

**TOWN OF LINCOLN, RHODE ISLAND**

**ANNUAL FINANCIAL STATEMENTS**

*For the Year Ended June 30, 2023*



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Town of Lincoln, Rhode Island  
ANNUAL FINANCIAL STATEMENTS

*For the Year Ended June 30, 2023*

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*For the Year Ended June 30, 2023*

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## *Independent Auditors' Report*

The Honorable Members of the  
Town Council  
Town of Lincoln, Rhode Island

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lincoln, 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 Lincoln, Rhode Island basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Lincoln, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Lincoln, 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.

*(Continued)*

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 Lincoln, Rhode Island's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Lincoln, 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 Lincoln, 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, and the budgetary comparison information, Pension and OPEB disclosure be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

(Continued)

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 Lincoln, Rhode Island's basic financial statements. The combining and individual nonmajor fund financial statements, Tax Collector's Annual Report, as well as the annual supplemental transparency portal (MTP2) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, Tax Collector's Annual Report and the annual supplemental transparency report (MTP2) are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 27, 2024 on our consideration of the Town of Lincoln, 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 Lincoln, 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 Lincoln, Rhode Island's internal control over financial reporting and compliance.

*Hague, Sabady & Co. PC*

Fall River, Massachusetts  
September 27, 2024

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# TOWN OF LINCOLN, RHODE ISLAND

## Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

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Management of the Town of Lincoln (the Town) provides this Management's Discussion and Analysis of the Town's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town is for the fiscal year ended June 30, 2023. We encourage readers to consider this information in conjunction with the Town's audited basic financial statements and notes to the financial statements.

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

### **FINANCIAL HIGHLIGHTS**

#### ***Governmental Fund Financial Statements:***

At the end of the current fiscal year, total fund balance for the General Fund was \$9,448,190 or 11.3% of total budgeted revenues of \$80,199,614. This is an increase of \$408,648 from the prior year's fund balance.

At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$7,777,042. This is a decrease of \$476,322 over the prior year unassigned General Fund balance.

The Town's General Fund had an operating surplus of \$408,648. The School Department operations resulted in an operating deficit of \$83,824.

#### ***Proprietary Funds Financial Statements:***

At the end of the current fiscal year the total net position of the proprietary funds was \$35,716,505, an increase of \$344,913 over the prior year.

The water fund, sewer fund and police detail fund had net position of \$26,192,756, \$8,891,445, and \$632,304, respectively, at June 30, 2023.

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

As reported in the government-wide financial statements, the assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$82,277,119.

The Town's total net position increased by \$14,824,185 for the fiscal year ended June 30, 2023.

The total debt related to bonds and notes of the Town of Lincoln decreased by \$4,873,000.

*(Continued)*

# TOWN OF LINCOLN, RHODE ISLAND

## Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

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### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The government-wide financial statements provide both long-term and short-term information about the Town as a whole. The fund financial statements focus the individual components of the Town's government, reporting the Town's operations in more detail than the government-wide statements. Both presentations (government-wide and fund) allow the user to address relevant questions, broaden the basis of comparison and enhance the Town's accountability. An additional part of the basic financial statements are the notes to the financial statements. The report also contains other required supplementary information, and supplementary information in addition to the basic financial statements.

#### Government-Wide Statements

The government-wide statements report information about the Town as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the Town's net position and how they have changed. Net position - the difference between the Town's assets, deferred outflows of resources, and liabilities and deferred inflows of resources - is one way to measure the Town's financial health, or position.

- Over time, increases or decreases in the Town's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the Town, additional non-financial factors should be considered, such as changes in the Town's property tax base and the condition of the Town's roads.

The government-wide financial statements of the Town are divided into two categories:

- *Governmental activities* – Most of the Town's basic services are included here, such as education, police, library, public works and general administration. Property taxes, charges for services and state funding finance most of these activities.
- *Business-type activities* – The Town charges fees to customers to cover the costs of certain services it provides. The Town's water system, sewer system, and police special detail are included here.

*(Continued)*

# TOWN OF LINCOLN, RHODE ISLAND

Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

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## OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

### Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements focus on individual parts of the Town government, reporting the Town's operations in more detail than the government-wide statements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. It is important to note that these fund categories use different accounting approaches and should be interpreted differently

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental 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 many governmental funds. Two governmental funds are considered major funds for presentation purposes; that is, each major fund is presented in a separate column in the governmental fund financial statements. The Town's two major governmental funds are the General Fund and the School Unrestricted Funds.

**Proprietary funds** – The Town maintains one type of proprietary fund (Enterprise Fund). *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water operation, sewer operations and police special details.

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

*(Continued)*

**TOWN OF LINCOLN, RHODE ISLAND**

Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

**OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)**

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

**Required Supplementary Information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. Such information includes budgetary comparison schedules and reconciliations of the statutory fund balance for budgetary purposes and the fund balances for the General Fund as presented in the governmental fund financial statements. Also included in required supplementary information are schedules concerning the Town's other postemployment benefits and pension liabilities. Required supplementary information follows the notes to the financial statements.

**Supplementary Information** - In addition to the required supplementary, this report also presents other supplementary information, State law requires the presentation of the Tax Collector's Annual Report, and the MTP2 Municipal Transparency Portal. This other supplementary information can be found immediately following the required supplementary information.

**Relationship of Statements and Schedules Included in this Report**

Table 1 shows how the required parts of this annual report are arranged and how they relate to one another. In addition to these required elements, the Town has included a section with combining statements that provide details about the Town's non-major governmental funds and fiduciary funds, which are added together and presented in a single column in the basic financial statements.

Basic Financial Statements & RSI	Financial Section	MD&A
		Government-wide Statements
		(Major) Fund Financial Statements
		Notes to Financial Statements
		RSI other than MD&A
		Info. on nonmajor funds & other supplementary info. not required

*(Continued)*

**TOWN OF LINCOLN, RHODE ISLAND**

Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

**Relationship of Statements and Schedules Included in this Report (Continued)**

Table 2 summarizes the major features of the Town's financial statements, including the portion of the Town government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

	Government-Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as police, rescue and DPW.	Activities the Town operates similar to private businesses such as the water system.	Instances in which the Town is the trustee or the agent for someone else's resources.
Required financial statements	Statement of net position Statement of activities	Balance sheet, statement of revenues, expenditures and changes in fund balances.	Statement of net position, statement of revenues, expenses and changes in net position, statement of cash flows	Statement of fiduciary, net position, statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus.	Accrual accounting and economic resources focus.	Accrual accounting and economic resources focus.
Type of assets/ liability information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included.	All assets and liabilities, both financial and capital, and short-term and long-term.	All assets and liabilities, both short-term and long-term; the Town's funds do not currently contain capital assets, although they can.
Type of inflow/ outflow information	All revenue and expenses during the year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of year, expenditures when goods or services have been received and payment is due.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

**Government-Wide Financial Analysis**

As noted earlier, net position may over time serve as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows exceeded liabilities and deferred inflows by \$82,277,119 as of June 30, 2023.

Net investment in capital assets totals \$101,053,133. This represents the Town's investment in capital assets (e.g., land, buildings, machinery and equipment, vehicles and vessels), less any related debt used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in capital assets is report net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

*(Continued)*

## TOWN OF LINCOLN, RHODE ISLAND

### Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

#### **Government-Wide Financial Analysis (Continued)**

A portion of the Town's net position totaling \$15,355,294 represents resources that are subject to external restrictions on how they may be used. The remaining net position, totaling \$(34,131,308), may be used to meet the government's ongoing obligations to citizens and creditors.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current assets	\$ 43,609,784	\$ 37,039,218	\$ 9,344,249	\$ 9,304,368	\$ 52,954,033	\$ 46,343,586
Non current assets	157,766,874	156,183,425	30,685,443	31,383,211	188,452,317	187,566,636
Total assets	201,376,658	193,222,643	40,029,692	40,687,578	241,406,350	233,910,219
<b>Deferred outflows of resources</b>						
Pension related outflows	9,869,300	11,066,957	38,966	46,074	9,908,266	11,113,031
OPEB related activity	3,857,642	5,121,192	-	-	3,857,642	5,121,192
Other deferred outflows	491,635	614,565	-	-	491,635	614,565
Total deferred outflows of resources	14,218,577	16,802,714	38,966	46,074	14,257,543	16,848,788
<b>Liabilities</b>						
Current liabilities	16,828,637	10,629,119	758,418	1,374,278	17,587,055	12,003,397
Long-term liabilities	142,201,766	146,539,824	3,575,722	3,964,880	145,777,488	150,504,704
Total liabilities	159,030,403	157,168,943	4,334,140	5,339,158	163,364,543	162,508,101
<b>Deferred inflows of resources</b>						
Pension related inflows	6,803,514	17,278,524	12,162	15,311	6,815,676	17,293,835
OPEB related inflows	3,200,703	2,036,532	-	-	3,200,703	2,036,532
Other deferred inflows	-	-	5,852	7,590	5,852	7,590
Total deferred inflows of resources	10,004,217	19,315,056	18,014	22,901	10,022,231	19,337,957
<b>Net Position</b>						
Net investment in capital assets	74,062,340	65,864,360	26,990,793	27,139,753	101,053,133	93,004,113
Restricted	15,355,294	12,714,131	-	-	15,355,294	12,714,131
Unrestricted	(42,857,020)	(45,037,134)	8,725,712	8,231,841	(34,131,308)	(36,805,293)
Total net position	\$ 46,560,614	\$ 33,541,357	\$ 35,716,505	\$ 35,371,594	\$ 82,277,119	\$ 68,912,949

An additional portion of the Town's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Internally imposed designations of resources are not presented as restricted net position.

*(Continued)*

## TOWN OF LINCOLN, RHODE ISLAND

### Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

#### Changes in Net Position

The government's total net position increased by \$14,824,185 during the current fiscal year.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues</b>						
Program Revenues:						
Charges for service	\$ 6,551,751	\$ 3,327,137	\$ 5,729,633	\$ 4,745,052	\$ 12,281,384	\$ 8,072,189
Operating grants & contributions	9,358,664	5,931,403	820,029	974,981	10,178,693	6,906,384
Capital grants & contributions	-	-	-	-	-	-
General Revenues:						
Property taxes	58,349,569	61,437,010	-	-	58,349,569	61,437,010
State aid to town	7,446,003	3,643,594	-	-	7,446,003	3,643,594
State aid to education	20,019,006	20,150,336	-	-	20,019,006	20,150,336
Other revenue	12,686,984	7,351,442	455,728	(277,733)	13,142,712	7,073,709
Earnings on investments	848,883	476,682	-	20,040	848,883	496,722
<b>Total revenues</b>	<b>115,260,860</b>	<b>102,317,604</b>	<b>7,005,390</b>	<b>5,462,340</b>	<b>122,266,250</b>	<b>107,779,944</b>
<b>Expenses</b>						
General government	2,053,683	2,418,331	-	-	2,053,683	2,418,331
Financial administration	3,424,542	3,155,666	-	-	3,424,542	3,155,666
Public library	1,220,588	1,976,675	-	-	1,220,588	1,976,675
Public safety	10,634,411	9,182,181	-	-	10,634,411	9,182,181
Public services	14,027,221	12,308,930	-	-	14,027,221	12,308,930
Education	63,402,458	55,901,699	-	-	63,402,458	55,901,699
Interest on debt	2,809,726	1,802,435	-	-	2,809,726	1,802,435
Contingency	3,208,958	-	-	-	3,208,958	-
Water	-	-	4,364,860	4,525,505	4,364,860	4,525,505
Sewer	-	-	1,299,155	1,142,239	1,299,155	1,142,239
Police detail	-	-	996,462	631,465	996,462	2,433,900
<b>Total expenses</b>	<b>100,781,587</b>	<b>86,745,917</b>	<b>6,660,477</b>	<b>6,299,209</b>	<b>107,442,064</b>	<b>94,847,561</b>
<b>Increase(decrease) in net position before transfers</b>	<b>14,479,272</b>	<b>15,571,687</b>	<b>344,913</b>	<b>(836,869)</b>	<b>14,824,185</b>	<b>14,734,818</b>
Transfers between funds	-	-	-	-	-	-
<b>Increase(decrease) in net position</b>	<b>14,479,272</b>	<b>15,571,687</b>	<b>344,913</b>	<b>(836,869)</b>	<b>14,824,185</b>	<b>14,734,818</b>
Net position, July 1	32,081,342	17,969,668	35,371,592	36,208,463	67,452,934	54,178,131
<b>Net position, June 30</b>	<b>\$ 46,560,614</b>	<b>\$ 33,541,357</b>	<b>\$35,716,505</b>	<b>\$35,371,594</b>	<b>\$ 82,277,119</b>	<b>\$68,912,949</b>

**Governmental activities.** Governmental activities increased the Town's net position by \$14,479,272.

**Business-type activities.** Business-type activities increased the Town's net position by \$344,913.

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

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### **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.

As of June 30, 2023, the Town's governmental funds reported combined ending fund balances of \$21,595,019, an increase of \$1,774,773 in comparison with the prior year. The unassigned fund balance of \$5,030,907 or 22.27% of the total fund balance is available for spending at the Town's discretion. The remainder of the fund balance is committed, restricted, assigned or non-spendable to indicate that it is not available for new spending.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$7,777,042. As a measure of General Fund liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance represents 9.94% of total General Fund budgeted expenditures.

The Town's General Fund balance increased by \$408,648 during the current fiscal year because of revenues exceeding expenditures, including transfers to the School Department of \$45,312,445.

#### ***Proprietary Funds:***

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

The unrestricted net position of the proprietary funds on June 30, 2023 totaled \$8,725,712, with the Water Fund making up \$7,673,417 of the total. The Water Fund, Sewer Fund, and Police Detail Fund had changes in net position of \$361,591, \$(234,836), and \$218,158 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

*(Continued)*

**TOWN OF LINCOLN, RHODE ISLAND**

Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

**General Fund Budgetary Highlights**

The Financial Town meeting held on May 21, 2023, approved an operating budget of \$80,199,614

The general fund ended the year with revenue recorded in the amount of \$47,141 less than the budget. Local revenues were higher than budgeted by \$473,173.

The expenditures ended the year with a favorable variance of \$70,162. The most significant surplus amount includes underspent other expenditures of \$618,291 in public service.

**School Department Budgetary Highlights**

The School Unrestricted fund ended the year with a budgetary deficit of \$83,824.

**Capital Assets and Debt Administration**

Capital Assets: The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2023 amounted to \$180,214,575 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery & equipment, infrastructure, and construction in progress. The net increase in the Town's investment in capital assets for the current year was \$3,185,564.

	Capital Assets					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 15,328,174	\$ 15,328,174	\$ 177,451	\$ 177,452	\$ 15,505,625	\$ 15,505,626
Construction in progress	5,829,204	70,751,515	173,478	173,478	6,002,682	70,924,993
Infrastructure, net	18,977,181	18,261,331	29,345,883	29,107,946	48,323,065	47,369,277
Buildings & improvements, net	106,589,780	39,879,447	(5,594)	(5,594)	106,584,186	39,873,853
Machinery & equipment, net	1,055,167	777,697	938,747	938,747	1,993,914	1,716,444
Intangible right to use, net	58,390	58,390	-	-	58,390	58,390
Vehicles, net	1,691,236	1,524,952	55,476	55,476	1,746,712	1,580,428
	<u>\$ 149,529,132</u>	<u>\$ 146,581,506</u>	<u>\$ 30,685,442</u>	<u>\$ 30,447,505</u>	<u>\$ 180,214,575</u>	<u>\$ 177,029,011</u>

Additional information on the Town's capital assets can be found in Note 6 of the basic financial statements.

*(Continued)*

# TOWN OF LINCOLN, RHODE ISLAND

Management's Discussion and Analysis (MD&A) (Unaudited)

*For the Year Ended June 30, 2023*

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## Capital Assets and Debt Administration (Continued)

**Long-term debt:** At the end of the fiscal year, the Town had total bond debt outstanding of \$68,179,650. General obligation bonds are backed by the full faith and credit of the Town, including the Town's power to levy additional taxes to ensure repayment of the debt.

The Town has an Aa2 rating from Moody's Investors Service and an AA rating from Fitch Investors Service.

State statute limits the amount of bonds a governmental entity can issue to 3% of its total assessed valuation of \$4,198,158,125. The current debt limit for the Town is \$125,944,744.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Bonds and notes	\$ 64,485,000	\$ 68,970,000	\$ 3,694,650	\$ 4,082,650	\$ 68,179,650	\$ 73,052,650
Bond premium	10,924,917	11,756,117	-	-	10,924,917	11,756,117
Total	\$ 75,409,917	\$ 80,726,117	\$ 3,694,650	\$ 4,082,650	\$ 79,104,567	\$ 84,808,767

Additional information on the Town's long-term debt can be found in Note 7 to the basic financial statements.

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

The latest published unemployment rate as of December 2023 for the Town is 2.8 percent. This compares favorably to the State's average unemployment rate of 3.0 percent and the national rate of 3.7 percent. Per capita and median family incomes remain some of the highest in the State.

The Town Council approved a budget for fiscal year 2024 of \$98,940,822. This budget is 4.48% higher than the fiscal year 2023 budget. The School Department increase was 3.0% and Debt Service and the Resolutions funded through capital reserve funds net increase was 86.1%.

## Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the Finance Director, 100 Old River Road, Lincoln, Rhode Island 02865.

**TOWN OF LINCOLN, RHODE ISLAND**

Statement of Net Position

*June 30, 2023*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 19,677,075	\$ 4,554,686	\$ 24,231,761
Investments	12,542,849	2,727,389	15,270,238
<b>Receivables, net</b>			
Personal property taxes	2,957,053	-	2,957,053
User charges	-	1,118,553	1,118,553
Intergovernmental	3,823,024	-	3,823,024
Departmental and other	4,390,810	-	4,390,810
Internal balances	(560,457)	560,457	-
Other assets	779,430	383,164	1,162,594
Net pension asset	8,237,742	-	8,237,742
<b>Capital assets:</b>			
Nondepreciable assets	21,157,378	350,930	21,508,308
Depreciable and amortized assets, net	128,371,754	30,334,513	158,706,267
Total capital assets	149,529,132	30,685,443	180,214,575
Total assets	201,376,658	40,029,692	241,406,350
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related outflows	9,869,300	38,966	9,908,266
OPEB related outflows	3,857,642	-	3,857,642
Loss on debt refunding	491,635	-	491,635
Total assets and deferred outflows of resources	\$ 215,595,235	\$ 40,068,658	\$ 255,663,893

*The accompanying notes are an integral part of these statements*

*(Continued)*

**TOWN OF LINCOLN, RHODE ISLAND**

Statement of Net Position

*June 30, 2023*

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Accounts payable and accrued expenses	\$ 10,145,109	\$ 142,287	\$ 10,287,396
Accrued interest	487,405	214,131	701,536
Incurred but not reported claims	583,000	-	583,000
Current portion of bonds and loans payable	5,511,200	402,000	5,913,200
Current portion of compensated absences	44,653	-	44,653
Current portion of capital leases	57,270	-	57,270
Portion due or payable in more than one year:			
Bonds and loans payable	69,898,717	3,292,650	73,191,367
Capital leases	3,835	-	3,835
Compensated absences	4,695,101	-	4,695,101
Other post-employment benefit liability	12,021,663	-	12,021,663
Net pension liability	55,582,450	283,072	55,865,522
Total liabilities	159,030,403	4,334,140	163,364,543
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related inflows	6,803,514	12,162	6,815,676
OPEB related inflows	3,200,703	-	3,200,703
Other deferred revenue	-	5,852	5,852
Total deferred inflows of resources	10,004,217	18,014	10,022,231
<b>NET POSITION</b>			
Net investment in capital assets	74,062,340	26,990,793	101,053,133
Restricted	15,355,294	-	15,355,294
Unrestricted	(42,857,020)	8,725,712	(34,131,308)
Total liabilities, deferred inflows or resources and net position	\$ 215,595,235	\$ 40,068,659	\$ 255,663,894

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

Statement of Activities

*For the Year Ended June 30, 2023*

	<u>Net (Expense) Revenue and Changes in Net Position</u>						
	<u>Program Revenues</u>				<u>Primary Government</u>		
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>Governmental Activities</b>							
General government	\$ 2,053,683	\$ 179,626	\$ -	\$ -	\$ (1,874,057)	\$ -	\$ (1,874,057)
Financial administration	6,633,500	-	-	-	(6,633,500)	-	(6,633,500)
Public library	1,220,588	-	-	-	(1,220,588)	-	(1,220,588)
Public safety	10,634,411	5,377,026	20,748	-	(5,236,637)	-	(5,236,637)
Public services	14,027,221	94,923	1,518,371	-	(12,413,927)	-	(12,413,927)
Education	60,584,923	900,176	5,002,010	-	(54,682,737)	-	(54,682,737)
State contribution to teachers pension plan	2,817,535	-	2,817,535	-	-	-	-
Interest on debt	2,809,726	-	-	-	(2,809,726)	-	(2,809,726)
Total governmental activities	<u>100,781,587</u>	<u>6,551,751</u>	<u>9,358,664</u>	<u>-</u>	<u>(84,871,172)</u>	<u>-</u>	<u>(84,871,172)</u>
<b>Business-Type Activities</b>							
Water fund	4,364,860	3,501,224	779,504	-	-	(84,132)	(84,132)
Sewer fund	1,299,155	1,013,789	40,525	-	-	(244,841)	(244,841)
Police detail fund	996,462	1,214,620	-	-	-	218,158	218,158
Total business-type activities	<u>6,660,477</u>	<u>5,729,633</u>	<u>820,029</u>	<u>-</u>	<u>-</u>	<u>(110,815)</u>	<u>(110,815)</u>
Total Town of Lincoln	<u>\$ 107,442,064</u>	<u>\$ 12,281,384</u>	<u>\$ 10,178,693</u>	<u>\$ -</u>	<u>\$ (84,871,172)</u>	<u>\$ (110,815)</u>	<u>\$ (84,981,987)</u>

