</u>	<u>\$ (197,413)</u>	<u>\$ 630,382</u>	<u>\$ 636,890</u>	<u>\$ 1,193,608</u>	<u>\$ 1,931,237</u>	<u>\$ (157,108)</u>
Debt service as a percentage of noncapital expenditures	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Schedule 5

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

Fiscal Year Ended June 30,	Real Property Assessed Value	Personal Property Assessed Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value	Total Assessed Value Before Exemptions
2014	\$ 502,773,740	\$ 56,033,222	\$ 16,541,444	\$ 542,265,518	20.40	\$ 542,265,518	100.00%	\$558,806,962
2015	\$ 503,471,504	\$ 55,228,823	\$ 12,714,390	\$ 545,985,937	21.06	\$ 545,985,937	100.00%	\$558,700,327
2016	\$ 502,544,604	\$ 56,222,658	\$ 4,134,835	\$ 554,632,427	21.42	\$ 554,632,427	100.00%	\$558,767,262
2017	\$ 502,429,720	\$ 57,596,914	\$ 8,003,633	\$ 552,023,001	22.54	\$ 552,023,001	100.00%	\$560,026,634
2018	\$ 503,373,420	\$ 57,011,388	\$ 7,984,590	\$ 552,400,218	23.25	\$ 552,400,218	100.00%	\$560,384,808
2019	\$ 535,688,120	\$ 49,908,719	\$ 10,256,022	\$ 575,340,817	22.84	\$ 575,340,817	100.00%	\$585,596,839
2020	\$ 535,265,620	\$ 50,951,699	\$ 13,200,849	\$ 573,016,470	23.69	\$ 573,016,470	100.00%	\$586,217,319
2021	\$ 537,358,620	\$ 49,499,697	\$ 15,975,942	\$ 570,882,375	23.79	\$ 570,882,375	100.00%	\$586,858,317
2022	\$ 625,432,420	\$ 52,255,910	\$ 19,277,175	\$ 658,411,155	21.34	\$ 658,411,155	100.00%	\$677,688,330
2023	\$ 628,510,661	\$ 12,621,554	\$ 2,439,042	\$ 638,693,173	21.96	\$ 638,693,173	100.00%	\$641,132,215

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

Statistical revaluations are performed every three years except in the years a full revaluation is performed. A statistical revaluation was performed as of December 31, 2014 which affected fiscal year 2016; and as of December 31, 2020 which affected fiscal year 2022.

The motor vehicle tax was eliminated in fiscal year 2023.

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

Schedule 6

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

<u>Fiscal Year</u>	<u>General Fund</u>
2014	\$20.40
2015	\$21.06
2016	\$21.42
2017	\$22.54
2018	\$23.25
2019	\$22.84
2020	\$23.69
2021	\$23.79
2022	\$21.34
2023	\$21.96

Note:

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

Schedule 7

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

Taxpayer	2023				2014			
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxes Assessed
City of Providence (PWSB)	\$ 18,600,700	1	2.91%	\$ 408,471	\$ 18,989,600	1	3.50%	\$ 387,388
Providence Public Buildings Authority (PWSB)	-		N/A	-	2,841,500	3	0.52%	57,967
Narragansett Electric/National Grid	7,852,780 a)	2	1.23%	209,824	7,513,407 a)	2	1.39%	185,506
Foster Country Club (Tykamac Ent. LLC)	2,104,800	3	0.33%	46,221	2,262,000	4	0.42%	46,145
Foster Senior Housing	1,429,200	4	0.22%	31,385	1,175,600	6	0.22%	23,982
Ginny B Inc	1,382,700	5	0.22%	30,364	1,241,700	5	0.23%	25,331
Hartford Pike Solar	957,000	6	0.15%	21,016				
Pollard Scott M & Elisa M	899,900	7	0.14%	19,762	674,400	12	0.12%	13,758
Renzi, Anthony J	841,800	8	0.13%	18,486			N/A	
Johnson Brothers Cranberries	814,900	9	0.13%	17,895	-		N/A	
Haynes, Matthew & Byrna	793,300	10	0.12%	17,421				
Costa, David & Lisa	789,400	11	0.12%	17,335	691,900	11	0.13%	14,115
Pine Hill Farm LLC	741,500	12	0.12%	16,283				
Legacy Land Preservation LLC/Walker, Muriel	-		N/A	-	818,600	7	0.15%	16,699
Nelson, Robert & Wendy	-		N/A	-	793,000	8	0.15%	15,085
Roxannes Holdings LLC	-		N/A	-	724,900	9	0.13%	14,788
Femino, John & Leclair, Diane	-		N/A	-	699,100	10	0.13%	14,262
Totals	<u>\$ 37,207,980</u>		<u>5.82%</u>	<u>\$ 854,464</u>	<u>\$ 38,425,707</u>		<u>7.09%</u>	<u>\$ 815,025</u>