*The accompanying notes are an integral part of these statements*

*(Continued)*  
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**TOWN OF LINCOLN, RHODE ISLAND**

Statement of Activities

*For the Year Ended June 30, 2023*

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Total Town of Lincoln	\$ (84,871,172)	\$ (110,815)	\$ (84,981,987)
<b>General revenues</b>			
Real estate and personal property, net of reserve for abatements	58,349,569	-	58,349,569
Meals and hotel tax	1,140,472	-	1,140,472
Video lottery	7,567,799	-	7,567,799
Table game commissions	1,136,479	-	1,136,479
Public service corporation tax	269,979	-	269,979
School housing aid	2,906,983	-	2,906,983
Interest received	848,883	455,728	1,304,611
State aid to education	17,112,023	-	17,112,023
Motor vehicle phase out	5,683,015	-	5,683,015
Library aid	234,360	-	234,360
Airport aid	25,000	-	25,000
Medicaid	622,516	-	622,516
FEMA Grant	615,496	-	615,496
Miscellaneous	2,837,871	-	2,837,871
Total general revenues	<u>99,350,444</u>	<u>455,728</u>	<u>99,806,172</u>
<b>Special items and transfers</b>			
Transfers between funds	-	-	-
Total general revenues, special items, and transfers	<u>99,350,444</u>	<u>455,728</u>	<u>99,806,172</u>
Changes in net position	14,479,272	344,913	14,824,185
Net position - July 1, 2022, restated	32,081,342	35,371,592	67,452,934
Net position - June 30, 2023	<u>\$ 46,560,614</u>	<u>\$ 35,716,505</u>	<u>\$ 82,277,119</u>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

*Governmental Funds*

Balance Sheet

*June 30, 2023*

	<b>Major Fund</b>			<b>Non-Major</b>	<b>Total</b>
	<b>General Fund</b>	<b>School Unrestricted</b>	<b>Public Building Bond Fund</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Assets</b>					
Cash and cash equivalents	7,605,354	2,282,379	\$ 740,790	\$ 9,048,552	\$ 19,677,075
Investments	12,542,849	-	-	-	12,542,849
Receivables:					
Property taxes, net	2,957,053	-	-	-	2,957,053
Intergovernmental	3,699,831	44,799	-	78,393	3,823,024
Other	3,463,791	917,298	-	9,721	4,390,810
Due from other funds	1,294,541	-	2,317,570	15,368,889	18,981,000
Prepaid items	-	779,429	-	-	779,429
<b>Total assets</b>	<b>31,563,419</b>	<b>4,023,905</b>	<b>3,058,360</b>	<b>24,505,555</b>	<b>63,151,239</b>
<b>Deferred outflows of resources</b>					
Deferred outflows	-	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>31,563,419</b>	<b>4,023,905</b>	<b>3,058,360</b>	<b>24,505,555</b>	<b>63,151,239</b>
<b>Liabilities</b>					
Accounts payable and accrued expenses	3,217,704	3,415,615	17,408	598,918	7,249,645
Abatements due accrued	2,895,464	-	-	-	2,895,464
Due to other funds	13,161,878	363,204	-	6,016,375	19,541,457
<b>Total liabilities</b>	<b>19,275,046</b>	<b>3,778,820</b>	<b>17,408</b>	<b>6,615,292</b>	<b>29,686,566</b>
<b>Deferred inflows of resources</b>					
Deferred property taxes	2,453,396	-	-	-	2,453,396
Other deferred revenue	386,787	-	3,040,952	4,988,520	8,416,259
<b>Total deferred inflows of resources</b>	<b>2,840,183</b>	<b>-</b>	<b>3,040,952</b>	<b>4,988,520</b>	<b>10,869,655</b>
<b>Fund balance</b>					
Nonspendable	-	779,429	-	-	779,429
Restricted	-	-	-	14,855,294	14,855,294
Committed	1,171,148	-	-	258,241	1,429,389
Assigned	500,000	-	-	-	500,000
Unassigned	7,777,042	(534,343)	-	(2,211,792)	5,030,907
<b>Total fund balance</b>	<b>9,448,190</b>	<b>245,086</b>	<b>-</b>	<b>12,901,743</b>	<b>22,595,019</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 31,563,419</b>	<b>\$ 4,023,905</b>	<b>\$ 3,058,360</b>	<b>\$ 24,505,556</b>	<b>\$ 63,151,240</b>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position

*June 30, 2023*

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Total governmental fund balances	\$ 22,595,019
Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
Capital assets, net	149,529,132
Net pension asset	8,237,742
Other long-term revenues are not available to pay for current-period expenditures and, therefore, are deferred inflows of resources in the funds.	10,869,655
Other long-term assets related to net pension and OPEB activity and therefore, are deferred inflows of resources in the funds.	(10,004,217)
Other long-term liabilities related to net pension and OPEB activity and therefore, are deferred outflows of resources in the funds.	13,726,942
Long term liabilities relating to bond refunding amortized over the life of the bond	491,635
In the statement of activities, interest is accrued on outstanding long-term debt whereas in governmental funds interest is not reported until due.	(487,405)
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the governmental funds	
Bonds and notes payable	(75,409,917)
Compensated absences	(4,739,754)
Other postemployment benefits	(12,021,663)
Town net pension liability	(15,281,384)
ERS net pension liability	(38,263,355)
MERS net pension liability	(2,037,711)
Other commitments	<u>(583,000)</u>
Net position of governmental activities	<u>\$ 46,560,614</u>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

*For the Year Ended June 30, 2023*

	<b>Major Fund</b>			<b>Non-Major</b>	<b>Total</b>
	<b>General Fund</b>	<b>School Unrestricted</b>	<b>Public Building Bond Fund</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues</b>					
General property taxes and interest	\$ 57,166,725	\$ -	\$ -	\$ -	\$ 57,166,725
Other local and departmental revenue	2,837,868	-	-	-	2,837,868
Intergovernmental	19,579,583	17,112,023	-	6,541,129	43,232,735
Interest received	568,298	4,283	121,448	154,854	848,883
State contribution to pension plan	-	3,061,247	-	-	3,061,247
Medicaid	-	622,516	-	-	622,516
Other revenue	-	369,914	1,037,928	6,135,265	7,543,107
<b>Total revenue</b>	<b>80,152,473</b>	<b>21,169,983</b>	<b>1,159,376</b>	<b>12,831,248</b>	<b>115,313,080</b>
<b>Expenditures</b>					
General government	1,255,259	-	218,115	1,468,722	2,942,096
Financial administration	1,269,720	-	-	-	1,269,720
Public library	1,315,363	-	-	182,616	1,497,979
Public safety	9,423,704	-	-	178,139	9,601,843
Public services	8,448,870	-	-	6,728,733	15,177,603
Grants and contributions	62,500	-	-	-	62,500
Other expenditures	5,301,439	-	-	-	5,301,439
Education	-	61,538,420	5,672,889	-	67,211,309
State contribution to pension plan	-	3,061,247	-	-	3,061,247
Capital outlay	-	-	-	58,046	58,046
Debt service					
Principal	4,485,000	-	-	-	4,485,000
Interest	2,869,525	-	-	-	2,869,525
<b>Total expenditures</b>	<b>34,431,380</b>	<b>64,599,667</b>	<b>5,891,004</b>	<b>8,616,256</b>	<b>113,538,308</b>
Excess (deficiency) of revenues over expenditures	45,721,093	(43,429,684)	(4,731,628)	4,214,991	1,774,772
<b>Other financing sources (uses)</b>					
Transfers in	-	43,345,860	-	1,966,585	45,312,445
Transfers out	(45,312,445)	-	-	-	(45,312,445)
<b>Other financing sources (uses)</b>	<b>(45,312,445)</b>	<b>43,345,860</b>	<b>-</b>	<b>1,966,585</b>	<b>\$ -</b>
<b>Excess of revenue and other sources over expenditures and other uses</b>	<b>408,648</b>	<b>(83,824)</b>	<b>(4,731,628)</b>	<b>6,181,576</b>	<b>1,774,772</b>
Fund balance, July 1, 2022, restated	9,039,541	328,910	4,731,628	6,720,165	20,820,244
Fund balance, June 30, 2023	\$ 9,448,190	\$ 245,086	\$ -	\$ 12,901,743	\$ 22,595,019

*The accompanying notes are an integral part of these statements*

## TOWN OF LINCOLN, RHODE ISLAND

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

*For the Year Ended June 30, 2023*

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Net change in fund balances - total governmental funds	\$ 1,774,772
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays including dispositions exceeded depreciation in the current period.	2,889,236
Revenues in the Statement of Activities that do not provide current financial resources are fully deferred in the Statement of Revenues, Expenditures and Changes in Fund Balances. Therefore, the recognition of revenue for various types of accounts receivable (i.e., real estate and personal property, motor vehicle excise, etc.) differ between the two statements. This amount represents the net change in deferred inflows of resources.	191,488
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,371,875
Bond refunding of long term debt are amortized over the course of the payable but are not reported as an expenditure on governmental fund statements	(122,930)
In the Statement of Activities, interest is accrued on outstanding long-term debt, whereas in governmental funds interest, is not reported until due.	59,799
Some expenses reported in the Statement of Activities, such as compensated absences, do not require the current financial resources, and therefore, are not reported as expenditures in the governmental funds.	(174,504)
The other postemployment benefit expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	982,405
The net pension liability expense reported in the Statement of Activities requires the use of current financial resources and is not reported as an expenditure in the governmental funds	<u>3,507,120</u>
Change in net position of governmental activities	<u>\$ 14,479,269</u>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

Proprietary Funds

Statement of Net Position

*June 30, 2023*

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Police Detail Fund</b>	<b>Total</b>
<b>Assets</b>				
Current assets				
Cash and cash equivalents	\$ 4,283,815	\$ 657,769	\$ (386,898)	\$ 4,554,686
Investments	2,727,389	-	-	2,727,389
Escrow deposits	227,319	-	-	227,319
Due from other funds	-	-	696,674	696,674
Receivables, net:				
User fees, net	660,158	195,090	263,305	1,118,553
Inventory	155,370	-	-	155,370
Prepaid expenses	475	-	-	475
Other assets	-	-	-	-
Total current assets	<u>8,054,526</u>	<u>852,859</u>	<u>573,081</u>	<u>9,480,466</u>
Non-current assets				
Nondepreciable	177,452	173,478	-	350,930
Depreciable, net	<u>19,820,037</u>	<u>10,446,362</u>	<u>68,114</u>	<u>30,334,513</u>
Total non-current assets	<u>19,997,489</u>	<u>10,619,840</u>	<u>68,114</u>	<u>30,685,443</u>
Total assets	<u>28,052,015</u>	<u>11,472,699</u>	<u>641,195</u>	<u>40,165,909</u>
<b>Deferred outflows of resources</b>				
Pension related outflows	38,966	-	-	38,966
Total assets and deferred outflows of resources	<u>\$ 28,090,981</u>	<u>\$ 11,472,699</u>	<u>\$ 641,195</u>	<u>\$ 40,204,875</u>
<b>Liabilities</b>				
Current liabilities:				
Accounts payable and accrued expenses	\$ 103,958	\$ 29,437	\$ 8,891	\$ 142,286
Accrued interest payable	13,293	200,838	-	214,131
Due to other funds	-	136,217	-	136,217
Current portion of bonds & notes payable	<u>213,000</u>	<u>189,000</u>	<u>-</u>	<u>402,000</u>
Total current liabilities	<u>330,251</u>	<u>555,492</u>	<u>8,891</u>	<u>894,634</u>
Non-current liabilities:				
Bonds and loans payable	1,265,150	2,027,500	-	3,292,650
Net pension liability	<u>283,072</u>	<u>-</u>	<u>-</u>	<u>283,072</u>
Total non-current liabilities	<u>1,548,222</u>	<u>2,027,500</u>	<u>-</u>	<u>3,575,722</u>
Total liabilities	<u>1,878,473</u>	<u>2,582,992</u>	<u>8,891</u>	<u>4,470,356</u>
<b>Deferred inflows of resources</b>				
Pension related inflows	12,162	-	-	12,162
Unearned revenue	<u>7,590</u>	<u>(1,738)</u>	<u>-</u>	<u>5,852</u>
Total deferred inflows of resources	<u>19,752</u>	<u>(1,738)</u>	<u>-</u>	<u>18,014</u>
<b>Net position</b>				
Net investment in capital assets	18,519,339	8,403,340	68,114	26,990,793
Unrestricted	<u>7,673,417</u>	<u>488,105</u>	<u>564,190</u>	<u>8,725,712</u>
Total net position	<u>\$ 26,192,756</u>	<u>\$ 8,891,445</u>	<u>\$ 632,304</u>	<u>\$ 35,716,505</u>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

*Proprietary Funds*

Statement of Revenues, Expenses and Changes in Net Position

*For the Year Ended June 30, 2023*

	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Police Detail Fund</b>	<b>Total</b>
<b>Operating revenues</b>				
User fees and charges	3,501,224	1,013,789	1,214,620	\$ 5,729,633
Other revenues	779,504	40,525	-	820,029
Interest and penalties	-	-	-	-
Total operating revenues	<u>4,280,728</u>	<u>1,054,314</u>	<u>1,214,620</u>	<u>6,549,662</u>
<b>Operating expenses</b>				
Administrative	1,298,931	27,660	933,457	2,260,048
Maintenance and servicing	2,644,021	708,602	42,632	3,395,255
Operating supplies	28,089	-	-	28,089
Depreciation and amortization	393,819	422,446	20,373	836,638
Total operating expenses	<u>4,364,860</u>	<u>1,158,708</u>	<u>996,462</u>	<u>6,520,030</u>
Operating income (loss)	<u>(84,132)</u>	<u>(104,394)</u>	<u>218,158</u>	<u>29,632</u>
<b>Nonoperating revenues (expenses)</b>				
Investment income	445,723	10,005	-	455,728
Investment expense	-	(140,447)	-	(140,447)
Total nonoperating revenue (expenses)	<u>445,723</u>	<u>(130,442)</u>	<u>-</u>	<u>315,281</u>
Income (loss) before transfers	<u>361,591</u>	<u>(234,836)</u>	<u>218,158</u>	<u>344,913</u>
<b>Transfers</b>				
Transfers in - operating	-	-	-	-
Transfers out - operating	-	-	-	-
Total Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>361,591</u>	<u>(234,836)</u>	<u>218,158</u>	<u>344,913</u>
Net position, July 1, 2022	<u>25,831,165</u>	<u>9,126,281</u>	<u>414,146</u>	<u>35,371,592</u>
Net position, June 30, 2023	<u>\$ 26,192,756</u>	<u>\$ 8,891,445</u>	<u>\$ 632,304</u>	<u>\$ 35,716,505</u>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

*Proprietary Funds*

Statement of Cash Flows

*For the Year Ended June 30, 2023*

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Police Detail Fund</u>	<u>Total</u>
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 4,233,725	\$ 1,054,312	\$ 1,190,005	\$ 6,478,042
Cash received from (to) other funds	470,096	333,091	(374,726)	428,461
Payments to suppliers and employees	(4,419,752)	(760,766)	(1,202,177)	(6,382,695)
Net cash provided (used) by operating activities	<u>284,068</u>	<u>626,637</u>	<u>(386,898)</u>	<u>523,808</u>
<b>Cash flows from noncapital financing activities:</b>				
Transfers in (out)	-	-	-	-
Net cash provided by noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(125,879)	(12,991)	-	(138,870)
Principal paid on capital debt	(205,000)	(183,000)	-	(388,000)
Interest paid on capital debt	(4,510)	(82,613)	-	(87,123)
Net cash used by capital and related financing activities	<u>(335,389)</u>	<u>(278,604)</u>	<u>-</u>	<u>(613,993)</u>
<b>Cash flows from investing activities:</b>				
Interest and dividends	445,723	10,005	-	455,728
Net cash used by investing activities	<u>445,723</u>	<u>10,005</u>	<u>-</u>	<u>455,728</u>
Net increase in cash and cash equivalents	394,402	358,038	(386,898)	365,543
Balances-beginning of the year	<u>6,616,801</u>	<u>299,731</u>	<u>-</u>	<u>6,916,532</u>
Balances-end of the year	<u>\$ 7,011,204</u>	<u>\$ 657,769</u>	<u>\$ (386,898)</u>	<u>\$ 7,282,075</u>
Displayed as:				
Cash and cash equivalents and restricted	<u>\$ 7,011,204</u>	<u>\$ 657,769</u>	<u>\$ (386,898)</u>	<u>\$ 7,282,075</u>

*The accompanying notes are an integral part of these statements*

*(Continued)*

**TOWN OF LINCOLN, RHODE ISLAND**

*Proprietary Funds*

Statement of Cash Flows

*For the Year Ended June 30, 2023*

<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	<b>Water Fund</b>	<b>Sewer Fund</b>	<b>Police Detail Fund</b>	<b>Total</b>
Operating income (loss)	\$ (84,132)	\$ (104,394)	\$ 218,158	\$ 29,632
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	393,819	422,446	20,373	836,638
Change in assets and liabilities:				
(Increase) decrease in user charges receivables, net	(47,004)	1,736	(24,616)	(69,884)
(Increase) decrease in other receivables	9,188	-	-	9,188
(Increase) decrease in other assets	(42,107)	-	-	(42,107)
(Increase) decrease in due from other funds	470,096	333,091	(374,726)	428,461
(Increase) decrease in pension outflows	7,108			7,108
Increase (decrease) accounts payable and accrued expenses	(432,593)	(24,504)	(226,087)	(683,184)
Increase (decrease) in net pension liability	12,842	-	-	12,842
Increase (decrease) in net pension inflows	(3,149)	(1,738)		(4,887)
Increase (decrease) in deferred revenue	-	-	-	-
Net cash provided (used) by operating activities	\$ 284,068	\$ 626,637	\$ (386,898)	\$ 523,807

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

*Fiduciary Funds*

Statement of Net Position

*June 30, 2023*

	<b>Employee Benefit Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 1,373,536	\$ 34,179	\$ -
Investments	50,010,281	-	-
Receivables	-	-	514,637
<b>Total assets</b>	<b>51,383,817</b>	<b>34,179</b>	<b>514,637</b>
<b>Deferred outflows of resources</b>			
None	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>51,383,817</b>	<b>34,179</b>	<b>514,637</b>
<b>Liabilities</b>			
Accounts payable	659	-	-
Other liabilities	2,792,412	-	30,188
Deposits held	-	-	175,386
<b>Total liabilities</b>	<b>2,793,071</b>	<b>-</b>	<b>205,574</b>
<b>Deferred inflows of resources</b>			
None	-	-	-
<b>Net Position</b>			
Restricted for pension trust	38,579,460	-	-
Restricted for OPEB trust	10,011,286	-	-
Restricted for Road Surety	-	-	309,063
Restricted for private purposes	-	34,179	-
<b>Total net position</b>	<b>48,590,746</b>	<b>34,179</b>	<b>309,063</b>
<b>Total liabilities and net position</b>	<b>\$ 51,383,817</b>	<b>\$ 34,179</b>	<b>\$ 514,637</b>

*The accompanying notes are an integral part of these statements*

**TOWN OF LINCOLN, RHODE ISLAND**

*Fiduciary Funds*

Statement of Changes in Net Position

*For the Year Ended June 30, 2023*

	<b>Employee Benefit Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>Additions</b>			
Employer contributions	\$ 2,995,314	\$ -	\$ -
Plan member contributions	1,102,445	-	-
Investment income (net of related fees)	4,219,097	82	-
Funds received on behalf of others	-	-	52,519
Total additions	8,316,856	82	52,519
<b>Deductions</b>			
Funds distributed on behalf of others	-	-	96,363
Benefits paid	3,407,098	-	-
Police - other expense	238,188	-	-
Administrative expenses	29,844	-	-
Total deductions	3,675,130	-	96,363
Changes in fund equity held in trust for individuals, organizations, and other governments	4,641,726	82	(43,844)
Net position, July 1, 2022	43,949,020	34,097	352,907
Net position, June 30, 2023	\$ 48,590,746	\$ 34,179	\$ 309,063

*The accompanying notes are an integral part of these statements*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies:

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

#### A. Financial Reporting Entity

The Town was founded in 1871. The Town is governed largely under the 1958 Home Rule Charter, which provides for a Council-Administrator form of government. The Town provides various services including education, water, libraries, public safety (police and rescue), public works, (engineering, highway, recycling, sewer, public buildings, parks and recreation), social services and general government services.

The elected Town Administrator serves as chief administrative agent over all municipal services including public safety (police and rescue), public works (highway, maintenance, and sanitation), social services, parks and recreation, planning, zoning and inspection, and general administrative services. The Superintendent of Schools, appointed by the School Committee, serves as the chief administrative agent for the School Department, which provides elementary and secondary education to Town residents. The Superintendent of the Water Commission, appointed by the Board of Water Commissioners, serves as the Chief Administrative Agent for the Water Commission, a quasi-municipal agency/department of the Town.

The Town complies with generally accepted accounting principles (GAAP), including all relevant Governmental Accounting Standards Board (GASB) pronouncements. The accounting and reporting framework and the more significant accounting policies are discussed in subsequent subsections of this Note.

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 61. Under GASB Statement No. 61, a legally separate entity is required to be included as a component unit if it is fiscally dependent upon the primary government and there is a financial benefit or burden relationship present. The primary government is financially accountable if it appoints the voting majority of the organization's governing board and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A potential component unit has a financial benefit or burden relationship with the primary government if, for example, any one of the following conditions exists:

- a. The primary government is legally entitled to or can otherwise access the organization's resources.
- b. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
- c. The primary government is obligated for the debt of the organization.

The Town has identified no component units through the application of GASB Statement No. 61.

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### **Note 1. Summary of Significant Accounting Policies (Continued)**

#### ***Accounting Pronouncements Implemented in the Current Year:***

During the fiscal year June 30, 2023, the Town of Portsmouth has adopted the following new accounting standards issued by GASB:

For the year ending June 30, 2023, the Town implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The effects of the implementation of this statement were material to these financial statements. Please see Note 14 for more information. During fiscal year 2023, the Town also evaluated GASB Statement Nos. 91, and 96, which had no reporting impact on these financial statements.

The Town of Portsmouth is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

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

The Town of Portsmouth is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- GASB Statement No. 99, Omnibus 2022, which is required to be implemented during fiscal years 2023 and 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 100, Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62, which is required to be implemented during fiscal year 2024. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.
- GASB Statement No. 101, Compensated Absences, which is required to be implemented during fiscal year 2025. Management will evaluate the potential impact that the implementation of this Statement will have on the financial statements at some point in the future.

These pronouncements will be implemented by their respective implementation dates.

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### *A. Basic Financial Statements – Government-Wide Statements*

The statement of net position and statement of activities display information about the Town as a whole. They include all funds of the Town except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

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

#### *B. Basic Financial Statements – Fund Financial Statements*

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

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

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

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

#### *Governmental Funds:*

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

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### C. Basic Financial Statements – Fund Financial Statements (Continued)

*General Fund* - The General Fund is the primary operating fund of the Town and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

*Special Revenue Funds* - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally or administratively restricted to expenditures for specific purposes other than debt service or capital projects.

*Capital Projects Funds* - Capital projects funds are used to account for and report resources restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

#### *Proprietary Funds:*

Proprietary funds are used to account for business-like activities provided to the general public (enterprise funds) or within the government (internal service funds). These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector. The Town considers all enterprise funds to be major funds for financial statement purposes even though they may not qualify under the GASB guidelines. The Town's proprietary funds consist of the Water Fund, Sewer Fund, and the Police Detail Fund. The Town has no internal service funds.

#### *Fiduciary Funds (not included in government wide financial statements):*

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

*Pension Trusts Fund* - Pension trust funds account for contributions made by the Town and its participating employees to provide retirement benefits to the participating employees.

*OPEB Trust Fund* - OPEB trust fund is used to account for funds to be used to provide postretirement benefits.

*Private Purpose Trust Fund* - The Town's private purpose trust accounts for resources legally held in trust for use by an outside committee to provide awards and scholarships in accordance with a donor's instructions. All resources of the fund, including any earnings on investments, may be used. There is no requirement that any portion of these resources be preserved as capital.

*Custodial Funds* - Custodial funds are established when the Town holds assets in custody for others in an agency capacity.

#### D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### ***D. Measurement Focus and Basis of Accounting (Continued):***

the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Those revenues susceptible to accrual are property taxes, special assessments, intergovernmental revenues, interest and charges for services. Fines, licenses and permit revenues are not susceptible to accrual because generally they are not measurable until received in cash and thus are recognized when received. Rescue service fees receivable, net of an allowance for doubtful accounts, are reported as deferred inflows of resources and considered unavailable in the fund statements.

Recognition of grant revenues is based on the susceptibility of accrual as determined by the legal and contractual requirements established by each grantor. For grants not restrictive as to specific purposes and revocable only for failure to comply with general prescribed requirements, revenues are recognized when received. Where expenditure is the prime factor in determining eligibility, grant revenue is recognized as allowable expenditures are made provided, they are collected during the year or estimated to be collected in the following fiscal year. Prior to expenditure, proceeds received in advance are recorded as unearned revenues.

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

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

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

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### *E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity*

##### *Use of estimates:*

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

##### *Property taxes:*

Property taxes are recognized as revenue in the year they are levied and become available. Taxes are levied on July 1 on (a) one hundred percent of the full and fair value of real and tangible personal property owned within the Town the previous December 31; and, (b) the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days so registered. Taxes levied on July 1 are payable July 31 or may be paid quarterly on July 31, October 31, January 31, and April 30. Failure to make payments by March 10 will result in a lien on the taxpayer's property.

##### *Intergovernmental revenues:*

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

##### *Cash and cash equivalents:*

Cash and cash equivalents consist of cash on hand, time and demand deposits and short-term investments maturing within three months from the date of acquisition.

Under Rhode Island general laws, depository institutions must insure deposits of municipalities or pledge eligible collateral equal to 100% of deposits maturing in greater than 60 days. Any institution not meeting certain federally prescribed minimum capital standards must insure deposits or provide collateral regardless of date of maturity. The Town complied with these requirements. The Town does not have a deposit policy for custodial credit risk or other risks.

##### *Investments:*

Investments are reported at fair value, based on quotations from applicable national securities exchanges. Unrealized gains and losses from changes in fair value are recognized as investment income. The Town does not have an investment policy for custodial credit risk or other risks other than those relating to its pension trust fund. The Town's investment commission is responsible for the supervision of the investment of the Town's Pension Trust Fund investments, with the objective of preserving capital and investing with care to minimize the risk of large losses.

(Continued)

TOWN OF LINCOLN, RHODE ISLAND

Note to the Financial Statements

June 30, 2023

Note 1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)

Inter-fund transactions:

Transactions between funds have been eliminated in the government-wide financial statements but fully presented within the governmental fund financial statements with no elimination made between or within funds. Reimbursements are accounted for as expenditures in the reimbursing fund and reductions to expenditures in the reimbursed fund. All other inter-fund transactions in the governmental fund financial statements are operating transfers on the operating statements of the funds involved.

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

Capital assets:

In the government-wide financial statements all capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except for donated capital assets, which are recorded at their estimated fair value at the date of donation.

Capital assets are defined by the Town as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

	<u>Years</u>
Land improvements	20
Building improvements	20-60
Furniture and equipment	2-30
Motor vehicles	5-10
Water mains, valves, tanks, hydrants and services	10-100
	20-60

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

(Continued)

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### *E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)*

##### *Bond issuance costs:*

Bond issuance costs are expensed when incurred.

##### *Compensated absences:*

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

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

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

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

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

##### *Leases:*

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

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

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### *E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)*

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

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred charge on refunding and deferred outflows related to pensions in this category. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

##### *Deferred outflows/inflows of resources (continued):*

The deferred outflows applicable to pensions related to contributions made by the Town after the measurement date, the net difference between projected and actual earnings on plan investments and changes in actuarial assumptions. The deferred outflows related to contributions will be recognized in the following year while the deferred outflows related to projected and actual earnings will be amortized over the average remaining service life of all plan members.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance collections and deferred inflows of resources related to pensions in this category. The deferred inflows of resources related to pensions is the difference between projected and actual earnings on pension plan investment and changes in actuarial assumptions. These deferred inflows will be amortized over the average remaining services life of all plan members.

##### *Encumbrances:*

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

##### *Fund equity:*

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

##### *Net position:*

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

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

Restricted - those that have been limited to uses specified either externally by creditors, contributors,

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

Note to the Financial Statements

June 30, 2023

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## Note 1. Summary of Significant Accounting Policies (Continued)

### *E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)*

#### *Fund Equity (Continued):*

laws or regulations of other governments or internally by enabling legislation or law.

Unrestricted - a residual category for the balance of net position.

The Town's fund balance is reported in the following categories:

Nonspendable fund balance – amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact.

Restricted fund balance - amounts that have been restricted to specific purposes either by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Committed fund balance – amounts constrained to specific purposes by the Town, using its highest level of decision-making authority.

Commitments will only be used for specific purposes pursuant to a formal action of the Town Council. Town Council Resolution is required to approve, modify, or rescind a fund balance commitment. At June 30, 2023, committed fund balance of the General Fund consisted of encumbrances totaling \$1,171,148.

Assigned fund balance – amounts constrained to specific purposes internally by the Town.

Assigned fund balance - amounts that are intended by the Town to be used for specific purposes but are neither restricted nor committed. The intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. At June 30, 2023, assigned fund balance of the General Fund consisted of a health care reserve of \$500,000.

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

Unassigned fund balance - amounts available for any purpose.

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

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 1. Summary of Significant Accounting Policies (Continued)

#### *E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)*

##### *Other post -employment benefits:*

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

##### *Pensions:*

##### Employees; Retirement System Plan (ERS)

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

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

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

##### Teachers' Survivors Benefit Plan (TSB)

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

##### Town Private Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Town's Private plan (TPP) and the additions to/deductions from TPP fiduciary net position have been determined on the same basis as they are reported by TPP. 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.

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 2. Fund Deficits**

The following individual funds had unassigned fund deficits as of June 30, 2023:

<b>Town Special Revenue and Capital Projects</b>	
School Capital Projects	\$ 1,757,344
DCF Grant	75,160
Police Vest Grant	888
Heathside Building	7,499
Operation Riptide	4,741
H1N1 Clinic Grant	311,431
Total Fund Deficit	<u>\$ 2,157,063</u>
<b>School Special Revenue</b>	
Esser II Priority B	44,866
Esser II Digital Divide	43,480
ARPA IDEA Preschool	4,188
SBA Capital	2,550
NFL Play 60 Grant	3,123
Total Fund Deficit	<u>\$ 98,207</u>

These deficits will be funded through bond proceeds, sales of property, or transfers from other funds.

**Note 3. Cash and cash equivalents**

The Town maintains deposits in various financial institutions that are carried at market value except for those amounts which are carried as petty cash. The carrying amount of deposits is separately displayed on the balance sheet as "Cash and Cash Equivalents".

At June 30, 2023, the carrying amount of the Town's deposits and cash held by fiduciary funds was \$25,851,994 while the bank balance was approximately \$28,087,323. Of the bank balance \$250,000 was insured with FDIC and approximately \$24,872,245 was collateralized with securities held by a pledging financial institution in the Town's name.

***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.

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 4. Investments

Investment of all idle funds is made through national banks or trust companies, providing that the financial conditions and integrity of these institution or institutions are verifiable and can be monitored. The investment of funds is in direct obligations of the United States Government and "money market instruments" rated "A" or better. Investments in any one institution cannot exceed five (5) percent of that institutions capital and surplus as set forth in the institutions most recent audited financial statements. All investments are made as would be done by prudent men of discretion and intelligence in such matters who are seeking a reasonable income and preservation of their capital. The Town follows the guidance of the fair value measurement and disclosures in accordance with GASB Statement No. 72, "Fair Value Measurement and Application". The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

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

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

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization to debt securities. The Town's formal investment policy for its Pension Trust Fund states that no security can be purchased that is rated below B by Moody's Investor Services or Standard & Poor's Ratings Group. The pension investment policy also states that no more than 10% of the portfolio's fixed income allocation may be invested in securities rated below investment grade. The pension portfolio may not invest in or use synthetic securities or derivatives of any kind. The Town does not have a formal policy that limits investment choices for its other funds.

#### *Concentration of credit risk:*

Concentration of credit risk is the risk of loss attributed to the magnitude of the investment in a single issuer. The Town's formal investment policy for its Pension Trust Fund states that nomore than 5% of the portfolio's value may be invested in the securities of any one issuer exceptfor securities of the U.S. Government, its agencies, or instrumentalities. The Town does not have a formal policy that limits the amount that the Town may invest in one issuer for its other funds.

#### *Custodial credit risk:*

Custodial credit risk for investments is the risk that, in the event of 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 believe that it has significant custodial credit risk with regard to its investments as substantially all investment securities are registered and held in the name of the Town.

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

*June 30, 2023*

### Note 4. Investments (Continued)

*Foreign currency risk:*

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. The Town does not have a formal policy for foreign currency risk. There was no foreign currency risk noted at June 30, 2023.

The following is a description of the valuation methodologies used for assets and liabilities measured at fair value:

*Mutual funds:* Valued at the daily closing price as reported by the fund. Mutual funds held by the Town are open-ended mutual funds that are registered with the Securities and Exchange Commission.

*Fixed income securities:* Valued using market quotations or prices obtained from independent pricing sources which may employ various pricing methods to value the investments, including matrix pricing based on quoted prices for securities with similar coupons, ratings and maturities.

The following table summarizes the assets of the Town for which fair values are determined on a recurring basis as of June 30, 2023.

Investment at Fair Value	June 30, 2023	Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
<b>Debt Securities</b>				
US Government Obligations	\$ 2,047,784	\$ 2,047,784	\$ -	\$ -
Mortgage Backed Securities	1,542,135	1,542,135	-	-
Collateralized Mtg Obligations	51,427	51,427	-	-
Asset Backed Securities	572,770	572,770	-	-
Corporate Bonds	1,723,634	1,723,634	-	-
Foreign Bonds and Notes	85,406	85,406	-	-
Private Placements	93,411	93,411	-	-
Open End MF-Fixed Inc Tax	8,718,475	8,718,475	-	-
<b>Equity Securities</b>				
Common Stock	2,607,301	2,607,301	-	-
Foreign Stock	507,123	507,123	-	-
ADR	4,277,895	4,277,895	-	-
Open End MF-Equity	13,893,258	13,893,258	-	-
Real Estate Investment Trust	153,359	153,359	-	-
Short Term Investments	12,769,968	-	-	12,769,968
Vanguard	11,339,094	11,339,094	-	-
Government Banking Investment	2,170,090	2,170,090	-	-
<b>Total Investments</b>	<b>\$ 62,553,130</b>	<b>\$ 49,783,162</b>	<b>\$ -</b>	<b>\$ 12,769,968</b>

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 4. Investments (Continued)**

Pension Trust Fund and OPEB Trust Fund investments:

	Carrying Amount
Debt Securities	\$ 14,835,043
Equity Securities	21,438,936
Mutual Fund	13,509,184
Total investments:	\$ 49,783,162

**Note 5. Interfund Transactions**

Inter-fund receivables and payables at June 30, 2023 are as follows:

	Due from Other Funds	Due to Other Funds	Other Financing Sources	Other Financing Uses
<b><u>Major Governmental Funds</u></b>				
General fund	\$ 1,294,541	\$ 13,161,878	\$ -	\$ 45,312,445
School unrestricted fund	-	363,204	43,345,860	-
Public building bond fund	2,317,570	-	-	-
<b><u>Non-Major Governmental Funds</u></b>				
Town special revenue	3,835,354	376,395	-	-
School special revenue	4,588,371	4,052,441	-	-
Capital projects	6,945,163	1,587,539	1,966,585	-
<b><u>Proprietary Funds</u></b>				
Water fund	-	-	-	-
Sewer fund	-	136,217	-	-
Police detail fund	696,674	-	-	-
Totals	\$ 19,677,674	\$ 19,677,674	\$ 45,312,445	\$ 45,312,445

The principal purpose of interfund transfers is to provide a financing source to various funds that may not have the ability to cover all operating costs or capital expenditures with revenue generated by the fund.

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 6. Capital Assets**

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

<b>Governmental Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 15,328,174	\$ -	\$ -	\$ 15,328,174
Construction in progress	70,751,515	5,829,204	(70,751,515)	5,829,204
Total capital assets not being depreciated:	<u>86,079,689</u>	<u>5,829,204</u>	<u>(70,751,515)</u>	<u>21,157,378</u>
Capital assets being depreciated:				
Land improvements and infrastructure	31,007,286	1,874,743	-	32,882,029
Buildings & improvements	67,370,567	71,886,270	-	139,256,837
Machinery & equipment	5,599,269	450,037	-	6,049,306
Motor vehicles	5,146,976	512,213	-	5,659,189
Total capital assets, being depreciated:	<u>109,124,098</u>	<u>74,723,263</u>	<u>-</u>	<u>183,847,361</u>
Amortized Assets:				
Intangible Right to Use				
Leased equipment	172,455	-	-	172,455
Total Amortized Asset	<u>172,455</u>	<u>-</u>	<u>-</u>	<u>172,455</u>
Less accumulated depreciation:				
Land improvements and infrastructure	12,745,955	1,158,893	-	13,904,848
Buildings & improvements	27,491,120	5,175,937	-	32,667,057
Machinery & equipment	4,821,572	172,567	-	4,994,139
Motor vehicles	3,622,024	345,929	-	3,967,953
Total accumulated depreciation:	<u>48,680,671</u>	<u>6,853,326</u>	<u>-</u>	<u>55,533,997</u>
Less accumulated amortization for:				
Leased equipment	55,675	58,390	-	114,065
Total accumulated amortization	<u>55,675</u>	<u>58,390</u>	<u>-</u>	<u>114,065</u>
Total capital assets being depreciated and amortized, net	<u>60,560,207</u>	<u>67,811,547</u>	<u>-</u>	<u>128,371,754</u>
Governmental activities capital assets, net	<u>\$ 146,639,896</u>	<u>\$ 73,640,751</u>	<u>\$ (70,751,515)</u>	<u>\$ 149,529,132</u>

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

Governmental activities:	
General government	\$ 102,663
Public safety	372,679
Public Service	1,018,577
Culture	323,019
Library	55,724
Education	4,980,664
Total governmental activities depreciation expense	<u>\$ 6,853,326</u>
Governmental activities:	
Amortization	<u>\$ 58,390</u>
Total governmental activities amortization expense	<u>\$ 58,390</u>

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 6. Capital Assets (Continued)**

<b>Business-type Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated:				
Land	\$ 177,451	\$ -	\$ -	\$ 177,451
Construction in progress	173,478	-	-	173,478
Total capital assets not being depreciated:	350,929	-	-	350,929
Capital assets being depreciated:				
Buildings & improvements	1,254,353	5,365	-	1,259,718
Infrastructure	48,463,552	12,900	-	48,476,452
Machinery & equipment	2,301,153	103,003	-	2,404,156
Motor vehicles	1,044,476	17,601	-	1,062,077
Total capital assets, being depreciated:	53,063,534	138,869	-	53,202,403
Less accumulated depreciation:				
Buildings & improvements	845,018	420,294	-	1,265,312
Infrastructure	18,843,117	287,454	-	19,130,571
Machinery & equipment	1,418,974	46,435	-	1,465,409
Motor vehicles	924,146	82,455	-	1,006,601
Total accumulated depreciation:	22,031,255	836,638	-	22,867,893
Total capital assets being depreciated, net	31,032,279	(697,769)	-	30,334,510
Business-type activities capital assets, net	\$ 31,383,211	\$ (697,769)	\$ -	\$ 30,685,442

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

Business-type activities	
Water Fund	\$ 393,819
Sewer Fund	422,446
Police Detail	20,373
Total business-type activities depreciation expense	\$ 836,638

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 7. Long-Term Obligation**

*General obligation bonds, notes and loans payable:*

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

Rhode Island general laws cap the amount of each municipality's general obligation bonds that may be outstanding to 3% of its assessed property values. Exceptions apply to bonds financed from nontax revenues and special exemptions are granted for other purposes as well. The assessed value of the Town's properties at December 31, 2020 was \$3,411,515,853, limiting the amount of non-excepted general obligation bonds outstanding to \$102,345,475. At June 30, 2023, bonds and loans outstanding totaled \$64,485,000.

*Defeasance of debt:*

On July 1, 2003, the Town issued \$18,770,000 in general obligation bonds with an average interest rate of 3.83% to refund in advance \$6,980,000 in 1996 bonds and \$11,360,000 in 1993 bonds. The note proceeds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1996 bonds and the redemption of the 1993 bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Town's financial statements. On June 30, 2023, the outstanding balance of defeased bonds is \$10,924,917.