Note: The amounts presented represent the assessed values upon which 2023 and 2014 collections were based

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

a) Includes tangible or motor vehicle assessment also

Total Assessed Value	\$638,693,173	\$ 542,265,518
Tax Rate	\$21.96	\$20.40

Schedule 8

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	\$ 11,269,380	\$ 10,921,687	96.9%	\$ 289,668	\$ 11,211,355	99.5%
2015	11,720,089	11,391,004	97.2%	314,441	11,705,445	99.9%
2016	12,188,472	11,772,167	96.6%	360,552	12,132,719	99.5%
2017	12,603,234	12,178,675	96.6%	387,966	12,566,641	99.7%
2018	12,925,944 a)	12,267,072	94.9%	418,076	12,685,148	98.1%
2019	13,011,490	12,484,424	95.9%	396,707	12,881,131	99.0%
2020	13,322,301	12,804,014	96.1%	455,441	13,259,455	99.5% a)
2021	13,303,042	12,852,045	96.6%	382,928	13,234,973	99.5%
2022	13,648,683	13,260,680	97.2%	231,467	13,492,147	98.9%
2023	13,429,759	13,054,978	97.2%	-	13,054,978	97.2%

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

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

Schedule 9

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

Fiscal Year	Governmental Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds	Loan Payable	Finance/Purchased Lease			
2014	\$ -	\$ -	\$ -	\$ -	0.00% (a)	\$ -
2015	-	-	80,421	80,421	0.05% (a)	17
2016	-	-	41,382	41,382	0.02% (a)	9
2017	-	-	25,560	25,560	0.02% (b)	6
2018	-	-	21,281	21,281	0.01% (c)	5
2019	-	-	16,527	16,527	0.01% (c)	4
2020	-	-	242,753	242,753	0.14% (c)	51
2021	-	-	181,872	181,872	0.12% (d)	41
2022	-	-	119,609	119,609	0.07% (d)	25
2023	-	-	60,801	60,801	0.03% (e)	14

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

- (a) Ratio is calculated using personal income from U.S. Census Bureau's 2009-2013 American Community Survey. (ACS) 2014, 5 year estimate
(b) Ratio is calculated using personal income from U.S. Census Bureau's 2012-2016 American Community Survey. (ACS) 2016, 5 year estimate
(c) Ratio is calculated using personal income from U.S. Census Bureau-2013-2017 American Community Survey. (ACS) 2017, 5-year estimate
(d) Ratio is calculated using personal income from American Community Survey (ACS) 2020, 5-year estimate
(e) Ratio is calculated using personal income from American Community Survey (ACS) 2022, 5-year estimate

Schedule 10

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

Fiscal Year	General Bonded Debt Outstanding		Percentage of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Total		
2014	-	-	0.00%	-
2015	-	-	0.00%	-
2016	-	-	0.00%	-
2017	-	-	0.00%	-
2018	-	-	0.00%	-
2019	-	-	0.00%	-
2020	-	-	0.00%	-
2021	-	-	0.00%	-
2022	-	-	0.00%	-
2023	-	-	0.00%	-

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

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

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

Schedule 11**Town of Foster, Rhode Island
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023
Unaudited**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Foster-Glocester Regional School District (a)	\$ 14,003,630	33.91% (a)	\$ 4,748,771
Town of Foster	-	100.00%	-
 Other debt			
Foster-Glocester Regional School District - BAN (a)	-	33.91% (a)	-
 Subtotal, overlapping debt			4,748,771
 Town direct debt			<u>60,801</u>
 Total direct and overlapping debt			<u>\$ 4,809,572</u>

Sources: Debt outstanding data provided by each governmental unit.

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

Schedule 12

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

Legal Debt Margin Calculation for Fiscal Year 2023	
Assessed Value	\$638,693,173
Debt limit (3% of assessed value)	19,160,795
Debt applicable to limit:	
General obligation bonds	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	-
Legal debt margin	<u>\$ 19,160,795</u>

	Fiscal Year									
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Debt limit	\$ 16,267,966	\$ 16,379,578	\$ 16,638,973	\$ 16,560,690	\$ 16,572,007	\$ 17,260,225	\$ 17,190,494	\$ 17,126,471	\$ 19,752,335	\$ 638,693,173
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 16,267,966</u>	<u>\$ 16,379,578</u>	<u>\$ 16,638,973</u>	<u>\$ 16,560,690</u>	<u>\$ 16,572,007</u>	<u>\$ 17,260,225</u>	<u>\$ 17,190,494</u>	<u>\$ 17,126,471</u>	<u>\$ 19,752,335</u>	<u>\$ 638,693,173</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Finance Department, Foster, Rhode Island