A summary of long-term obligations at June 30, 2023 is as follows:

	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>
General obligation bonds	\$ 64,485,000	\$ -	\$ 64,485,000
Premium on bond issuance	10,924,917	-	10,924,917
<b>Total bonds payable</b>	<u>75,409,917</u>	-	<u>75,409,917</u>
Loans payable	-	3,694,650	3,694,650
Leases payable	59,510	-	59,510
MERS Pension	2,037,711	-	2,037,711
ERSRI Pension	38,263,355	-	38,263,355
Town Pension	15,281,384	270,230	15,551,614
OPEB obligation	12,021,663	-	12,021,663
Accrued compensated absences	4,739,754	-	4,739,754
	<u>147,813,294</u>	<u>3,964,880</u>	<u>151,778,174</u>
Less portion due within one year	5,618,108	402,000	6,020,108
<b>Total long term debt</b>	<u>\$ 142,195,186</u>	<u>\$ 3,562,880</u>	<u>\$ 145,758,066</u>

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 7. Long-Term Obligation (Continued)**

Governmental Activities									
Purpose	Amount of Original Issue	Date Issued	Interest Rate	Maturity Date	Balance, July 1, 2022	New Issues	Refunding/ Retired	Balance, June 30, 2023	Amounts Due Within One Year
<b>General obligation bonds</b>									
Refunding - School construction & renovation	\$ 22,055,000	06/25/15	3.00-5.00%	08/01/26	\$ 11,195,000	-	\$ 2,050,000	\$ 9,145,000	\$ 2,150,000
Refunding of 2007 Bonds	1,285,000	09/25/18	4.125-4.250%	06/30/27	690,000	-	135,000	555,000	140,000
Refunding of 2008 Bonds	2,335,000	09/25/18	4.00-4.375%	06/30/29	1,625,000	-	230,000	1,395,000	235,000
RIHEBC Series 2020B	57,450,000	06/17/20	3.00-5.00%	05/15/40	55,460,000	-	2,070,000	53,390,000	2,155,000
<b>Total general obligation bonds</b>	<b>\$ 83,125,000</b>				<b>68,970,000</b>	<b>-</b>	<b>4,485,000</b>	<b>64,485,000</b>	<b>4,680,000</b>
<b>Premium on bond issuance</b>					11,756,117	-	831,200	10,924,917	831,200
Total bonds payable	<b>\$ 83,125,000</b>				<b>\$ 80,726,117</b>	<b>-</b>	<b>\$ 5,316,200</b>	<b>\$ 75,409,917</b>	<b>\$ 5,511,200</b>
<b>Others:</b>									
Net pension liability - MERS					\$ 1,791,336	\$ 246,375	\$ -	\$ 2,037,711	\$ -
Net pension liability - ERS					33,926,491	4,336,864	-	38,263,355	-
Town pension liability					15,400,184	-	118,800	15,281,384	-
Net OPEB liability					15,431,789	-	3,410,126	12,021,663	-
Accrued compensated absences					4,565,250	174,505	-	4,739,754	47,398
Total long-term obligations					<b>\$ 151,841,167</b>	<b>\$ 4,757,744</b>	<b>\$ 8,845,126</b>	<b>\$ 147,753,784</b>	<b>\$ 5,558,598</b>

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 7. Long-Term Obligation (Continued)**

*Business-type activities:*

Purpose	Amount of Original Issue	Date Issued	Interest Rate	Maturity Date	Balance, July 1, 2022	New Issues	Retired	Balance, June 30, 2023	Amounts Due Within One Year
<b>Loans payable</b>									
Enterprise fund, Sewer									
Rhode Island Clean Water									
Finance Agency									
Sewer system improvements	\$ 2,902,500	03/29/11	1.45-4.35%	09/01/31	\$ 1,748,500	\$ -	\$ 141,000	\$ 1,607,500	\$ 148,000
Sewer system improvements	849,000	07/30/15	1.33-2.96%	09/01/34	651,000	-	42,000	609,000	41,000
Enterprise fund, Water									
Rhode Island Clean Water									
Finance Agency									
Water system improvements	300,000	04/19/04	3.50%	09/01/24	21,583	-	7,000	14,583	7,000
Water system improvements	1,800,000	03/01/07	3.03-3.40%	09/01/27	687,000	-	104,000	583,000	108,000
Water system improvements	1,500,000	11/06/09	0.55-4.15%	09/01/29	788,000	-	76,000	712,000	79,000
Water system improvements	362,568	02/12/10	0.36-4.09%	09/01/30	186,567	-	18,000	168,567	19,000
Total loans obligations	<u>\$ 7,714,068</u>				<u>\$ 4,082,650</u>	<u>\$ -</u>	<u>\$ 388,000</u>	<u>\$ 3,694,650</u>	<u>\$ 402,000</u>
<b>Others:</b>									
Town pension liability					<u>\$ 270,230</u>	<u>\$ 12,842</u>	<u>\$ -</u>	<u>\$ 283,072</u>	<u>\$ -</u>
Total long-term obligations					<u>\$ 270,230</u>	<u>\$ 12,842</u>	<u>\$ -</u>	<u>\$ 283,072</u>	<u>\$ -</u>

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 7. Long-Term Obligation (Continued)**

At June 30, 2023, annual debt service requirements to maturity for general obligation bonds, loans payable and capital leases are as follows:

*General obligation bonds:*

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	4,675,000	2,665,175	7,340,175
2025	4,860,000	2,467,313	7,327,313
2026	5,030,000	2,278,988	7,308,988
2027	5,245,000	2,042,425	7,287,425
2028	2,800,000	1,846,063	4,646,063
2029-2033	15,080,000	7,133,700	22,213,700
2034-2038	18,460,000	3,535,300	21,995,300
2039-2043	8,335,000	461,550	8,796,550
	<u>\$ 64,485,000</u>	<u>\$ 22,430,513</u>	<u>\$ 86,915,513</u>

*Loans payable:*

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	404,000	119,772	523,772
2025	418,582	106,346	524,928
2026	427,000	92,330	519,330
2027	445,000	77,659	522,659
2028	461,000	62,253	523,253
2029-2033	1,423,068	121,913	1,544,981
2034-2038	116,000	3,401	119,401
	<u>\$ 3,694,650</u>	<u>\$ 583,674</u>	<u>\$ 4,278,324</u>

*Capital lease right to use:*

The Town of Lincoln currently has a lease with Hewlett-Packard for laptops. The lease agreement qualifies as a capital lease for accounting purposes, and therefore, has been recorded at the present value of their future minimum payments as of the inception date.

Schedule of payment for capital leases as June 30, 2023 were as follows :

*Capital leases right to use:*

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 59,510	\$ 2,165	\$ 61,675
	<u>\$ 59,510</u>	<u>\$ 2,165</u>	<u>\$ 61,675</u>

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 8. ERS Pension Plans

All eligible employees of the Town are covered by one of four pension plans: The Town of Lincoln Retirement Plan (Town Plan), the Laborers' International Union of North America Pension Fund (Union Plan), the Employees' Retirement System of the State of Rhode Island (Teachers' Plan), and the Municipal Employees' Retirement System (Municipal Plan).

#### Employees' Retirement System Defined Benefit Pension Plan

##### General Information about the Pension Plan

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

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

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

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

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

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

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

June 30, 2023

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**Note 8. ERS Pension Plan (Continued)**

Employees' Retirement System Defined Benefit Pension Plan

General Information about the Pension Plan

**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, Town teachers were required to contribute 3.75% of their annual covered salary, except for teachers with twenty or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The state and the Town are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by Town; the rates were 10.75% and 14.50% of annual covered payroll for the fiscal year ended June 30, 2023 for the state and Town, respectively. The Town contributed \$3,940,954, \$3,890,608 and \$3,762,850 for the fiscal years ended June 30, 2023, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2023, the Town reported a liability of \$33,926,491 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the Town were as follows:

Town proportionate share of net pension liability	\$ 38,263,355
State's proportionate share of the net pension liability associated with the Town	<u>28,298,439</u>
Total net pension liability	<u>\$ 66,561,794</u>

The net pension liability was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021. The Town proportion of the net pension liability was based on a projection of the Town long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2021 the Town proportion was 1.44159585%.

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 8. ERS Pension Plan (Continued)**

For the year ended June 30, 2023 the Town recognized gross pension expense of \$669,798 and revenue of \$599,399 for support provided by the State. At June 30, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 566,722	\$ 744,223
Changes of assumptions	771,720	573,670
Net difference between projected and actual earnings on pension plan investments	-	800,618
Changes in proportion and differences between System contributions and proportionate share contributions	648,911	1,522,579
System contributions subsequent to the measurement date	4,405,242	-
	\$ 6,392,595	\$ 3,641,090
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		\$ (1,653,737)

\$3,940,954 reported as 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:

Year ended June 30:

2024	\$ (568,258)
2025	(762,330)
2026	(1,214,514)
2027	1,032,487
2028	(68,625)
Thereafter	(72,497)
	\$ (1,653,737)

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

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

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

*June 30, 2023*

### Note 8. ERS Pension Plan (Continued)

#### Employees' Retirement System Defined Benefit Pension Plan

Mortality – variants of PUB (10) tables for Healthy and Disabled retirees, projected with scales Ultimate MP 16.

The actuarial assumptions used in the June 30, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global equity:</b>		
U.S. Equity	24.30%	5.83%
International Developed Equity	11.10%	6.35%
Emerging Markets Equity	4.60%	8.04%
<b>Sub-total</b>	<u>40.00%</u>	
<b>Private Growth</b>		
Private Equity	12.50%	9.47%
Non-Core Real Estate	2.50%	5.32%
<b>Sub-total</b>	<u>15.00%</u>	
<b>INCOME</b>		
Equity Options	2.00%	3.19%
EMD (50/50 Blend)	2.00%	5.32%
Liquid Credit	3.00%	5.59%
Private Credit	3.00%	1.96%
Collateralized Loan Obligations (CLO)	2.00%	3.19%
<b>Sub-total</b>	<u>12.00%</u>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-total</b>	<u>10.00%</u>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	5.32%
Private Infrastructure	4.00%	5.81%
<b>Sub-total</b>	<u>8.00%</u>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-total</b>	<u>15.00%</u>	
	<u>100.00%</u>	

*Continued*

TOWN OF LINCOLN, RHODE ISLAND

Note to the Financial Statements

June 30, 2023

**Note 8. ERS Pension Plan (Continued)**

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

Employees' Retirement System Defined Benefit Pension Plan

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

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

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ 48,004,523	\$ 38,263,355	\$ 29,412,407

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

**Note 9. Defined Contribution Pension Plan: ERS**

**Defined Contribution Plan Description:**

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

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

The Town of Lincoln, Rhode Island recognized pension expense of \$696,077, for the fiscal year ended June 30, 2023.

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 9. Defined Contribution Pension Plan (Continued)

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

### Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan

#### General Information about the Pension Plan

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

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

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

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

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

**Final Compensation:** 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.

*Continued*

## TOWN OF LINCOLN, RHODE ISLAND

### Note to the Financial Statements

June 30, 2023

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#### Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)

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

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

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

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

##### *Police and Fire employees*

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

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

Active members on June 30, 2012 may choose to retire at their prior Retirement Date if they continue to work and contribute until that date. If option is elected, the retirement benefit will be calculated using the

*Continued*

## TOWN OF LINCOLN, RHODE ISLAND

### Note to the Financial Statements

June 30, 2023

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#### **Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)**

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

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

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 in (a) and (b) 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).

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

June 30, 2023

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**Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)**

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

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

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

**Employees covered by benefit terms.**

At the June 30, 2021 valuation date, the following employees were covered by the benefit terms:

	General Employees	Rescue Employees
Retirees and Beneficiaries	7	11
Inactive, Nonretired Members	12	5
Active Members	13	16
Total	32	32

*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%. Public safety employees are required to contribute 9% of their salaries. The Town contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town contributed \$115,630 to their general employee MERS plan in the year ended June 30, 2021 which was 11.43% of annual covered payroll and contributed \$212,944 to their rescue employee MERS plan in the year ended June 30, 2021 which was 23.90% of annual covered payroll.

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)**

**Net Pension Liability (Asset)** - The total pension liability was determined by actuarial valuations performed as of June 30, 2020 and rolled forward to June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement.

<b>Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability at the June 30, 2021 measurement date (June 30, 2020 valuation rolled forward to June 30, 2021)</b>	
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	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.50%; Police & Fire Employees - 4.00% to 14.00%
Inflation	2.5 %
Mortality	Mortality – variants of the PUB (10) tables for Healthy and Disabled retirees, projected with scales Ultimate MP 16
Cost of Living Adjustments	The Known COLA for certain MERS units in calendar years 2019 and 2020 were 1.86% and 1.56%, respectively and this was reflected in the June 30,2019 valuation. 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, 2020 valuation rolled forward to June 30, 2021 and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

*June 30, 2023*

### Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)

Asset class	Target Asset Allocation	Long-Term Expected Real Rate of Return
GROWTH		
<b>Global equity:</b>		
U.S. Equity	24.30%	5.83%
International Developed Equity	11.10%	6.35%
Emerging Markets Equity	4.60%	8.04%
<b>Sub-total</b>	<b>40.00%</b>	
<b>Private Growth</b>		
Private Equity	12.50%	9.47%
Non-Core Real Estate	2.50%	5.32%
<b>Sub-total</b>	<b>15.00%</b>	
INCOME		
Equity Options	2.00%	3.19%
EMD (50/50 Blend)	2.00%	5.32%
Liquid Credit	3.00%	5.59%
Private Credit	3.00%	1.96%
Collateralized Loan Obligations (CLO)	2.00%	3.19%
<b>Sub-total</b>	<b>12.00%</b>	
STABILITY		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-total</b>	<b>10.00%</b>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	5.32%
Private Infrastructure	4.00%	5.81%
<b>Sub-total</b>	<b>8.00%</b>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-total</b>	<b>15.00%</b>	
	<b>100.00%</b>	

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 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.

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)**

**Changes in the Net Pension Liability (Asset) - General Employees**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2021	\$ 3,427,972	\$ 3,473,423	\$ (45,451)
Changes for the Year			
Service cost	91,189	-	91,189
Interest on the total pension liability	238,173	-	238,173
Changes in benefits	-	-	-
Difference between expected and actual experience	(186,787)	-	(186,787)
Changes in assumptions	-	-	-
Employer contributions	-	102,157	(102,157)
Employee contributions	-	8,947	(8,947)
Net investment income	-	(93,677)	93,677
Benefit payments, including employee refunds	(142,197)	(142,197)	-
Administrative expense	-	(3,193)	3,193
Other changes	-	-	-
Net changes	378	(127,963)	128,341
Balances as of June 30, 2022	\$ 3,428,350	\$ 3,345,460	\$ 82,890

**Changes in the Net Pension Liability (Asset) - Rescue Employees**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2021	\$ 7,167,828	\$ 5,376,492	\$ 1,791,336
Changes for the Year			
Service cost	169,820	-	169,820
Interest on the total pension liability	495,997	-	495,997
Changes in benefits	-	-	-
Difference between expected and actual experience	(332,099)	-	(332,099)
Changes in assumptions	-	-	-
Employer contributions	-	263,513	(263,513)
Employee contributions	-	88,725	(88,725)
Net investment income	-	(145,958)	145,958
Benefit payments, including employee refunds	(334,127)	(334,127)	-
Administrative expense	-	(4,976)	4,976
Other changes	-	(31,071)	31,071
Net changes	(409)	(163,894)	163,485
Balances as of June 30, 2022	\$ 7,167,419	\$ 5,212,598	\$ 1,954,821

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)**

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

General Employee Plan

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 404,865	\$ 82,890	\$ (209,597)

Rescue Employee Plan

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$ 2,631,450	\$ 1,954,821	\$ 1,340,134

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

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

**General Employees Plan**

For the year ended June 30, 2021 the employer recognized pension expense of \$27,413 The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences in assumptions	\$ -	\$ 129,027
Difference between expected and actual experience	-	81
Net difference between projected and actual earnings on pension plan investments	-	29,625
Contributions subsequent to the measurement date	101,135	-
	\$ 101,135	\$ 158,733
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		\$ (158,733)

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 10. Municipal Employees' Retirement System (MERS) Defined Benefit Pension Plan (Continued)**

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

Year ended June 30:		
2024	\$	(116,957)
2025		(64,526)
2026		(44,375)
2027		67,125
2028		-
Thereafter		-
	<u>\$</u>	<u>(158,733)</u>

**Rescue Employees Plan**

For the year ended June 30, 2021 the employer recognized pension expense of \$151,210. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences in assumptions	\$ 283,310	\$ 514,882
Difference between expected and actual experience	118,021	-
Net difference between projected and actual earnings on pension plan investments	-	45,544
Contributions subsequent to the measurement date	-	-
	<u>\$ 401,331</u>	<u>\$ 560,426</u>
Net amount of deferred outflows and (inflows) excluding contributions subsequent to measurement date		<u>\$ (159,095)</u>

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

Year ended June 30:		
2024	\$	(4,333)
2025		(46,400)
2026		(83,795)
2027		93,882
2028		(52,920)
Thereafter		(65,529)
	<u>\$</u>	<u>(159,095)</u>

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### **Note 11. Defined Contribution Pension Plan: MERS**

#### ***Defined Contribution Plan Description:***

Certain employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants. Employees contribute 1 to 1.5% of their annual covered salary and employers contribute 5% of annual covered salary. 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 Lincoln recognized pension expense of \$40,182, 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 report may be obtained at <http://www.ersri.org>.

### **Note 12. Teacher Survivors (TSB) Benefit Plan**

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

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

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

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

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 12. Teacher Survivors (TSB) Benefit Plan (Continued)**

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:

Highest Annual Salary	Basic Monthly Spouses’s Benefit
\$17,000 or less	\$ 825.00
\$17,001 to \$25,000	\$ 962.50
\$25,001 to \$33,000	\$ 1,100.00
\$33,001 to \$40,000	\$ 1,237.50
\$40,001 and over	\$ 1,375.00

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

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

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

The Town contributed \$35,148, \$35,732, and \$34,380 for the fiscal years ended June 30, 2023, 2021 and 2020, respectively, equal to 100% of the required contributions for each year.

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

At June 30, 2023 the Town reported an asset of \$8,237,742 for its proportionate share of the net pension asset related to its participation in TSB. The net pension asset was measured as of June 30, 2021, the measurement date, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 2021. The Town proportion of the net pension asset was based on its share of contributions to the TSB for fiscal year 2021 relative to the total contributions of all participating employers for that fiscal year. At June 30, 2021 the Town proportion was 4.85355551%.

For the year ended June 30, 2023 the Town recognized pension expense of \$(1,101,131) – an increase in the net pension asset. At June 30, 2023 the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 12. Teacher Survivors (TSB) Benefit Plan (Continued)**

<b>Description of Outflows/Inflows</b>	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 202,437	\$ 1,060,888
Changes of assumptions	200,169	275,918
Net difference between projected and actual earnings on pension plan investments	-	190,526
Changes in proportion and differences between System contributions and proportionate share contributions	331,852	215,813
System contributions subsequent to the measurement date	35,731	-
	<u>\$ 770,189</u>	<u>\$ 1,743,145</u>
Net amount of deferred outflows and (inflows) excluding Town contributions subsequent to measurement date		<u>\$ (1,008,687)</u>

\$35,148 reported as 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 an addition to the net pension asset for the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	(207,707)
2025		(325,226)
2026		(450,490)
2027		178,656
2028		(133,895)
Thereafter		(70,024)
	<u>\$</u>	<u>(1,008,687)</u>

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

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

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

*June 30, 2023*

### Note 12. Teacher Survivors (TSB) Benefit Plan (Continued)

Mortality – variants of the PUB (10) tables for Healthy and disabled retirees, projected with scale ultimate MP 16.

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

The actuarial assumptions used in the June 30, 2020 valuation and the calculation of the total pension liability at June 30, 2021 were consistent with the results of an actuarial experience study performed as of June 30, 2019.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2021 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

<u>Asset class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
<b>GROWTH</b>		
<b>Global equity:</b>		
U.S. Equity	24.30%	5.83%
International Developed Equity	11.10%	6.35%
Emerging Markets Equity	4.60%	8.04%
<b>Sub-total</b>	<u>40.00%</u>	
<b>Private Growth</b>		
Private Equity	12.50%	9.47%
Non-Core Real Estate	2.50%	5.32%
<b>Sub-total</b>	<u>15.00%</u>	
<b>INCOME</b>		
Equity Options	2.00%	3.19%
EMD (50/50 Blend)	2.00%	5.32%
Liquid Credit	3.00%	5.59%
Private Credit	3.00%	1.96%
Collateralized Loan Obligations (CLO)	2.00%	3.19%
<b>Sub-total</b>	<u>12.00%</u>	
<b>STABILITY</b>		
<b>Crisis Protection Class</b>		
Treasury Duration	5.00%	-0.32%
Systematic Trend	5.00%	3.39%
<b>Sub-total</b>	<u>10.00%</u>	
<b>Inflation Protection</b>		
Core Real Estate	4.00%	5.32%
Private Infrastructure	4.00%	5.81%
<b>Sub-total</b>	<u>8.00%</u>	
<b>Volatility Protection</b>		
IG Fixed Income	3.25%	1.14%
Securitized Credit	3.25%	1.14%
Absolute Return	6.50%	3.39%
Cash	2.00%	-0.32%
<b>Sub-total</b>	<u>15.00%</u>	
	<u>100.00%</u>	

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

TOWN OF LINCOLN, RHODE ISLAND

Note to the Financial Statements

June 30, 2023

**Note 12. Teacher Survivors (TSB) Benefit Plan (Continued)**

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

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

1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
\$ (7,231,443)	\$ (8,237,742)	\$ (9,152,023)

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

**Note 13. Town Pension Plan**

*Plan description:*

The Town Plan is a cost-sharing multiple employer defined benefit pension plan that covers substantially all Town and School Department employees not covered by other plans, as well as eligible firefighters employed by two fire districts: Lonsdale Fire and Saylesville Fire. Employees who work twenty hours or more per week for more than five months are eligible to participate. The Town Plan is reported as a Pension Trust Fund in the Town's financial statements.

*Plan membership:*

At June 30, 2023, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	122
Inactive plan members entitled to but not yet receiving benefits	56
Active plan members	147
Subtotal	325

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 13. Town Pension Plan (Continued)

#### *Benefit provisions:*

The Town Plan provides retirement and survivor benefits. The following benefit provisions were established and may be amended by Town ordinance or union contract:

- Any participant, who has attained his or her normal retirement date, as defined in the Town Plan, is eligible for a normal retirement benefit. The monthly benefit payable upon normal retirement is based on average monthly salary multiplied by credited service as follows:

Police and Lonsdale Firefighters	2 ½ % of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to five additional years of credited service.
Saylesville Firefighters	2 ½ % of average monthly salary multiplied by credited service up to 20 years, plus 2% of average monthly salary multiplied by up to ten additional years of credited service.
All other employees	1 ½ % of average monthly salary multiplied by credited service, with maximum benefit of 60% of average monthly salary.

Average monthly salary equals the average compensation during the highest three consecutive years out of the final ten years of employment. Salary includes base compensation plus holiday and longevity pay, but not overtime. Payments commence on the first day of the month following the date of an employee's retirement.