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

Schedule 13

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

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

Schedule 14

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

Fiscal Year Ended June 30	Population		Per Capita Income		Median Age	School Enrollment (4)	Unemployment Rate (5)
2014	4,628	(1)	34,231	(1)	45.2 (1)	643	6.80%
2015	4,642	(1)	36,184	(1)	44.6 (1)	635	6.30%
2016	4,642	(1)	36,184	(1)	44.6 (1)	635	4.20%
2017	4,677	(2)	37,194	(2)	47.4 (2)	627	3.40%
2018	4,689	(3)	37,818	(3)	48.7 (3)	653	2.80%
2019	4,689	(3)	37,818	(3)	48.7 (3)	652	3.20%
2020	4,469	(6)	37,818	(3)	48.7 (3)	613	10.20%
2021	4,469	(6)	34,952	(7)	40.4 (7)	581	5.61%
2022	4,722	(7)	34,952	(7)	40.4 (7)	611	3.38%
2023	4,491	(8)	42,667	(8)	45.0 (8)	621	0.00%

Sources:

- (1) Population, Per Capita Income, and Median Age obtained from U.S. Census Bureau-2009-2013 ACS 2014, 5-year estimate
- (2) Population, Per Capita Income, and Median Age obtained from U.S. Census Bureau-2012-2016 ACS 2016, 5-year estimate
- (3) Population, Per Capita Income, and Median Age obtained from U.S. Census Bureau-2013-2017 ACS 2017, 5-year estimate
- (4) School enrollment provided by the Foster-Glocester Regional and Foster School Business Offices.
Enrollment includes students in Foster Public Schools and Foster students enrolled in Foster-Glocester Regional Schools
- (5) Unemployment rates obtained from State of Rhode Island Dept. of Labor and Training, unadjusted-obtained from Employment Bulletin
- (6) 2020 Census Population 100% population count
- (7) Population, Per Capita Income, and Median Age obtained from ACS 2020, 5-year estimate
- (8) Population, Per Capita Income, and Median Age obtained from ACS 2022, 5-year estimate

Schedule 15

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

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Foster Town & School Department	80	1	2.69%	84	1	3.61%
Foster Golf & Country Club	50	2	1.68%	45	2	1.93%
Well One Foster	18	3	0.61%	14	6	0.60%
Little Rhody Farms	19	4	0.64%	14	5	0.60%
Dr. Daycare	N/A	N/A	0.00%	12	7	0.52%
Acorn Academy	8					
Shady Acres	17	6	0.57%	20	4	0.86%
USPS	11	7	0.37%	10	8	0.00%
Nancy-Ann Nursing Home	N/A	N/A	0.00%	30	3	1.29%
Total	203		6.56%	229		9.41%

Source: Municipal tax roll and survey of Town businesses.

Schedule 16

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

Function/Program	Full-time Equivalent Employees as of June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Central Administration										
Town Council	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Town Clerk	2.0	2.0	2.5	2.5	2.5	3.0	3.0	3.0	3.1	3.1
Probate Court	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Building/Zoning	1.3	1.3	0.9	0.9	0.9	0.9	0.9	0.9	1.1	1.1
Planning	1.3	1.3	1.0	0.7	0.7	0.7	0.7	0.7	1.1	1.1
Financial Administration										
Treasurer's Office	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.8
Tax Collection	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.8	1.0
Tax Assessor	1.1	1.1	1.1	1.1	1.1	0.9	0.9	0.9	1.0	1.0
Public Safety										
Police										
Officers	10.0	10.0	10.0	10.0	9.0	9.0	9.0	9.0	9.0	9.0
Civilians	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5
Clerical	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Animal Control										
Officers	0.6	0.6	0.6	0.6	0.0	0.0	0.0	0.0	0.0	0.0
Emergency Management	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Public Works Department										
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Clerical	0.5	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2
Highway										
Driver/Laborer	5.5	5.5	5.5	5.5	5.5	5.8	6.0	6.0	6.0	6.0
Maintenance										
Building/Grounds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.4
Custodial	0.5	0.5	0.5	0.5	0.5	0.2	0.2	0.2	0.3	0.3
Recreation Department										
Director	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Summer Programs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Human Services Department										
Director	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6