- Participants who terminate employment before completing ten years of service are refunded their employee contributions with annual interest credited at 5% after 1997 and 3 /1 2% before 1998. Participants who terminate employment after completing ten years of service have the option of either a refund of their employee contribution or a monthly benefit, as described above, at the normal retirement date.
- The beneficiary of a participant who dies prior to retirement receives the participant's accumulated contributions. In lieu of this benefit, the surviving spouse can elect to receive a benefit equal to 50% of the participant's benefit accrued to the date of death, payable at the participant's normal retirement date.
- For participants other than police and firefighters, the normal form of benefit is a monthly life annuity. For the police and firefighters, the normal form of benefit is a monthly joint and 67/1 2% survivor annuity. Optional forms of monthly benefits are available and are determined to be actuarially equivalent to the normal form of benefit.
- Police department employees who retire after June 30, 2004 receive an automatic 3% annual compounded Cost-of-Living Adjustment (COLA) to their monthly pension benefit.

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 13. Town Pension Plan (Continued)**

***Funding policy and contributions:***

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

Employees are required to contribute 4% of their salary; police and firefighters must contribute 8% and 6%, respectively.

The Town is required to contribute an amount determined in accordance with the actuarial valuation. Administrative costs are paid from plan assets. Contributions to the pension plan from the Town were \$2,290,120.

***Actuarial method and significant assumptions:***

The annual required contribution (ARC) was determined as part of the June 30, 2023 actuarial valuation using the Entry Age Actuarial Cost Method. Under this method, the excess of the entry age actuarial accrued liability over the actuarial value of plan assets is amortized over a 20-year closed period as a level % of pay. The actuarial accrued liability, which is re-determined for each active participant as of each valuation date, represents the theoretical accumulation of all prior years' normal costs for the present participants as if the Town Plan had always been in effect. The unfunded actuarial accrued liability represents the excess of the actuarial accrued liability over the Plan's assets, which are valued using the actuarial value of the assets using a five-year smoothing of appreciation and/or depreciation.

Inflation	3.0 percent
Salary increases	3.00-6.00 percent, including inflation
Investment rate of return	6.75 percent, net of pension plan investment expense, including inflation

Mortality rates were based on the PUB-2010 safety mortality table with fully generational from 2010 based on mortality improvement scale MP-19

***Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions:***

At June 30, 2023, the Town reported liability \$15,281,384 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities. At June 30, 2023, the Town's proportion was 93.69%, which is a decrease of .12% from the its proportion measured as of June 30, 2022.

For the year ended, June 30, 2023, the Town recognized pension expense of \$2,288,190. At June 30, 2023, the Town reported deferred outflows of resources and inflows of resources related to pensions from the following sources:

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 13. Town Pension Plan (Continued)**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ 1,166,615	\$ 610,001
Changes in assumptions	308,790	90,119
Net difference between projected and actual earnings on pension plan investments	767,610	-
Total deferred outflows / (inflows)	<u>\$ 2,243,015</u>	<u>\$ 700,120</u>
Total		<u>\$ 1,542,895</u>

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

<b>Year ended June 30:</b>	
2024	\$ 533,844
2025	55,000
2026	925,261
2027	28,790
2028	-
Thereafter	-
	<u>\$ 1,542,895</u>

***Investment Policy:***

Investments shall be made solely in the interest of the Plan with an emphasis on long-term growth of principal while avoiding excessive risk, primarily through asset diversification. Investments of the Plan shall be so diversified as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so. The Plan shall be diversified by maturity, issuer and class of security in order to eliminate the risk of loss resulting from over-concentration of assets. Consistent with their respective investment styles and philosophies, investment managers should make reasonable efforts to preserve capital, understanding that losses may occur in individual securities.

***Rate of Return:***

For the year ended June 30, 2023 the annual money-weighted weighted rate of return on pension plan investments, net of pension plan expense was -5.05%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for changing amounts actually invested.

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

June 30, 2023

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**Note 13. Town Pension Plan (Continued)**

***Long-term expected rate of return:***

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic fixed income	0.88%
International fixed income	1.86%
Domestic equities	4.90%
International equities	5.19%
Real estate	3.62%

***Long-term expected rate of return (continued):***

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic fixed income	30%
Domestic equities	56%
International equities	14%
Total	<u>100%</u>

***Discount Rate:***

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 13. Town Pension Plan (Continued)**

***Sensitivity of the net pension liability to changes in the discount rate:***

The following presents the net pension liability, calculated using the discount rate of 6.75%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1- percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	<b>1% Decrease (5.75%)</b>	<b>Current Discount Rate (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net Pension Liability	\$ 22,713,343	\$ 15,281,384	\$ 9,300,734

***Net Pension Liability:***

The components of the net pension liability of the participating entities at June 30, 2023 were as follows:

Total pension liability	\$ 51,785,096
Plan fiduciary net position	<u>(36,503,712)</u>
Net pension liability	<u>\$ 15,281,384</u>
Plan fiduciary net position as a percentage of the total pension liability	70.49%

**Aggregate Pension Amounts Reported in the Financial Statements:**

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

	<b>MERS General</b>	<b>MERS Rescue</b>	<b>ERS</b>	<b>TSB</b>	<b>Town Plan</b>	<b>Total</b>
Net Pension Asset	\$ -	\$ -	\$ -	\$ 8,237,742	\$ -	\$ 8,237,742
Deferred Outflows of Resources - Pension	101,135	401,331	6,392,595	770,189	2,243,015	9,908,265
Deferred Inflows of Resources - Pension	158,733	560,426	3,641,090	1,743,145	700,120	6,803,514
Net Pension Liability	82,890	1,954,821	38,263,355	-	15,281,384	55,582,450
Pension Expense	<u>(113,862)</u>	<u>216,615</u>	<u>1,762,411</u>	<u>(818,170)</u>	<u>2,176,057</u>	<u>3,223,051</u>
<b>Total</b>	<u>\$ 228,896</u>	<u>\$ 3,133,193</u>	<u>\$ 50,059,451</u>	<u>\$ (6,542,578)</u>	<u>\$ 20,400,576</u>	<u>\$ 83,755,022</u>

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### **Note 14. Union Plan**

#### ***Plan description:***

The Town of Lincoln Town Hall, Public Works, Library and Water union employees participate in the Laborer's International Union of North America Pension Fund, a cost-sharing multiple employer defined benefit plan. Financial statements for the Union Plan are issued separately and may be obtained from the Laborers National (Industrial) Pension Fund, 905 165th Street, NW., Washington, D.C. 20006-1765 or by calling (202) 737-1664.

Employees can retire on a regular pension if they have attained at least age 62, earned at least five years of Pension Credit, and earned at least one year of Pension Credit during the period that their employer is contributing to the Pension Fund. The amount of regular pension benefits payable to eligible participants is determined by the highest contribution rate at which they earned Pension Credit and they years of Pension Credits they earned (up to a maximum of 30 years of Pension Credits). Vesting of benefits is attained for participants who have five or more years of vesting credit (without a permanent break in service). The fund also provides death and disability benefits.

#### ***Contributions required and contributions made:***

The Town's required contribution is negotiated with the local union. The Town's contribution was based upon \$2.89 per hour for Town Hall employees, \$2.72 per hour for Library employees, \$3.38 for hour for Public Works employees, and \$14.75 per day for Water employees participating in the Union plan for the period of July 1, 2020 to June 30, 2023. Participating employees are not required to contribute. The Town's required contribution for the year ended June 30, 2023 was \$324,726 as follows: Public Works (including sewer dept.) \$198,732, Town Hall \$84,128, and Library \$44,866.

### **Note 15. Other Postemployment Benefits**

#### **Plan Description**

The Town of Lincoln administers a single-employer, defined benefit post-employment health insurance plan. 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 is reported as a Trust Fund in the Town's financial statements. The plan does not issue a publicly available financial report. The Town implemented GASB Statement No. 75 in fiscal year 2017 on a retroactive basis.

The plan provides the following benefits based on employee group:

Police - Officers are eligible for lifetime retiree health benefit at 20 years of service with mandatory retirement at 25 years of service. There are no age requirements to get retiree health benefits.  
All Other Town Employees - COBRA coverage at retirement.

For All School Employees – Certified Teachers and certain Administrators positions are eligible for retiree health benefits until Medicare eligibility once they meet the retirement eligibility requirements of Rhode Island Employees Retirement System (RI ERS). The above benefit provisions reflect changes implemented since the last valuation.

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 15. Other Postemployment Benefits (Continued)**

As of June 30, 2023, the plan membership data is as follows:

<u>Description</u>	<u>Active Employees</u>	<u>Inactive or Beneficiaries Receiving Benefits</u>	<u>Total</u>
Number	457	81	538

**Funding Policy**

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 employee share of medical or dental premiums. For the fiscal year ended June 30, 2023, the Town contributed \$2,763,225 to the plan, which is 191.1% of the annual determined contribution.

*Summary of Significant Accounting Policies*

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

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

*Investment policy*

The Town's policy in regard to the allocation of invested assets is established and may be amended by the committee by a majority vote of its members. It is the policy of the Town to pursue an investment strategy that reduced risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Town's adopted asset allocation policy as of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. Equity	33.00%
Non-U.S. Equity	21.00%
U.S. Aggregate Bonds	15.00%
Intermediate-Term Credit	10.00%
Short-Term Credit	5.00%
Non-U.S. Bonds	10.00%
REITs	6.00%
Total	<u>100.00%</u>

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 15. Other Postemployment Benefits (Continued)**

*Rate of Return:*

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense was 5.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the Town

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

Total OPEB liability	\$ 23,360,761
Plans fiduciary net position	11,339,098
Town's net OPEB liability	<u>\$ 12,021,663</u>
Plan net position as a percentage of the total OPEB liability	48.54%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 using the following actuarial assumptions applied to all periods included in the measurement unless otherwise specified:

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### Note 15. Other Postemployment Benefits (Continued)

#### *Actuarial Methods and Assumptions (continued)*

##### Notes to Required Supplementary Information:

Valuation Date: July 1, 2022 with no adjustments to get to June 30, 2022 measurement date.  
Actuarial Cost Method: Entry Age Normal Level % of Salary method.  
Asset-Valuation Method: Market Value.

##### Actuarial Assumptions:

Discount Rate 6.60% as of June 30, 2023  
Inflation: 2.50% per year.  
Salary Increases: 3.50% annually as of June 30, 2022 and for future periods.  
Mortality

##### Healthy actives and retirees:

Police: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table  
fully generational using Scale MP-2021

School: SOA Pub-2010 Teachers Headcount weighted Mortality Table  
fully generational using Scale MP-2021

All Others: SOA Pub-2010 Teachers Headcount weighted Mortality Table  
fully generational using Scale MP-2021

Assumed rate of retirement:

##### School support staff

Retirement rates are based on the assumptions used in the RI MERS actuarial valuation report as of June 30, 2020, which is a flat 20% per year retirement probability for members eligible for unreduced retirement. A 35% retirement probability at first eligibility will be applied if they have reached age 65 or with at least 25 years of service.

##### School teachers and administration

Retirement rates are based on the assumptions used in the RI ERS actuarial valuation report as of June 30, 2020, which is a flat 25% per year retirement probability for members eligible for unreduced retirement. A 60% retirement probability at first eligibility will be applied if they have reached age 65 or with at least 25 years of service.

##### Town police officers

Retirement rates are based on Town of Lincoln Police pension actuarial valuation as of January 1, 2019.

Marriage assumptions

Spousal coverage and age for current retirees is based on actual data.  
Active employees who currently elect spousal coverage are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 15. Other Postemployment Benefits (Continued)**

Asset Class	Long-term Expected Real Rate of Return
U.S. Equity	6.20%
Non-U.S. Equity	8.30%
U.S. Aggregate Bonds	4.50%
Intermediate-Term Credit	4.90%
Short-Term Credit	4.50%
Non-U.S. Bonds	4.20%
REITs	6.60%

*Changes in the Net OPEB Liability*

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2022	\$ 24,647,856	\$ 9,216,067	\$ 15,431,789
Service cost	481,483	-	481,483
Interest on net OPEB liability and service cost	1,588,090	-	1,588,090
Differences between actual and expected experience	(2,474,093)	-	(2,474,093)
Changes in assumptions	534,090	-	534,090
Benefit payments, including refunds	(1,416,665)	(1,416,665)	-
Administrative expenses	-	(29,844)	29,844
Contributions - employer	-	2,763,225	(2,763,225)
Net investment income	-	806,315	(806,315)
Net changes	(1,287,095)	2,123,031	(3,410,126)
Balances at June 30, 2023	\$ 23,360,761	\$ 11,339,098	\$ 12,021,663

**Discount rate**

The discount rate used to measure the total OPEB liability was 6.60 percent. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current discount rate:

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 15. Other Postemployment Benefits (Continued)**

	<b>Impact of 1% Change in Discount Rate</b>		
	<b>1% Decrease (5.60%)</b>	<b>Current discount rate (6.60%)</b>	<b>1% Increase (7.60%)</b>
Total OPEB liability	15,078,042	12,021,663	9,513,682

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

The following presents the net OPEB liability of the Town, as well as what the Town’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0 percent decreasing to 3.5 percent) or 1-percentage-point higher (9.0 percent decreasing to 5.5 percent) than the current healthcare cost trend rates:

	<b>Impact of 1% Change in Healthcare Trend Rate</b>		
	<b>1% Decrease (7.00% decreasing to 3.50%)</b>	<b>Current trend rate (8.00% decreasing to 4.50%)</b>	<b>Current trend rate (9.00% decreasing to 5.50%)</b>
Total OPEB liability	9,388,160	12,021,663	15,242,036

OPEB expense and deferred outflows and inflows of resources related to OPEB

For the year ended June 30, 2023 the Town recognized OPEB expense of \$2,180,504. At June 30, 2023, the Town reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Differences between expected and actual experience	\$ 1,891,125	\$ 3,113,389
Changes in assumptions	1,434,081	87,314
Net difference between projected and actual earnings in OPEB plan investments	532,436	-
	3,857,642	3,200,703
<b>Total</b>		<b>\$ 656,939</b>

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

Year ended June 30:	
2024	\$ 475,765
2025	326,450
2026	534,422
2027	(356,365)
2028	(323,333)
Thereafter	-
Total	<b>\$ 656,939</b>

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 16. Financial Statements for Individual Pension and Other Postemployment Benefit Trust Funds**

GAAP requires that all Pension and Other Postemployment Trust Funds be combined and presented in one column in the Fiduciary Funds financial statements and that the individual financial statements for each trust fund plan are reported in the notes to the financial statements. Provided below are the individual financial statements for the pension and OPEB plan that are included in the Fiduciary Funds as Employee Benefit Trust Fund.

**Statement of Fiduciary Net Position**

	<b>Police Pension Trust Fund</b>	<b>OPEB Trust Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 3,459	\$ 1,370,077
Investments	38,671,183	11,339,098
Receivable	-	-
	38,674,642	12,709,175
<b>Deferred outflows of resources</b>		
None	-	-
	38,674,642	12,709,175
<b>Liabilities</b>		
Accounts payable	-	659
Other liabilities	95,182	2,697,230
Deposits held	-	-
	95,182	2,697,889
<b>Deferred inflows of resources</b>		
None	-	-
<b>Net Position</b>		
Restricted for pension trust	38,579,460	-
Restricted for OPEB trust	-	10,011,286
	38,579,460	10,011,286
Restricted for private purposes	-	-
	38,579,460	10,011,286
Total net position	38,579,460	10,011,286
Total liabilities and net position	\$ 38,674,642	\$ 12,709,175

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

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**Note 16. Financial Statements for Individual Pension and Other Postemployment Benefit Trust Funds**

**Statement of Changes in Fiduciary Net Position**

	<b>Police Pension Trust Fund</b>	<b>OPEB Trust</b>
<b>Additions</b>		
Employer contributions	\$ 1,648,754	\$ 1,346,560
Plan member contributions	1,102,445	-
Investment income (net of related fees)	3,412,784	806,313
Total additions	6,163,983	2,152,873
<b>Deductions</b>		
Benefits paid	2,448,946	958,152
Police - other expense	238,188	-
Administrative expenses	-	29,844
Total deductions	2,687,134	987,996
Changes in fund equity held in trust for individuals, organizations, and other governments	3,476,849	1,164,877
Net position, July 1, 2022	35,102,611	8,846,409
Net position, June 30, 2023	\$ 38,579,460	\$10,011,286

*Continued*

# TOWN OF LINCOLN, RHODE ISLAND

## Note to the Financial Statements

June 30, 2023

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### **Note 17. Risk Management**

#### *Rhode Island Interlocal Risk Management Trust, Inc.:*

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) (Trust) which provides coverage for property/liability claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town's losses up to the maximum amount of insurance purchased, minus the Town's deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Under the participation agreement, the Town is insured for a maximum of \$2,000,000 per occurrence. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There were no significant reductions in insurance coverage during the year ended June 30, 2023.

### **Note 18. Commitment and Contingencies**

#### *Rhode Island Municipal Insurance Corporations:*

The Town is a member of the Rhode Island Municipal Insurance Corporation (RIMIC), a not-for-profit organization formed to jointly administer healthcare related matters for Rhode Island cities, towns, and other governmental units that elect to participate. RIMIC negotiates with qualified healthcare companies/third-party administrators to provide healthcare related administrative services and to provide healthcare benefits and claims services directly to members for the members' employees and retirees. RIMIC is governed by a Board of Directors (Board) that consists of one Board position from each municipality or other governmental unit that is a member.

Upon joining RIMIC, members execute member and adoption agreements. This document, pursuant to which RIMIC was established and operates, outlines the rights and responsibilities of both the members and RIMIC. Members of RIMIC participate in a health insurance plan administered through Blue Cross Blue Shield of Rhode Island (BCBSRI).

*Continued*

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

June 30, 2023

**Note 18. Commitment and Contingencies (Continued):**

Each member is solely responsible for separately and directly contracting with the qualified healthcare provider/third party administrator chosen by RIMIC and for paying any and all healthcare-related claims directly to the provider. In addition, each member is responsible for determining the types and levels of self-insured healthcare benefits offered, as well as the amount of stop-loss insurance deemed appropriate. The Town purchases stop-loss insurance to cover claims in excess of \$175,000. At June 30, 2021, the incurred but not reported claims, as determined by RIMIC's health benefit advisors based on prior history, were estimated to approximate \$575,000 (\$181,000 Town and \$394,000 School) and are included in accrued expenses of the governmental activities. The RIMIC agreement provides for an annual independent audit of its financial statements. A copy of the latest audit report can be obtained by contacting RIMIC, c/o Rodio & Ursillo, 86 Weybosset St., Providence, RI 02903.

RIMIC members can withdraw from the program effective June 30th of any year provided they give a 90-day written notice of their intention to withdraw prior to June 30th. Failure to provide such notice automatically results in a member's participation and membership in RIMIC for an additional year.

*Claims and judgments:*

The following matters have been asserted and are outstanding:

The Town is a party to various claims, legal actions and complaints. It is not presently possible to determine the outcome of these cases; therefore, no liability has been recorded in the accompanying financial statements. In the opinion of the Town's management and Town Solicitor, these matters cannot be estimated, nor can the likelihood of a favorable outcome be made at this time.

*Other contingencies:*

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

**Note 19. Tax abatements**

The Town has tax incentive financing agreements in place at year end.

<u>Owner</u>	<u>Authority</u>	<u>Parcel ID</u>	<u>True Assessment</u>	<u>Address</u>	<u>TSA Payment</u>	<u>True Tax 12/31/17</u>	<u>Difference</u>
Fleet National Bank	RIGL 42-64-1	Lot 49, Plat 30	\$ 8,416,965	670 George Washington Highway	\$ 192,580	\$ 229,783	\$(37,203)

This agreement was signed on May 29, 2017 and terminates on December 31, 2027. This agreement provides for the annual tax liability to be calculate at a mil rate of \$22.88 and an assessed value of \$8,416,965 for the initial five years period and increases each five years by 15%.

**TOWN OF LINCOLN, RHODE ISLAND**

Note to the Financial Statements

*June 30, 2023*

**Note 20. Restatement**

The following is a restatement that occurred at the government wide level and governmental fund:

	<b>Governmental Activities</b>	<b>Governmental Funds</b>
Beginning balance, July 1, 2022	\$ 33,541,355	22,280,260
Overstated State Gaming Revenue	(1,524,254)	(1,524,254)
Duplicate RI Energy Invoices	(92,238)	(92,238)
Overstated liabilities	156,476	156,476
Beginning balance, July 1, 2023, restated	\$ 32,081,339	\$ 20,820,244

**Note 21. Fund Balance Classification**

	<b>Major Funds</b>			<b>Non-Major Funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>School Unrestricted</b>	<b>Public Building Unrestricted</b>	<b>Town Special Revenue</b>	<b>School Department</b>	<b>Capital Projects</b>	
<b>Fund Balances</b>							
<b>Nonspendable</b>							
Prepaid and inventory	\$ -	\$ 43,996	\$ -	\$ -	\$ -	\$ -	\$ 43,996
<b>Restricted for</b>							
Grants	-	-	-	6,300,829	1,773,620	6,780,845	14,855,294
School	-	735,433	-	-	-	-	735,433
<b>Committed to</b>							
Encumbrances	1,171,148	-	-	-	-	-	1,171,148
School field project	-	-	-	258,241	-	-	258,241
<b>Assigned</b>							
Health care reserve	500,000	-	-	-	-	-	500,000
<b>Unassigned</b>	7,777,042	-	-	(399,721)	(54,727)	(1,757,344)	5,565,250
	\$ 9,448,190	\$ 779,429	\$ -	\$ 6,159,349	\$ 1,718,893	\$ 5,023,501	\$ 23,129,362

**Note 22. Subsequent Events**

Management has evaluated subsequent events through the date of the financial statements, September 27, 2024. No material events have occurred that require disclosures.

***Required Supplementary Information***  
***(Unaudited)***

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual  
General Fund

*For the Year Ended June 30, 2023*

	<u>Original Budget</u>				Encumbrances Carried in to FY 24	Variance Favorable (Unfavorable)
	Encumbrances Carried in from FY 22	Budget as Adopted	Total Available	Actual		
<b>Revenues</b>						
Taxes	\$ -	\$ 58,491,257	\$ 58,491,257	\$ 57,166,725	\$ -	\$ (1,324,532)
Intergovernmental	-	18,923,662	18,923,662	19,579,583	-	655,921
Local revenues	-	2,364,695	2,364,695	2,837,868	-	473,173
Interest and investment income	-	420,000	420,000	568,298	-	148,298
<b>Total revenues</b>	<b>-</b>	<b>80,199,614</b>	<b>80,199,614</b>	<b>80,152,473</b>	<b>-</b>	<b>(47,141)</b>
<b>Expenditures</b>						
General government	500	1,186,145	1,186,645	1,255,259	486	(69,101)
Financial administration	62,928	1,310,819	1,373,747	1,269,720	5,162	98,865
Public library	11,793	1,277,862	1,289,655	1,315,363	-	(25,708)
Public safety	12,328	9,366,530	9,378,858	9,423,704	3,725	(48,571)
Public service	1,322,972	8,903,149	10,226,121	8,448,870	1,158,960	618,291
Municipal resolutions	-	2,337,110	2,337,110	-	-	2,337,110
Grants and contributions	-	62,500	62,500	62,500	-	-
Other expenditures	-	2,429,410	2,429,410	2,092,481	2,814	334,114
Contingencies	-	-	-	3,208,958	-	(3,208,958)
Debt Service:						
Principal payments	-	4,520,000	4,520,000	4,485,000	-	35,000
Interest and fiscal charges	-	2,868,644	2,868,644	2,869,525	-	(881)
<b>Total expenditures</b>	<b>1,410,521</b>	<b>34,262,169</b>	<b>35,672,690</b>	<b>34,431,380</b>	<b>1,171,148</b>	<b>70,162</b>
Excess (deficiency) of revenues over expenditures	<u>(1,410,521)</u>	<u>45,937,445</u>	<u>44,526,924</u>	<u>45,721,093</u>	<u>(1,171,148)</u>	<u>23,021</u>
<b>Other financing sources and (uses)</b>						
Transfers from other funds	-	(1,966,585)	(1,966,585)	(1,966,585)	-	-
Transfers to other funds	-	(43,970,860)	(43,970,860)	(43,345,861)	-	624,999
	<u>-</u>	<u>(45,937,445)</u>	<u>(45,937,445)</u>	<u>(45,312,445)</u>	<u>-</u>	<u>624,999</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses, budgetary basis</b>	<u>\$ (1,410,521)</u>	<u>\$ 0</u>	<u>\$ (1,410,521)</u>	<u>\$ 408,648</u>	<u>\$ (1,171,148)</u>	<u>\$ 648,020</u>
Adjustment of budgetary basis to U.S. GAAP				<u>-</u>		
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses, GAAP basis</b>				408,648		
Fund balance, July 1, 2022				<u>9,039,542</u>		
Fund balance, June 30, 2023				<u>\$ 9,448,190</u>		

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget to Actual  
School Unrestricted

*For the Year Ended June 30, 2023*

	<u>Original Budget</u>		Total Available	Actual	Encumbrances Carried to FY 24	Variance Favorable (Unfavorable)
	Encumbrances Carried from FY 22	Budget As Adopted				
<b>Revenues</b>						
State aid for education	\$ -	\$ 16,143,252	\$ 16,143,252	\$ 17,047,513	\$ -	\$ 904,261
State housing aid	-	-	-	64,510	-	64,510
Medicaid	-	625,000	625,000	622,516	-	(2,484)
Miscellaneous	-	225,000	225,000	374,197	-	149,197
Total revenues	-	16,993,252	16,993,252	18,108,736	-	1,115,484
<b>Expenditures</b>						
Salaries	-	34,406,255	34,406,255	34,469,062	-	(62,807)
Employee benefits	-	13,404,190	13,404,190	14,209,145	-	(804,955)
Purchased services	-	10,550,168	10,550,168	10,445,333	-	104,835
Supplies and materials	-	1,886,971	1,886,971	1,874,744	-	12,227
Other	-	67,730	67,730	69,170	-	(1,440)
Capital outlay	-	301,413	301,413	470,966	-	(169,553)
Total expenditures	-	60,616,727	60,616,727	61,538,420	-	(921,693)
Excess of expenditures over revenues, budgetary basis	-	(43,623,475)	(43,623,475)	(43,429,684)	-	193,791
<b>Other financing sources (uses)</b>						
Appropriation from Town's general fund	-	43,345,860	43,345,860	43,345,860	-	-
Transfer to other funds	-	277,615	277,615	-	-	(277,615)
Total other financing sources (uses)	-	43,623,475	43,623,475	43,345,860	-	(277,615)
<b>Excess of revenues and other financing sources over expenditures and other financing uses, budgetary basis</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (83,824)</b>	<b>\$ -</b>	<b>\$ (83,824)</b>
Adjustment of budgetary basis to U.S. GAAP basis				-		
Excess of revenues and other financing sources over expenditures and other financing uses, U.S. GAAP basis				(83,824)		
Fund balance, July 1, 2022				328,910		
Fund balance, June 30, 2023				<u>\$ 245,086</u>		

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Notes to Required Supplementary Information

*For the Year Ended June 30, 2023*

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**NOTE 1: Budget Data and Budgetary Compliance**

In accordance with the Town Charter, the Town Administrator must present to the Budget Board a recommended annual budget for the operations of all municipal departments no later than February 15 of each fiscal year. The recommended budget must include an appropriation to fund school expenditures. At least three weeks after the receipt of the budget from the Town Administrator, the Budget Board holds a public hearing thereon. The Budget Board completes its consideration of the budget thirty days prior to the date of the financial town meeting. The financial town meeting may increase or decrease items of the budget as presented by the Budget Board. The final recommended budget is legally adopted at the annual financial town meeting. All annual appropriations lapse at fiscal year-end.

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

Costs of operations for all departments, offices and agencies established within the Town Charter must be appropriated through an annual budget ordinance. These departments are presented within the General Fund and the School Department. Municipal budgetary control is legally enforced at the department level. Appropriation transfers between departments require approval by the Town Council. Other appropriation increases require both the establishment of a funding source and passage of a budget amendment ordinance. Unencumbered and unexpended appropriations lapse at fiscal year-end.

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 Use

	General Fund	School Unrestricted
Excess (deficiency) of revenues and other sources over expenditures and other uses (Non-GAAP Budgetary Basis)	\$ 408,648	\$ (83,824)
State contribution to teachers' pension plan revenue on behalf	-	(3,061,247)
State contribution to teachers' pension plan expense on behalf	-	3,061,247
Excess (deficiency) of revenues and other sources over expenditures and other uses (GAAP)	<u>\$ 408,648</u>	<u>\$ (83,824)</u>

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Other Post-Employment Benefits – Net OPEB Liability and Related Ratios

*Last 10 Fiscal Years\**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>
<b>Total OPEB liability</b>							
Service cost	\$ 481,483	\$ 466,789	\$ 466,086	\$ 453,128	\$ 490,133	\$ 486,994	\$ 494,754
Interest	1,588,090	1,671,478	1,369,694	1,313,614	1,226,993	1,268,985	1,283,840
Difference between expected and actual experience	(2,474,093)	(1,752,743)	2,974,484	503,794	1,415,712	(1,172,388)	(1,850,157)
Changes in assumptions	534,090	691,380	1,148,354	-	(523,899)	-	2,226,107
Benefit payments	<u>(1,416,665)</u>	<u>(1,426,503)</u>	<u>(1,548,401)</u>	<u>(1,360,025)</u>	<u>(1,219,596)</u>	<u>(1,198,427)</u>	<u>(727,240)</u>
Net change in total OPEB liability	(1,287,095)	(349,599)	4,410,217	910,511	1,389,343	(614,836)	1,427,304
Total OPEB liability - beginning	<u>24,647,856</u>	<u>24,997,455</u>	<u>20,587,238</u>	<u>19,676,727</u>	<u>18,287,384</u>	<u>18,902,220</u>	<u>17,474,916</u>
Total OPEB liability - ending	<u>23,360,761</u>	<u>24,647,856</u>	<u>24,997,455</u>	<u>20,587,238</u>	<u>19,676,727</u>	<u>18,287,384</u>	<u>18,902,220</u>
<b>OPEB fiduciary net position</b>							
Benefit payments	(1,416,665)	(1,426,503)	(1,548,401)	(1,360,025)	(1,219,596)	(1,198,427)	(727,240)
Trust administrative expenses	(29,844)	(31,704)	(27,381)	(17,742)	(14,222)	(10,350)	(9,932)
Contributions - employer	2,763,225	2,773,063	1,933,780	1,886,424	1,948,878	1,804,537	1,534,402
Net investment income	<u>806,315</u>	<u>(1,407,568)</u>	<u>1,944,460</u>	<u>423,511</u>	<u>414,990</u>	<u>276,633</u>	<u>362,250</u>
Net change in plan fiduciary net position	2,123,031	(92,712)	2,302,458	932,168	1,130,050	872,393	1,159,480
Plan fiduciary net position - beginning	<u>9,216,067</u>	<u>9,308,779</u>	<u>7,006,321</u>	<u>6,074,153</u>	<u>4,944,103</u>	<u>4,071,710</u>	<u>2,912,230</u>
Plan fiduciary net position - ending	<u>11,339,098</u>	<u>9,216,067</u>	<u>9,308,779</u>	<u>7,006,321</u>	<u>6,074,153</u>	<u>4,944,103</u>	<u>4,071,710</u>
Plan's net pension liability - ending	<u>\$ 12,021,663</u>	<u>\$ 15,431,789</u>	<u>\$ 15,688,676</u>	<u>\$ 13,580,917</u>	<u>\$ 13,602,574</u>	<u>\$ 13,343,281</u>	<u>\$ 14,830,510</u>

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Other Post-Employment Benefits – Net OPEB Liability and Related Ratios

*Last 10 Fiscal Years\**

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<b>Actuarial Valuation Date</b>	<b>Fiduciary Net Position</b>	<b>Total OPEB Liability (TOL)</b>	<b>Net OPEB Liability (NOL)</b>	<b>Funded Ratio</b>	<b>Covered Payroll</b>	<b>NOL as a % of Covered Payroll</b>
6/30/2023	\$ 11,339,098	\$ 23,360,761	\$ 12,021,663	48.54%	\$ 39,083,282	30.76%
6/30/2022	\$ 9,216,067	\$ 24,647,856	\$ 15,431,789	37.40%	\$ 34,805,098	44.30%
6/30/2021	\$ 9,308,779	\$ 24,997,455	\$ 15,688,676	37.20%	\$ 33,628,114	46.70%
6/30/2020	\$ 7,006,321	\$ 20,587,238	\$ 13,580,917	34.03%	\$ 29,018,945	46.80%
6/30/2019	\$ 6,074,153	\$ 19,676,727	\$ 13,602,574	30.87%	\$ 33,645,972	40.43%
6/30/2018	\$ 4,944,103	\$ 18,287,384	\$ 13,343,281	27.04%	\$ 32,927,613	40.52%
6/30/2017	\$ 4,071,710	\$ 18,902,220	\$ 14,830,510	21.54%	\$ 31,814,119	46.62%

\*Sixth year of implementation of GASB74/75, therefore only seven years of the ten required data is available

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Other Post-Employment Benefits - Schedule of Contributions

*Last 10 Years\**

	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2021</b>	<b>June 30, 2020</b>	<b>June 30, 2019</b>	<b>June 30, 2018</b>	<b>June 30, 2017</b>
Actuarial determined contribution	\$ 1,445,602	\$ 1,445,415	\$ 1,548,401	\$ 1,264,735	\$ 1,271,875	\$ 1,333,965	\$ 1,352,133
Contributions in relation to the actuarially determined contribution	2,763,225	2,773,063	1,933,780	1,886,424	1,948,878	1,804,537	1,534,402
Contribution deficiency (excess)	<u>\$ (1,317,623)</u>	<u>\$ (1,327,648)</u>	<u>\$ (385,379)</u>	<u>\$ (621,689)</u>	<u>\$ (677,003)</u>	<u>\$ (470,572)</u>	<u>\$ (182,269)</u>
Covered-employee payroll	\$ 39,083,282	\$ 34,805,098	\$ 33,628,114	\$ 29,018,945	\$ 33,645,972	\$ 32,927,613	\$ 31,814,119
Contributions as a percentage of covered-employee payroll	7.07%	7.97%	5.75%	6.50%	5.79%	5.48%	4.82%

*See independent auditors' report and notes to required supplementary information*

# TOWN OF LINCOLN, RHODE ISLAND

## *Required Supplementary Information*

### Other Post-Employment Benefits – Schedule of Investment Returns and Notes

*Last 10 Years\**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Annual money-weighted rate of return, net of investment expense	5.44%	-13.24%	10.51%	4.94%	4.11%	6.79%	12.43%

\* Seventh year of implementation of GASB 74/75, therefore only seven years of the ten required data is available.

**Notes to Required Supplementary Information:**

Valuation Date: July 1, 2022 with no adjustments to get to June 30, 2022 measurement date.  
 Actuarial Cost Method: Entry Age Normal Level % of Salary method.  
 Asset-Valuation Method: Market Value.

**Actuarial Assumptions:**

Discount Rate 6.60% as of June 30, 2023  
 Inflation: 2.50% per year.  
 Salary Increases: 3.50% annually as of June 30, 2022 and for future periods.

**Mortality**

**Healthy actives and retirees:**

Police: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2021  
 School: SOA Pub-2010 Teachers Headcount weighted Mortality Table fully generational using Scale MP-2021  
 All Others: SOA Pub-2010 Teachers Headcount weighted Mortality Table fully generational using Scale MP-2021

**Assumed rate of retirement:**

**School support staff**

Retirement rates are based on the assumptions used in the RI MERS actuarial valuation report as of June 30, 2020, which is a flat 20% per year retirement probability for members eligible for unreduced retirement. A 35% retirement probability at first eligibility will be applied if they have reached age 65 or with at least 25 years of service.

**School teachers and administration**

Retirement rates are based on the assumptions used in the RI ERS actuarial valuation report as of June 30, 2020, which is a flat 25% per year retirement probability for members eligible for unreduced retirement. A 60% retirement probability at first eligibility will be applied if they have reached age 65 or with at least 25 years of service.

**Town police officers**

Retirement rates are based on Town of Lincoln Police pension actuarial valuation as of January 1, 2019.

**Marriage assumptions**

Spousal coverage and age for current retirees is based on actual data. Active employees who currently elect spousal coverage are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Employees' Retirement System

Schedule of the Town's Proportionate Share of the Net Pension Liability

*Last 10 Years\**

	<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>
Employer's proportion of the net pension liability	1.41678405%	1.44159585%	1.41442012%	1.41864606%	1.42207116%	1.43163923%	1.52732535%	1.52994437%	1.63791472%
Employer's proportionate share of the net pension liability	\$ 38,263,355	\$ 33,926,491	\$ 45,190,805	\$ 45,265,715	\$ 45,182,730	\$ 45,057,871	\$ 45,568,936	\$ 42,119,410	\$ 39,866,851
State's proportionate share of the net pension liability associated with the school district	<u>28,298,439</u>	<u>25,159,534</u>	<u>33,577,875</u>	<u>33,908,708</u>	<u>33,703,071</u>	<u>34,052,925</u>	<u>31,208,030</u>	<u>28,774,659</u>	<u>27,338,536</u>
Total	<u>\$ 66,561,794</u>	<u>\$ 59,086,025</u>	<u>\$ 78,768,680</u>	<u>\$ 79,174,423</u>	<u>\$ 78,885,801</u>	<u>\$ 79,110,796</u>	<u>\$ 76,776,966</u>	<u>\$ 70,894,069</u>	<u>\$ 67,205,387</u>
Employer's covered employee payroll	\$ 28,542,249	\$ 26,664,103	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	233.20%	221.59%	272.31%	307.11%	310.37%	320.24%	314.03%	173.27%	165.68%
Plan fiduciary net position as a percentage of the total pension liability	62.10%	66.50%	54.30%	54.60%	54.30%	54.00%	54.06%	57.55%	61.40%

**Notes:**

1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.

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

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

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Employees' Retirement System

Schedule of Contributions

*Last 10 Years\**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 4,405,242	\$ 4,078,324	\$ 3,890,608	\$ 3,762,851	\$ 3,621,244	\$ 3,475,182	\$ 3,340,370	\$ 3,445,181	\$ 3,286,406
Contributions in relation to the actuarially determined contribution	<u>4,405,242</u>	<u>4,078,324</u>	<u>3,890,608</u>	<u>3,762,851</u>	<u>3,621,244</u>	<u>3,475,182</u>	<u>3,340,370</u>	<u>3,445,181</u>	<u>3,286,406</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered-employee payroll	\$ 28,542,249	\$ 26,664,103	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Contributions as a percentage of covered- employee payroll	15.43%	15.30%	13.45%	14.60%	14.25%	14.07%	13.66%	14.17%	13.66%

- Notes:**
- 1.) Employers participating in the State Employee's Retirement System are required by RI General Laws, Section 36-10-2, to contribute an actuarially determined contribution rate each year.
  - 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Municipal Employees' Retirement System

Schedule of Changes in Net Pension Liability and Related Ratios

General Employee Plan

*Last 10 Years\**

	Year Ended June 30, 2022	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019	Year Ended June 30, 2018	Year Ended June 30, 2017	Year Ended June 30, 2016	Year Ended June 30, 2015
<b>Total pension liability</b>								
1. Service Cost	\$ 91,189	\$ 99,172	\$ 96,105	\$ 101,389	\$ 103,895	\$ 97,917	\$ 92,977	\$ 90,123
2. Interest on the total pension liability	238,173	228,989	227,565	211,627	200,726	197,823	184,662	159,472
3. Changes of benefit terms	-	-	-	-	-	-	-	2,927
4. Difference between expected and actual experience of the Total Pension Liability	(186,787)	(67,081)	(172,538)	20,072	(44,870)	(110,743)	1,134	186,180
5. Changes of assumptions	-	-	(26,160)	-	-	146,156	-	-
6. Benefit payments, including refunds of employee contributions	(142,197)	(109,573)	(102,764)	(102,764)	(102,764)	(105,764)	(105,764)	(102,767)
7. Net change in total pension liability	378	151,507	22,208	230,324	156,987	225,389	173,009	335,935
8. Total pension liability – beginning	3,427,972	3,276,465	3,254,257	3,023,933	2,866,946	2,641,557	2,468,548	2,132,613
9. Total pension liability – ending (a)	<u>\$ 3,428,350</u>	<u>\$ 3,427,972</u>	<u>\$ 3,276,465</u>	<u>\$ 3,254,257</u>	<u>\$ 3,023,933</u>	<u>\$ 2,866,946</u>	<u>\$ 2,641,557</u>	<u>\$ 2,468,548</u>
<b>Plan fiduciary net position</b>								
1. Contributions – employer	\$ 102,157	\$ 116,798	\$ 117,592	\$ 118,558	\$ 130,511	\$ 129,264	\$ 128,161	\$ 128,464
2. Contributions – employee	8,947	9,685	9,767	10,160	11,546	10,772	10,092	9,882
3. Net investment income	(93,677)	751,253	102,739	166,539	187,052	231,038	(386)	45,319
4. Benefit payments, including refunds of employee contributions	(142,197)	(109,573)	(102,764)	(102,764)	(102,764)	(105,764)	(105,764)	(102,767)
5. Pension Plan Administrative Expense	(3,193)	(2,862)	(2,831)	(2,603)	(2,490)	(2,183)	(2,070)	(1,817)
6. Other	-	(106,028)	-	-	100,330	(4,893)	(46,510)	1
7. Net change in plan fiduciary net position	(127,963)	659,273	124,503	189,890	324,185	258,234	(16,477)	79,082
8. Plan fiduciary net position – beginning	3,473,423	2,814,150	2,689,647	2,499,757	2,175,572	1,917,338	1,933,815	1,854,733
9. Plan fiduciary net position – ending (b)	<u>\$ 3,345,460</u>	<u>\$ 3,473,423</u>	<u>\$ 2,814,150</u>	<u>\$ 2,689,647</u>	<u>\$ 2,499,757</u>	<u>\$ 2,175,572</u>	<u>\$ 1,917,338</u>	<u>\$ 1,933,815</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 82,890</u>	<u>\$ (45,451)</u>	<u>\$ 462,315</u>	<u>\$ 564,610</u>	<u>\$ 524,176</u>	<u>\$ 691,374</u>	<u>\$ 724,219</u>	<u>\$ 534,733</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	97.58%	101.33%	85.89%	82.65%	82.67%	75.88%	72.58%	78.34%
<b>Covered employee payroll</b>	\$ 896,652	\$ 968,474	\$ 976,680	\$ 1,015,923	\$ 1,060,156	\$ 1,077,196	\$ 1,006,242	\$ 988,187
<b>Net pension liability as a percentage of covered payroll</b>	9.24%	-4.69%	47.34%	55.58%	49.44%	64.18%	71.97%	54.11%

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Municipal Employees' Retirement System

Schedule of Contributions

General Employee Plan

*Last 10 Years\**

	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 101,135	\$ 102,157	\$ 116,798	\$ 117,592	\$ 118,558	\$ 130,511	\$ 129,264	\$ 128,161	\$ 128,464
Contributions in relation to the actuarially determined contribution	<u>101,135</u>	<u>102,157</u>	<u>116,798</u>	<u>117,592</u>	<u>118,558</u>	<u>130,511</u>	<u>129,264</u>	<u>128,161</u>	<u>128,464</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 937,001	\$ 896,652	\$ 968,474	\$ 976,680	\$ 1,107,863	\$ 1,060,156	\$ 1,077,196	\$ 1,006,242	\$ 988,187
Contributions as a percentage of covered-employee payroll	10.79%	11.39%	12.06%	12.04%	10.70%	12.31%	12.00%	12.74%	13.00%