Source: Office of Human Resources and Town Budgets

Schedule 17

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Calls	21,062	25,636	53,898 a)	36,200 a)	23,816 a)	15,475 a)	17,517 a)	13,472 a)	10,218 a)	7,693 a)
Physical Arrests	129	182	228	183	148	53	53	44	47	52
Citations	1217	1103	1538	902	1206	395	415	331	417	459
Accidents	142	164	134	134	141	121	91	107	115	135
Animal Control										
Dog Licenses Issued	408	402	296	387	333	420	331	459	404	406
Public Works (Pickup Outsourced)										
Transfer Station										
Refuse Collected (avg. tons per month)	128	163	143	146	151	152	154	159	165	151
Recyclables Collected (avg. tons per month)	40	39	55	53	52	52	52	49	44	39
Highway										
Street resurfacing/chipsealing (miles)	0.4	0.7	1.9	1.4	1.0	1.4	1.75	1.85	2.70	1.03
Street repairs/sealing (miles)	0.0	0.0	0.0	0.0	0.0	1.3	0.0	0.0	1.9	0.0
Building/Zoning										
New Commercial Construction Permits	0	0	1	0	3	3	1	0	0	0
New Residential Construction Permits	5	0	7	2	8	10	6	8	10	12
Existing Commercial Construction Permits	N/A	5	13	5	11	4	2	0	8	10
Existing Residential Construction Permits	N/A	78	132	107	119	120	114	154	223	124
Parks and Recreation										
Athletic Field Permits	0	0	0	0	0	0	0	0	0	0

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

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

Source: Various Town departments

Schedule 18

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Zone Offices	-	-	-	-	-	-	-	-	-	-
Patrol Units/Motorcycles/ Radar Trailers	10	14	14	14	14	12	12	15	11	10
Animal Control										
Animal Shelters	-	-	-	-	-	-	-	-	-	-
Animal Patrol Unit	1	1	1	1	-	-	-	-	-	-
Public Works										
Transfer Station										
Roll-off Truck	-	-	-	-	-	-	-	-	-	-
Streets and Highways										
Street (miles)	113	115	115	115	115	115	115	115	115	115
Highways (miles, Town owned)	77	76	76	76	76	76	76	76	76	76
Highways (miles, State owned)	36	36	36	36	36	36	36	36	36	36
Private Paved (miles)	-	3	3	3	3	3	3	3	3	3
Park Access (miles)	-	-	-	-	-	-	-	-	-	-
Driftway (miles)	-	-	-	-	-	-	-	-	-	-
Streetlights	30	30	31	31	31	31	31	31	19	19
Traffic Signals	5	5	5	5	5	5	5	5	6	6
Parks and Recreation										
Acreage	165	165	165	165	165	165	165	165	165	165
Playgrounds	2	2	2	2	2	2	2	2	2	2
Tennis Courts	-	-	-	-	-	-	-	-	-	-
Beaches	-	-	-	-	-	-	-	-	-	-
Baseball/Softball diamonds	2	2	2	2	2	2	3	3	3	3
Soccer/Football fields	1	1	1	1	1	1	1	1	1	1
Basketball Courts	1	1	1	1	1	1	1	1	1	1
Parks and Public Squares	2	2	2	2	2	2	3	3	3	3

Sources: Various Town Departments

S I N G L E A U D I T S E C T I O N

**This section contains information
regarding grant activity for the year ended
June 30, 2023 which was audited under the guidelines
of the Single Audit Act of 1996 and Uniform Guidance.**

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Foster, Rhode Island, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Foster, Rhode Island's basic financial statements, and have issued our report thereon dated April 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
April 12, 2024



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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Foster, Rhode Island's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Town of Foster, Rhode Island's major federal programs for the year ended June 30, 2023. The Town of Foster, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Town of Foster, Rhode Island complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Foster, Rhode Island and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Foster, Rhode Island's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Foster, Rhode Island's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town of Foster, Rhode Island's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town of Foster, Rhode Island's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, 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 Town of Foster, Rhode Island's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Town of Foster, Rhode Island's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Foster, Rhode Island's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
April 12, 2024

TOWN OF FOSTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

Federal Assistance Listing Number

Name of Federal Program or Cluster

21.027

COVID-19 Coronavirus State and Local Fiscal Recovery Funds

84.425U

COVID-19 ARP Education Stabilization Fund ESSER III

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

\$750,000

Auditee qualified as low-risk auditee?