**Notes:**

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

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

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

**Municipal Employees' Retirement System**

**Schedule of Changes in the Net Pension Liability and Related Ratios**

**Rescue Employee Plan**

*Last 10 Years\**

	<b>Year Ended June 30, 2022</b>	<b>Year Ended June 30, 2021</b>	<b>Year Ended June 30, 2020</b>	<b>Year Ended June 30, 2019</b>	<b>Year Ended June 30, 2018</b>	<b>Year Ended June 30, 2017</b>	<b>Year Ended June 30, 2016</b>	<b>Year Ended June 30, 2015</b>
<b>Total pension liability</b>								
1. Service Cost	\$ 169,820	\$ 162,821	\$ 180,311	\$ 173,179	\$ 171,482	\$ 170,422	\$ 168,655	\$ 148,381
2. Interest on the total pension liability	495,997	479,019	426,701	419,609	414,749	370,389	358,289	321,600
3. Changes of benefit terms	-	-	-	-	-	-	-	199,797
4. Difference between expected and actual experience of the total pension liability	(332,099)	(59,327)	420,183	(204,833)	(238,456)	263,444	(187,182)	(32,356)
5. Changes of assumptions	-	-	66,541	-	-	428,763	-	-
6. Benefit payments, including refunds of employee contributions	(334,127)	(352,812)	(322,352)	(258,085)	(300,304)	(193,838)	(164,793)	(151,960)
7. Net change in total pension liability	(409)	229,701	771,384	129,870	47,471	1,039,180	174,969	485,462
8. Total pension liability – beginning	7,167,828	6,938,127	6,166,743	6,036,873	5,989,402	4,950,222	4,775,253	4,289,791
9. Total pension liability – ending (a)	<u>\$ 7,167,419</u>	<u>\$ 7,167,828</u>	<u>\$ 6,938,127</u>	<u>\$ 6,166,743</u>	<u>\$ 6,036,873</u>	<u>\$ 5,989,402</u>	<u>\$ 4,950,222</u>	<u>\$ 4,775,253</u>
<b>Plan fiduciary net position</b>								
1. Contributions – employer	\$ 263,513	\$ 208,769	\$ 205,154	\$ 168,971	\$ 152,968	\$ 175,174	\$ 172,028	\$ 179,605
2. Contributions – employee	88,725	85,246	90,337	85,860	87,109	94,281	94,536	71,166
3. Net investment income	(145,958)	1,162,861	156,139	257,077	291,985	390,188	(1,181)	77,451
4. Benefit payments, including refunds of employee contributions	(334,127)	(352,812)	(322,352)	(258,085)	(300,304)	(193,838)	(164,793)	(151,960)
5. Pension Plan Administrative Expense	(4,976)	(4,431)	(4,302)	(4,017)	(3,887)	(3,686)	(3,177)	(3,105)
6. Other	(31,071)	-	-	(1)	-	(190,244)	-	(4,765)
7. Net change in plan fiduciary net position	(163,894)	1,099,633	124,976	249,805	227,871	271,875	97,413	168,392
8. Plan fiduciary net position – beginning	5,376,492	4,276,859	4,151,883	3,902,078	3,674,207	3,402,332	3,304,919	3,136,527
9. Plan fiduciary net position – ending (b)	<u>\$ 5,212,598</u>	<u>\$ 5,376,492</u>	<u>\$ 4,276,859</u>	<u>\$ 4,151,883</u>	<u>\$ 3,902,078</u>	<u>\$ 3,674,207</u>	<u>\$ 3,402,332</u>	<u>\$ 3,304,919</u>
<b>Net pension liability - ending (a) - (b)</b>	<u>\$ 1,954,821</u>	<u>\$ 1,791,336</u>	<u>\$ 2,661,268</u>	<u>\$ 2,014,860</u>	<u>\$ 2,134,795</u>	<u>\$ 2,315,195</u>	<u>\$ 1,547,890</u>	<u>\$ 1,470,334</u>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	72.73%	75.01%	61.64%	67.33%	64.64%	61.35%	68.73%	69.21%
<b>Covered employee payroll</b>	\$ 887,250	\$ 852,467	\$ 903,364	\$ 858,598	\$ 853,146	\$ 960,666	\$ 952,317	\$ 889,575
<b>Net pension liability as a percentage of covered payroll</b>	220.32%	210.14%	294.60%	234.67%	250.23%	241.00%	162.54%	165.28%

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Municipal Employees' Retirement System

Schedule of Contributions

Rescue Employee Plan

*Last 10 Years\**

	<u>Fiscal 2023</u>	<u>Fiscal 2022</u>	<u>Fiscal 2021</u>	<u>Fiscal 2020</u>	<u>Fiscal 2019</u>	<u>Fiscal 2018</u>	<u>Fiscal 2017</u>	<u>Fiscal 2016</u>	<u>Fiscal 2015</u>
Actuarially determined contribution	\$ 268,783	\$ 263,513	\$ 208,769	\$ 205,154	\$ 168,971	\$ 152,968	\$ 175,174	\$ 172,028	\$ 179,605
Contributions in relation to the actuarially determined contribution	<u>268,783</u>	<u>263,513</u>	<u>208,769</u>	<u>205,154</u>	<u>168,971</u>	<u>152,968</u>	<u>175,174</u>	<u>172,028</u>	<u>179,605</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered-employee payroll	\$ 927,176	\$ 887,250	\$ 852,467	\$ 903,364	\$ 891,538	\$ 853,146	\$ 960,666	\$ 952,317	\$ 889,575
Contributions as a percentage of covered-employee payroll	28.99%	29.70%	24.49%	22.71%	18.95%	17.93%	18.23%	18.06%	20.19%

**Notes:**

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

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

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

**Teachers' Survivors Benefit Plan**

**Schedule of Proportionate Share of Net Pension Asset**

*Last 10 Years\**

	<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>
Employer's proportion of the net pension asset	4.68775134%	4.85355551%	4.60912777%	4.64097503%	4.71249896%	4.67075334%	4.78468663%	4.90497735%	4.97709490%
Employer's proportionate share of the net pension asset	\$ 8,237,742	\$ 9,498,078	\$ 5,473,964	\$ 5,264,993	\$ 4,204,930	\$ 3,863,946	\$ 4,764,203	\$ 4,579,071	\$ 6,187,561
Employer's covered employee payroll	\$ 28,542,249	\$ 26,664,102	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Employer's proportionate share of the net pension asset as a percentage of its covered employee payroll	28.86%	35.62%	18.92%	20.42%	16.54%	15.64%	19.49%	18.84%	25.71%
Plan fiduciary net position as a percentage of the total pension liability (asset)	177.7%	153.1%	153.1%	150.2%	137.4%	136.1%	153.3%	146.6%	173.3%

**Notes:**

1.) The amounts presented for each fiscal year were determined as of 6/30 measurement date prior to the fiscal year-end.

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

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Teacher's Survivors Benefit Plan

Schedule of Contributions

*Last 10 Years\**

	<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>
Statutorily determined contribution	\$ 35,731	\$ 35,416	\$ 35,732	\$ 34,380	\$ 34,615	\$ 35,063	\$ 27,552	\$ 30,731	\$ 28,406
Contributions in relation to the statutorily determined contribution	<u>35,731</u>	<u>35,416</u>	<u>35,732</u>	<u>34,380</u>	<u>34,615</u>	<u>35,063</u>	<u>27,552</u>	<u>30,731</u>	<u>28,406</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered-employee payroll	\$ 28,542,249	\$ 26,664,103	\$ 28,926,456	\$ 25,780,713	\$ 25,416,949	\$ 24,703,975	\$ 24,449,295	\$ 24,308,607	\$ 24,062,206
Contributions as a percentage of covered-employee payroll	0.13%	0.13%	0.12%	0.13%	0.14%	0.14%	0.11%	0.13%	0.12%

**Notes:**

- 1.) Employers participating in the Teachers' Survivor's Benefit Plan contribute at a rate established by the RI General Laws, Section 16-16-35.
- 2.) Schedule is intended to show information for 10 years - additional years will be displayed as they become available.

*See independent auditors' report and notes to required supplementary information*

## TOWN OF LINCOLN, RHODE ISLAND

### *Required Supplementary Information*

#### Notes to ERS, MERS, and TSB Plans

*For the Year Ended June 30, 2023*

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

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

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

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

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

#### ***June 30, 2021 measurement date –***

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

#### ***June 30, 2020 measurement date –***

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

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

#### ***June 30, 2019 measurement date –***

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

#### ***June 30, 2018 measurement date –***

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

*See independent auditors' report and notes to required supplementary information*

## TOWN OF LINCOLN, RHODE ISLAND

### *Required Supplementary Information*

#### Notes to ERS, MERS, and TSB Plans

*For the Year Ended June 30, 2023*

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measurement date.

#### ***June 30, 2017 measurement date –***

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

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

#### ***June 30, 2016 measurement date –***

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

#### ***June 30, 2015 measurement date –***

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

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

- Employees with more than 20 years of service at July 1, 2012 will increase their employee contribution rates to 11% for state employees and municipal general employees will contribute 8.25% (9.25% for units with a COLA provision) and participate solely in the defined benefit plan going forward – service credit accruals will increase from 1% to 2% per year.
- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.

*See independent auditors' report and notes to required supplementary information*

## TOWN OF LINCOLN, RHODE ISLAND

### *Required Supplementary Information*

#### Notes to ERS, MERS, and TSB Plans

*For the Year Ended June 30, 2023*

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

**Teachers' Survivors Benefit Plan** – the employee and employer contribution rates were applied to the first \$11,500 of member salary for fiscal 2018. In fiscal 2017 and prior the rate was applied to salary up to \$9,600. Covered employee payroll is the full amount of employee payroll for plan members and not just the capped salary amount to which the contribution rate is applied.

*See independent auditors' report and notes to required supplementary information*

# TOWN OF LINCOLN, RHODE ISLAND

## Required Supplementary Information

### Town Pension Plan

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

*Last 10 Years\**

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
<b>Total pension liability</b>										
Service cost	\$ 1,084,559	\$ 1,129,755	\$ 1,044,616	\$ 918,699	\$ 868,930	\$ 809,348	\$ 792,134	\$ 763,850	\$ 599,159	\$ 605,377
Interest	3,264,626	3,204,440	3,171,954	2,974,238	2,284,042	2,450,033	2,482,561	2,498,226	1,956,043	2,111,291
Changes of benefit terms	-	-	-	-	-	(3,977)	-	(26,249)	-	-
Differences between expected and actual experience	1,188,048	(1,015,717)	381,598	315,962	12,667	(92,415)	167,575	(505,472)	(258,433)	77,724
Changes of assumptions	-	61,479	(224,796)	1,359,201	1,397,980	(58,519)	(118,482)	(18,060)	5,028,770	312,459
Benefit payments, including refunds of participant contributions	(2,474,308)	(2,256,025)	(1,953,013)	(1,860,452)	(1,744,221)	(1,654,290)	(1,592,331)	(1,592,333)	(1,606,958)	(1,446,432)
<b>Net change in total pension liability</b>	<u>3,062,925</u>	<u>1,123,932</u>	<u>2,420,358</u>	<u>3,707,648</u>	<u>2,819,398</u>	<u>1,450,180</u>	<u>1,731,457</u>	<u>1,119,962</u>	<u>5,718,581</u>	<u>1,660,419</u>
<b>Total pension liability - beginning</b>	<u>48,722,170</u>	<u>47,598,238</u>	<u>45,177,880</u>	<u>41,470,232</u>	<u>38,650,834</u>	<u>37,200,654</u>	<u>35,469,197</u>	<u>34,349,235</u>	<u>28,630,654</u>	<u>26,970,235</u>
<b>Total pension liability - ending</b>	<u>\$ 51,785,096</u>	<u>\$ 48,722,170</u>	<u>\$ 47,598,238</u>	<u>\$ 45,177,880</u>	<u>\$ 41,470,232</u>	<u>\$ 38,650,834</u>	<u>\$ 37,200,654</u>	<u>\$ 35,469,197</u>	<u>\$ 34,349,235</u>	<u>\$ 28,630,654</u>
<b>Pension fiduciary net position</b>										
Contributions - employer	\$ 2,266,096	\$ 2,311,882	\$ 2,342,649	\$ 1,431,728	\$ 1,778,969	\$ 1,700,406	\$ 1,522,833	\$ 1,289,255	\$ 1,151,809	\$ 1,146,450
Contributions - employee	381,659	362,165	373,670	359,548	333,249	312,334	312,264	290,824	273,935	277,602
Net investment income	3,278,508	(3,052,756)	6,500,172	1,193,683	1,916,596	1,956,480	2,248,866	642,654	302,238	2,760,209
Benefit payments, including refunds of participant contributions	(2,474,308)	(2,256,025)	(1,933,393)	(1,834,030)	(1,744,221)	(1,654,290)	(1,592,331)	(1,592,333)	(1,606,958)	(1,446,432)
Other	-	-	-	-	-	-	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<u>3,451,955</u>	<u>(2,634,734)</u>	<u>7,283,098</u>	<u>1,150,929</u>	<u>2,284,593</u>	<u>2,314,930</u>	<u>2,491,632</u>	<u>630,400</u>	<u>121,024</u>	<u>2,737,829</u>
<b>Plan fiduciary net position - beginning</b>	<u>33,051,757</u>	<u>35,686,491</u>	<u>28,403,393</u>	<u>27,252,464</u>	<u>24,967,871</u>	<u>22,617,053</u>	<u>20,587,995</u>	<u>19,957,595</u>	<u>19,836,571</u>	<u>17,098,742</u>
<b>Plan fiduciary net position - ending</b>	<u>\$ 36,503,712</u>	<u>\$ 33,051,757</u>	<u>\$ 35,686,491</u>	<u>\$ 28,403,393</u>	<u>\$ 27,252,464</u>	<u>\$ 24,967,871</u>	<u>\$ 23,079,627</u>	<u>\$ 20,587,995</u>	<u>\$ 19,957,595</u>	<u>\$ 19,836,571</u>
<b>Town's net pension liability - ending</b>	<u>\$ 15,281,384</u>	<u>\$ 15,670,413</u>	<u>\$ 11,911,747</u>	<u>\$ 16,774,487</u>	<u>\$ 14,217,768</u>	<u>\$ 13,682,963</u>	<u>\$ 14,121,027</u>	<u>\$ 14,881,202</u>	<u>\$ 14,391,640</u>	<u>\$ 8,794,083</u>

\*Schedule is intended to show information for 10 years – additional years will be displayed as they become available.

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Town Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

*Last 10 Years\**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Total pension liability	\$ 51,785,096	\$ 48,722,170	\$ 47,598,238	\$ 45,177,880	\$ 41,470,232	\$ 38,650,834	\$ 37,200,654	\$ 35,469,197	\$ 34,349,235
Plan fiduciary net position	<u>36,503,712</u>	<u>33,051,757</u>	<u>35,686,491</u>	<u>28,403,393</u>	<u>27,252,464</u>	<u>24,967,871</u>	<u>23,079,627</u>	<u>20,587,995</u>	<u>19,957,595</u>
Town's net pension liability (asset)	<u>\$ 15,281,384</u>	<u>\$ 15,670,414</u>	<u>\$ 11,911,747</u>	<u>\$ 16,774,487</u>	<u>\$ 14,217,768</u>	<u>\$ 13,682,963</u>	<u>\$ 14,121,027</u>	<u>\$ 14,881,202</u>	<u>\$ 14,391,640</u>
Plan fiduciary net position as a percentage of the total pension liability	70.49%	67.84%	74.97%	62.87%	65.72%	64.60%	62.04%	58.04%	58.10%
Covered-employee payroll	\$ 6,164,184	\$ 6,705,553	\$ 6,696,904	\$ 6,267,639	\$ 5,453,717	\$ 5,450,472	\$ 5,323,702	\$ 5,142,178	\$ 5,073,432
Net pension liability (asset) as a percentage of covered-employee payroll	247.91%	233.69%	177.87%	267.64%	260.70%	251.04%	265.25%	289.39%	283.67%

\*Schedule is intended to show information for 10 years – additional years will be displayed as they become available.

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Town Pension Plan

Schedule of Contributions

*Last 10 Years*

	<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>2014</u>
Actuarially determined contribution	\$ 2,214,808	\$ 2,261,259	\$ 1,907,506	\$ 1,808,739	\$ 1,729,370	\$ 1,700,406	\$ 1,522,833	\$ 1,374,183	\$ 1,227,757	\$ 1,222,045
Contributions in relation to the actuarially determined contribution	<u>2,214,808</u>	<u>2,261,259</u>	<u>2,279,326</u>	<u>1,435,705</u>	<u>1,729,370</u>	<u>1,700,406</u>	<u>1,522,833</u>	<u>1,393,880</u>	<u>1,227,757</u>	<u>1,222,045</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (371,820)</u>	<u>\$ 373,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19,697)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 6,164,184	\$ 6,705,553	\$ 6,254,322	\$ 5,476,470	\$ 5,425,686	\$ 5,275,079	\$ 4,868,352	\$ 5,073,432	\$ 5,139,367	\$ 5,068,754
Contributions as a percentage of covered-employee payroll	35.93%	33.72%	36.44%	26.22%	31.87%	32.23%	31.28%	27.47%	23.89%	24.11%

*See independent auditors' report and notes to required supplementary information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Required Supplementary Information*

Town Pension Plan

Schedule of Proportionate Share of the Net Pension Liability

*Last 10 Years\**

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Town's proportion of the net pension liability (asset)	93.69%	93.69%	93.57%	93.77%	93.67%	93.81%	94.67%	94.59%	93.81%	93.81%
Town's proportionate share of the net pension liability (asset)	\$ 15,281,384	\$ 15,670,414	\$ 11,911,747	\$ 16,774,487	\$ 14,217,768	\$ 13,682,963	\$ 14,121,027	\$ 14,881,202	\$ 14,391,640	\$ 8,794,083
Town's covered-employee payroll	\$ 6,164,184	\$ 6,705,553	\$ 6,696,904	\$ 6,267,639	\$ 5,453,717	\$ 5,450,472	\$ 5,323,702	\$ 5,142,178	\$ 5,073,432	\$ 5,139,367
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	247.91%	233.69%	177.87%	267.64%	260.70%	251.04%	265.25%	289.39%	283.67%	171.11%
Plan fiduciary net position as a percentage of the total pension liability	70.49%	67.84%	74.97%	62.87%	65.72%	64.60%	62.04%	58.04%	58.10%	69.28%

\*Schedule is intended to show information for 10 year – additional years will be displayed as they become available.

*See independent auditors' report and notes to required supplementary information*

# TOWN OF LINCOLN, RHODE ISLAND

## *Required Supplementary Information*

### Town Pension Plan

#### Schedule of Investment Returns and Notes

#### *Last 10 Years\**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014</u>
Annual money-weighted rate of return, net of investment expense	9.01%	-5.05%	24.04%	4.36%	7.58%	8.56%	10.92%	3.30%	4.65%	16.60%

**Notes to the Schedule:**

Valuation Date: January 1, 2023

Actuarially determined contribution rates are calculated as of June 30, 2023.

Methods and assumptions used to determine contribution rates:

Discount rate	6.75%	
Expected Long Term Rate of Return	6.75%	
Municipal bond	N/A	
Inflation	3.00%	
Pre and post retirement mortality	Police and Fire - Pub 2010 Safety Mortality Table with fully generational improvements from 2010 based on mortality improvement scale MP-21 Other and Beneficiaries - Pub 2010 General Mortality Table with fully generational improvements from 2010 based on mortality improvement scale MP-21	

Withdrawal T-2. Illustrative annual rates of withdrawals as follows:

Age	Male	Female
<25	5% - 10%	7.5% - 15%
30	3.5% - 7%	5% - 10%
35	2.5% - 5%	3.5% - 7%
40	1.5% - 3%	2.5% - 5%
45	1% - 2%	1.5% - 3%
50	.50% - 1%	1% - 2%
55	00% - 00%	.50% - 1%
60	00% - 00%	00% - 00%

Cost of living increases 3.00% increase is assumed for Police retiring after June 30, 2004. Officers hired after July 1, 2015 will receive a 3.00% compounded COLA capped 18 years after the date of retirement. This assumption is based on terms of the collective bargaining agreement.

\*Schedule is intended to show information for 10 year – additional years will be displayed as they become available.