_____ yes X no

TOWN OF FOSTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE REPORTED

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding: 2023-001-Material Weakness

Agency: U.S. Department of the Treasury

Program: Coronavirus State and Local Fiscal Recovery Funds

Federal Assistance Listing Number: 21.027

SUSPENSION AND DEBARMENT

Criteria - When a non-federal entity enters into a covered transaction with an entity at a lower tier, the non-federal entity must verify that the entity, as defined in 2 CFR Section 180.995 and agency adopting regulations, is not suspended or debarred or otherwise excluded from participating in the transaction. “Covered transactions” include those procurement contracts for goods and services awarded under non-procurement transaction (e.g. grant or cooperative agreement) that are expected to equal or exceed \$25,000 or meet certain other criteria as specified in 2 CFR Section 180.220. This requirement applies to contracts entered into to procure goods and services with Coronavirus State and Local Fiscal Recovery Funds.

Condition - The Town of Foster does not have a specific procedure in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred or otherwise excluded.

Cause - The Town has not established suspension and debarment policies and procedures for federal awards.

Effect – Contracts for goods and service that were “covered transactions” were entered into prior to verifying that an entity was not suspended, debarred or otherwise excluded.

Questioned Costs – None

Identification of a Repeat Finding- This is a repeat finding from the previous audit 2022-001.

Recommendation- We recommend that the Town implement verification procedures to ensure that an entity with which it plans to enter into a covered transaction is not suspended, debarred or otherwise excluded.

Auditee’s Views- Management implemented a Corrective Action Plan for all future contracts awarded. These procedures include adding the required contract language to all contracts and obtaining the

TOWN OF FOSTER, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2023

professional's certification that they are not suspended, debarred, or otherwise excluded from participating in the transaction at the time of contract award. In addition, prior to award, the entity confirms through the System for Award Management ([SAM.gov](https://www.sam.gov)) website that the contractor is not suspended, debarred, or otherwise excluded from participating in the transaction. This process was not implemented until late in the 2023 fiscal year.

TOWN OF FOSTER, RHODE ISLAND
Summary Schedule of Prior Year Audit Findings
For the Fiscal Year Ended June 30, 2023

Finding: 2022-001

Status – Management implemented a Corrective Action Plan late in the 2023 fiscal year.

Finding: 2022-002

Status – Management adopted a policy that all outside agencies requesting reimbursement for a direct purchase must adhere to the town’s purchasing policy or forfeit the right of reimbursement.

TOWN OF FOSTER, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Total Federal Expenditures
U.S. Department of Education			
Direct Program:			
Rural Education	84.358A	N/A	\$ 15,122
Pass-through RI Department of Education:			
Title I Grants to Local Educational Agencies	84.010A	2725-11702-301	53,724
Supporting Effective Instruction State Grants	84.367A	2725-16402-301	14,351
Student Support and Academic Enrichment Program	84.424A	2725-20802-301	10,000
COVID-19 - ARP Education Stabilization Fund - ESSER III	84.425U	4872-50502-201	233,264
Special Education Cluster (IDEA):			
Special Education Preschool Grants (IDEA, Preschool)	84.173A	2725-13502-301	15,166
Special Education Grants to States (IDEA, Part B)	84.027A	2725-13202-301	92,759
Total Special Education Cluster			<u>107,925</u>
Total U.S. Department of Education			<u>434,386</u>
U.S. Department of Agriculture			
Pass-through RI Department of Education:			
Child Nutrition Cluster:			
National School Lunch Program			
Cash assistance	10.555	N/A	55,494
Non-cash assistance (commodities)	10.555	N/A	9,460
School Breakfast Program	10.553	N/A	23,289
Total Child Nutrition Cluster			<u>88,243</u>
Total U.S. Department of Agriculture			<u>88,243</u>
U.S. Department of Transportation			
Pass-through RI Department of Transportation:			
Highway Safety Cluster:			
State and Community Highway Safety Grant	20.600	N/A	4,780
Total Highway Safety Cluster			<u>4,780</u>
Total U.S. Department of Transportation			<u>4,780</u>
US Department of Treasury			
Direct Program:			
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	196,343
Total U.S. Department of Treasury			<u>196,343</u>
U.S. Department of Health and Human Services			
Pass-through RI Department of Health:			
Public Health Emergency Preparedness - MEDS	93.069	N/A	4,333
COVID-19 - Epidemiology and Laboratory Capacity for Infectious Diseases - ARP-ELC	93.323	N/A	52,374
Total U.S. Department of Health and Human Services			<u>56,707</u>
US Election Assistance Commission			
Pass-through RI Department of State:			
HAVA Election Security Grants	90.404	N/A	38,020
Total U.S. Election Assistance Commission			<u>38,020</u>
Total Expenditures of Federal Awards			<u>\$ 818,479</u>

TOWN OF FOSTER, RHODE ISLAND
Notes to Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2023

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of Foster, Rhode Island under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Foster, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of Foster, Rhode Island.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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