*See independent auditors' report and notes to required supplementary information*

*Supplementary Information*

**TOWN OF LINCOLN, RHODE ISLAND**

*Supplementary Information*

Non-Major Governmental Funds  
Combined Balance Sheet

*June 30, 2023*

	<u>Town Special Revenue</u>	<u>School Special Revenue</u>	<u>Capital Projects</u>	<u>Total Non-Major Governmental Funds</u>
<b>Assets</b>				
Cash and cash equivalents	\$ 7,708,243	\$ 1,340,309	\$ -	\$ 9,048,552
Due from other governments	-	78,393	-	78,393
Receivables	-	9,721	-	9,721
Due from other funds	3,835,354	4,588,371	6,945,163	15,368,889
Total assets	<u>11,543,597</u>	<u>6,016,795</u>	<u>6,945,163</u>	<u>24,505,555</u>
<b>Deferred outflows of resources</b>				
None	-	-	-	-
Total assets and deferred outflows of resources	<u>11,543,597</u>	<u>6,016,795</u>	<u>6,945,163</u>	<u>24,505,555</u>
<b>Liabilities</b>				
Accounts payable and accrued expenses	19,333	245,461	334,123	598,917
Due to other funds	376,395	4,052,441	1,587,539	6,016,375
Total liabilities	<u>395,728</u>	<u>4,297,901</u>	<u>1,921,662</u>	<u>6,615,291</u>
<b>Deferred inflows of resources</b>				
Unearned revenue	4,988,520	-	-	4,988,520
Total deferred inflows of resources	<u>4,988,520</u>	<u>-</u>	<u>-</u>	<u>4,988,520</u>
<b>Fund balance</b>				
Nonspendable	-	-	-	-
Restricted	6,300,829	1,773,620	6,780,845	14,855,294
Committed	258,241	-	-	258,241
Unassigned	(399,721)	(54,727)	(1,757,344)	(2,211,792)
Total fund balance	<u>6,159,349</u>	<u>1,718,893</u>	<u>5,023,501</u>	<u>12,901,743</u>
Town liabilities, deferred inflows of resources, and fund balances	<u>\$ 11,543,597</u>	<u>\$ 6,016,795</u>	<u>\$ 6,945,163</u>	<u>\$ 24,505,555</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combined Statement of Revenues, Expenditures and Changes in Fund Balance

*For the Year Ended June 30, 2023*

	<b>Town Special Revenue</b>	<b>School Special Revenue</b>	<b>Town Capital Projects</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>				
Federal and state grant income	\$ 1,539,119	\$ 5,002,010	\$ -	\$ 6,541,129
Other revenue	5,605,003	530,262	-	6,135,265
Investment income	154,854	-	-	154,854
Total revenue	<u>7,298,976</u>	<u>5,532,272</u>	<u>-</u>	<u>12,831,248</u>
<b>Expenditures</b>				
General government	1,468,721	-	-	1,468,721
Public safety	113,379	-	69,237	182,616
Public services	155,638	-	22,501	178,139
Education	-	5,227,625	1,501,108	6,728,733
Health and human services	-	-	-	-
Parks and recreation	58,046	-	-	58,046
Total Expenditures	<u>1,795,784</u>	<u>5,227,625</u>	<u>1,592,846</u>	<u>8,616,255</u>
Excess (deficiency) of revenues over expenditures	5,503,192	304,646	(1,592,846)	4,214,992
<b>Other financing sources (uses)</b>				
Transfer from (to) other funds	-	-	1,966,585	1,966,585
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,966,585</u>	<u>1,966,585</u>
<b>Excess of revenue and other sources over expenditures and other uses</b>	5,503,192	304,646	373,739	6,181,577
Fund balance, July 1, 2022	656,157	1,414,247	4,649,761	6,720,165
Fund balance, June 30, 2023	<u>\$ 6,159,349</u>	<u>\$ 1,718,893</u>	<u>\$ 5,023,501</u>	<u>\$ 12,901,743</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – Town Special Revenue Funds

*June 30, 2023*

	19	20	21	40	23	68	30
	ARPA	Partnership For Success	DCF Grant	SHSP Grant	CDBG	Disaster Mitigation	Animal Care
<b>Assets</b>							
Cash and cash equivalents	\$ 2,038,364	\$ -	\$ (57,865)	\$ -	\$ -	\$ -	\$ 3,125
Due from other funds	2,948,934	43,976	-	10,000	28,931	-	95,177
Total assets	4,987,298	43,976	(57,865)	10,000	28,931	-	98,302
<b>Deferred Outflows of Resources</b>							
None	-	-	-	-	-	-	-
Total outflows of resources and assets	4,987,298	43,976	(57,865)	10,000	28,931	-	98,302
<b>Liabilities</b>							
Due to other funds	-	-	16,766	-	-	-	-
Other	-	-	529	-	-	-	1,209
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	-	17,295	-	-	-	1,209
<b>Deferred Inflows of Resources</b>							
Unearned revenue	4,987,298	-	-	-	-	-	-
Total deferred inflows of resources	4,987,298	-	-	-	-	-	-
<b>Fund Balances</b>							
Restricted	-	43,976	-	10,000	28,931	-	97,093
Committed	-	-	-	-	-	-	-
Unassigned	-	-	(75,160)	-	-	-	-
Total fund balances (deficits)	-	43,976	(75,160)	10,000	28,931	-	97,093
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,987,298	\$ 43,976	\$ (57,865)	\$ 10,000	\$ 28,931	\$ -	\$ 98,302

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – Town Special Revenue Funds

*June 30, 2023*

	22 Substance Abuse	34 Holiday Basket	35 Lincoln Days	36 Memorial Day Parade	39 Police Vest Grant	41 Police Forfeiture	42 Senior Center Donations
<b>Assets</b>							
Cash and cash equivalents	\$ 69,347	\$ 47,802	\$ 4,800	\$ 26,887	\$ (1,485)	\$ 34,731	\$ -
Due from other funds	137,111	-	-	-	1,819	2,544	86,692
Total assets	206,458	47,802	4,800	26,887	334	37,275	86,692
<b>Deferred Outflows of Resources</b>							
None	-	-	-	-	-	-	-
Total outflows of resources and assets	206,458	47,802	4,800	26,887	334	37,275	86,692
<b>Liabilities</b>							
Due to other funds	-	36	-	260	-	-	-
Other	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	-	36	-	260	-	-	-
<b>Deferred Inflows of Resources</b>							
Unearned revenue	-	-	-	-	1,222	-	-
Total deferred inflows of resources	-	-	-	-	1,222	-	-
<b>Fund Balances</b>							
Restricted	206,458	47,766	4,800	26,627	-	37,275	\$ 86,692
Committed	-	-	-	-	-	-	-
Unassigned	-	-	-	-	(888)	-	-
Total fund balances (deficits)	206,458	47,766	4,800	26,627	(888)	37,275	86,692
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 206,458	\$ 47,802	\$ 4,800	\$ 26,887	\$ 334	\$ 37,275	\$ 86,692

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – Town Special Revenue Funds

*June 30, 2023*

	43	45	47	48	49	65	69	84
	HIN1 Clinic Grant	Fed Drug Forfeiture	Rescue Grants and Donations	MEDS	Byrne JAG 2009	Hearthside Building	Pacemaking	School Revolving
<b>Assets</b>								
Cash and cash equivalents	\$ -	\$ 19	\$ -	\$ (24,594)	\$ 388	\$ 6,626	\$ 9,899	\$ 5,354,788
Due from other funds	-	-	1,459	64,095	525	-	-	-
Total assets	-	19	1,459	39,501	913	6,626	9,899	5,354,788
<b>Deferred Outflows of Resources</b>								
None	-	-	-	-	-	-	-	-
Total outflows of resources and assets	-	19	1,459	39,501	913	6,626	9,899	5,354,788
<b>Liabilities</b>								
Due to other funds	311,431	-	-	-	-	-	17,398	-
Other	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	311,431	-	-	-	-	-	17,398	-
<b>Deferred Inflows of Resources</b>								
Unearned revenue	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Restricted	-	19	1,459	-	913	6,626	-	5,354,788
Committed	-	-	-	39,501	-	-	-	-
Unassigned	(311,431)	-	-	-	-	-	(7,499)	-
Total fund balances (deficits)	(311,431)	19	1,459	39,501	913	6,626	(7,499)	5,354,788
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 19	\$ 1,459	\$ 39,501	\$ 913	\$ 6,626	\$ 9,899	\$ 5,354,788

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – Town Special Revenue Funds

*June 30, 2023*

	67 Affordable Housing Trust	66 Senior Center	71 Operation Riptide	72 Town Clerk Technician	73 Historical Records	74 Senior Center Programs	46 Senior Center Programs	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 146,571	\$ 31,989	\$ 9,587	\$ (20,150)	\$ 3,176	\$ (4,172)	\$ 28,410	\$ 7,708,243
Due from other funds	194,614	-	-	152,513	62,135	4,830	-	3,835,354
Total assets	341,185	31,989	9,587	132,363	65,311	658	28,410	11,543,597
<b>Deferred Outflows of Resources</b>								
None	-	-	-	-	-	-	-	-
Total outflows of resources and assets	341,185	31,989	9,587	132,363	65,311	658	28,410	11,543,597
<b>Liabilities</b>								
Due to other funds	-	16,175	14,328	-	-	-	-	376,395
Other	-	9,593	-	-	-	-	8,002	19,333
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	-	25,768	14,328	-	-	-	8,002	395,728
<b>Deferred Inflows of Resources</b>								
Unearned revenue	-	-	-	-	-	-	-	4,988,520
Total deferred inflows of resources	-	-	-	-	-	-	-	4,988,520
<b>Fund Balances</b>								
Restricted	341,185	6,221	-	-	-	-	-	6,300,829
Committed	-	-	-	132,363	65,311	658	20,408	258,241
Unassigned	-	-	(4,741)	-	-	-	-	(399,721)
Total fund balances (deficits)	341,185	6,221	(4,741)	132,363	65,311	658	20,408	6,159,349
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 341,185	\$ 31,989	\$ 9,587	\$ 132,363	\$ 65,311	\$ 658	\$ 28,410	\$ 11,543,597

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Revenue, Expenditures & Changes in Fund Balance – Town Special Revenue Funds

*For the Year Ended June 30, 2023*

	19	20	21	40	23	68	30
	ARPA	Partnership For Success	DCF Grant	SHSP Grant	CDBG	Disaster Mitigation	Animal Care
<b>Revenues</b>							
Grant Revenue	\$ 1,382,901	\$ -	\$ 84,502	\$ -	\$ -	2,925	\$ -
Investment income	-	-	-	-	-	-	-
Other revenue	-	0	-	-	-	-	10,257
Total revenues	1,382,901	-	84,502	-	-	2,925	10,257
<b>Expenditures</b>							
General government	1,382,901	-	-	-	-	-	-
Public safety	-	879	75,813	-	-	2,925	-
Public service	-	-	-	-	-	-	8,304
Health and human Services	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-
Total expenditures	1,382,901	879	75,813	-	-	2,925	8,304
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	-	(879)	8,689	-	-	-	1,953
<b>Other financing sources (uses)</b>							
Transfers (to) other funds	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	-	(879)	8,689	-	-	-	1,953
Fund Balance, July 1, 2022	-	44,855	(83,849)	10,000	28,931	-	95,140
Fund Balance, June 30, 2023	\$ -	\$ 43,976	\$ (75,160)	\$ 10,000	\$ 28,931	\$ -	\$ 97,093

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Revenue, Expenditures & Changes in Fund Balance – Town Special Revenue Funds

*For the Year Ended June 30, 2023*

	22 Substance Abuse	34 Holiday Basket	35 Lincoln Days	36 Memorial Day Parade	39 Police Vest Grant	41 Police Forfeiture	42 Senior Center Donations
<b>Revenues</b>							
Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ 5,613	\$ -	\$ -
Investment income	-	-	-	-	-	-	-
Other revenue	69,347	16,627	3	31,721	-	10,637	-
Total revenues	69,347	16,627	3	31,721	5,613	10,637	-
<b>Expenditures</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public service	-	23,985	-	-	2,375	49,156	-
Health and human Services	-	-	-	-	-	-	-
Parks and recreation	-	-	-	31,631	-	-	-
Total expenditures	-	23,985	-	31,631	2,375	49,156	-
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	69,347	(7,358)	3	90	3,238	(38,519)	-
<b>Other financing sources (uses)</b>							
Transfers from (to) other funds	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	69,347	(7,358)	3	90	3,238	(38,519)	-
Fund Balance, July 1, 2022	137,111	55,124	4,797	26,537	(4,126)	75,794	86,692
Fund Balance, June 30, 2023	\$ 206,458	\$ 47,766	\$ 4,800	\$ 26,627	\$ (888)	\$ 37,275	\$ 86,692

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – Town Special Revenue Funds

*For the Year Ended June 30, 2023*

	43 H1N1 Clinic Grant	45 Fed Drug Forfeiture	47 Rescue Grants and Donations	48 MEDS	49 Byrne JAG 2009	65 Hearthside Building	69 Pacemaking	84 School Revolving
<b>Revenues</b>								
Grant Revenue	\$ -	\$ 5	\$ -	\$ 2,250	\$ -	\$ -	\$ 26,320	\$ -
Investment income	-	-	-	-	-	16	0	154,838
Other revenue	-	-	-	-	-	-	-	5,199,950
Total revenues	<u>-</u>	<u>5</u>	<u>-</u>	<u>2,250</u>	<u>-</u>	<u>16</u>	<u>26,320</u>	<u>5,354,788</u>
<b>Expenditures</b>								
General government	-	-	-	-	-	-	33,819	-
Public safety	-	3	-	26,157	-	-	-	-
Public service	-	-	-	-	-	-	-	-
Health and human Services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>3</u>	<u>-</u>	<u>26,157</u>	<u>-</u>	<u>-</u>	<u>33,819</u>	<u>-</u>
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	-	2	-	(23,907)	-	16	(7,499)	5,354,788
<b>Other financing sources (uses)</b>								
Transfers from (to) other funds	-	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	-	2	-	(23,907)	-	16	(7,499)	5,354,788
Fund Balance, July 1, 2022	(311,431)	17	1,459	63,408	913	6,610	-	-
Fund Balance, June 30, 2023	<u>\$ (311,431)</u>	<u>\$ 19</u>	<u>\$ 1,459</u>	<u>\$ 39,501</u>	<u>\$ 913</u>	<u>\$ 6,626</u>	<u>\$ (7,499)</u>	<u>\$ 5,354,788</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – Town Special Revenue Funds

*For the Year Ended June 30, 2023*

	<b>67</b>	<b>66</b>	<b>71</b>	<b>72</b>	<b>73</b>	<b>74</b>	<b>46</b>	
	<b>Affordable</b>	<b>Senior</b>	<b>Operation</b>	<b>Town Clerk</b>	<b>Historical</b>	<b>Senior Center</b>	<b>Senior Center</b>	<b>Total</b>
	<b>Housing Trust</b>	<b>Center</b>	<b>Riptide</b>	<b>Technician</b>	<b>Records</b>	<b>Programs</b>	<b>Programs</b>	
<b>Revenues</b>								
Grant Revenue	\$ -	\$ -	\$ 12,880	\$ -	\$ -	\$ 21,723	\$ -	\$ 1,539,119
Investment income	-	-	-	-	-	-	-	154,854
Other revenue	157,971	66,427	-	18,514	3,141	-	20,408	5,605,003
Total revenues	157,971	66,427	12,880	18,514	3,141	21,723	20,408	7,298,976
<b>Expenditures</b>								
General government	-	-	-	-	-	-	-	1,416,720
Public safety	-	-	7,602	-	-	-	-	113,379
Public service	-	71,818	-	52,001	-	-	-	207,639
Health and human Services	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	26,415	-	58,046
Total expenditures	-	71,818	7,602	52,001	-	26,415	-	1,795,784
Excess (deficiency) of revenue over (under) expenditures before other financing sources (uses)	157,971	(5,391)	5,278	(33,487)	3,141	(4,692)	20,408	5,503,192
<b>Other financing sources (uses)</b>								
Transfers from (to) other funds	-	-	-	-	-	-	-	-
<b>Excess (deficiency) of revenues and other sources over (under) expenditures and other uses</b>	157,971	(5,391)	5,278	(33,487)	3,141	(4,692)	20,408	5,503,192
Fund Balance, July 1, 2022	183,214	11,612	(10,019)	165,850	62,170	5,350	-	656,157
Fund Balance, June 30, 2023	\$ 341,185	\$ 6,221	\$ (4,741)	\$ 132,363	\$ 65,311	\$ 658	\$ 20,408	\$ 6,159,349

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	<b>21011100</b>	<b>21013100</b>	<b>21011200</b>	<b>21021100</b>	<b>21031100</b>	<b>21041100</b>
	<b>SPED</b>	<b>SPED</b>	<b>SPED</b>	<b>Title I Part A</b>	<b>Title II</b>	<b>Title III</b>
	<b>IDEA</b>	<b>IDEA Part B</b>	<b>IDEA</b>	<b>Disadvantaged</b>	<b>Part A</b>	<b>Language</b>
	<b>Part B</b>	<b>Support</b>	<b>Preschool</b>	<b>Youth</b>	<b>Teacher Quality</b>	<b>Acquisition</b>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-
Due from other funds	246,098	38	49,772	728,663	188,687	39,064
Due from state or federal government	-	-	-	-	78,393	-
Total assets	<u>246,098</u>	<u>38</u>	<u>49,772</u>	<u>728,663</u>	<u>267,080</u>	<u>39,064</u>
<b>Deferred Outflows of Resources</b>						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>246,098</u>	<u>38</u>	<u>49,772</u>	<u>728,663</u>	<u>267,080</u>	<u>39,064</u>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	-	-	-	-	-	-
Due to other funds	246,098	-	49,772	728,663	267,080	39,028
Total liabilities	<u>246,098</u>	<u>-</u>	<u>49,772</u>	<u>728,663</u>	<u>267,080</u>	<u>39,028</u>
<b>Deferred inflows of resources</b>						
Deferred inflows	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>						
Restricted	-	38	-	-	-	36
Unassigned	-	-	-	-	-	-
Total fund balance (deficits)	<u>-</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 246,098</u>	<u>\$ 38</u>	<u>\$ 49,772</u>	<u>\$ 728,663</u>	<u>\$ 267,080</u>	<u>\$ 39,064</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	21061100	21091100	21093100	21162100	21413100	21251706	23112001
	Title V	Perkins Vocational Even	Perkins V	USDA FFVP	RIDHS Bright Stars	ESSER Grant	Legislative Grant
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-	-
Due from other funds	1,803	126,013	603	5,020	2,751	1,321,637	2,538
Due from state or federal government	-	-	-	-	-	-	-
Total assets	<u>1,803</u>	<u>126,013</u>	<u>603</u>	<u>5,020</u>	<u>2,751</u>	<u>1,321,637</u>	<u>2,538</u>
<b>Deferred Outflows of Resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>1,803</u>	<u>126,013</u>	<u>603</u>	<u>5,020</u>	<u>2,751</u>	<u>1,321,637</u>	<u>2,538</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	-	-	-	-	-	171,616	-
Due to other funds	-	126,013	603	5,020	-	895,078	71
Total liabilities	<u>-</u>	<u>126,013</u>	<u>603</u>	<u>5,020</u>	<u>-</u>	<u>1,066,694</u>	<u>71</u>
<b>Deferred inflows of resources</b>							
Deferred inflows	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Restricted	1,803	-	-	-	2,751	254,943	2,467
Unassigned	-	-	-	-	-	-	-
Total fund balance (deficits)	<u>1,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,751</u>	<u>254,943</u>	<u>2,467</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,803</u>	<u>\$ 126,013</u>	<u>\$ 603</u>	<u>\$ 5,020</u>	<u>\$ 2,751</u>	<u>\$ 1,321,637</u>	<u>\$ 2,538</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	23142000	23163000	23183000	23463000	23581000	23581001	23582000
	RI State Council	RICAPP	Big Yellow School Bus	RI Skills Commission	CTE Categorical 2013	CTE Categorical Even	CTE Course Sequence
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-	-
Due from other funds	1,270	1,083	401	10,426	11,252	5,570	301
Due from state or federal government	-	-	-	-	-	-	-
Total assets	<u>1,270</u>	<u>1,083</u>	<u>401</u>	<u>10,426</u>	<u>11,252</u>	<u>5,570</u>	<u>301</u>
<b>Deferred Outflows of Resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>1,270</u>	<u>1,083</u>	<u>401</u>	<u>10,426</u>	<u>11,252</u>	<u>5,570</u>	<u>301</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	7,770	5,431	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,770</u>	<u>5,431</u>	<u>-</u>
<b>Deferred inflows of resources</b>							
Deferred inflows	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Restricted	1,270	1,083	401	10,426	3,482	139	301
Unassigned	-	-	-	-	-	-	-
Total fund balance (deficits)	<u>1,270</u>	<u>1,083</u>	<u>401</u>	<u>10,426</u>	<u>3,482</u>	<u>139</u>	<u>301</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,270</u>	<u>\$ 1,083</u>	<u>\$ 401</u>	<u>\$ 10,426</u>	<u>\$ 11,252</u>	<u>\$ 5,570</u>	<u>\$ 301</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	21251702	21251705	21251805	21251820	2291010	21251806
	ESSER II Priority II	ESSER II Priority V	ESSER II Digital Divide	ARPA ELC Grant	Emergency Connectivity Fund	ESSER III Other Priority
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-
Due from other funds	-	102,401	-	43,580	577,746	249,409
Due from state or federal government	-	-	-	-	-	-
Total assets	-	102,401	-	43,580	577,746	249,409
<b>Deferred Outflows of Resources</b>						
Deferred outflows	-	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	-	102,401	-	43,580	577,746	249,409
<b>Liabilities</b>						
Accounts payable and accrued liabilities	-	-	-	-	-	-
Due to other funds	-	147,268	43,480	43,580	577,746	231,497
Total liabilities	-	147,268	43,480	43,580	577,746	231,497
<b>Deferred inflows of resources</b>						
Deferred inflows	-	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-	-
<b>Fund balances</b>						
Restricted	-	-	(43,480)	-	-	17,912
Unassigned	-	(44,866)	-	-	-	-
Total fund balance (deficits)	-	(44,866)	(43,480)	-	-	17,912
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ -	\$ 102,402	\$ 0	\$ 43,580	\$ 577,746	\$ 249,409

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	21251815	23582001	21251816	23911001	23911007	23671000	60010000
	ARPA IDEA Part B	CTE Categorical 2014	ARPA IDEA Preschool	SBA Capital	SBA Food Truck	ELL Categorical	School Lunch
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 672,642
Receivables	-	-	-	-	-	-	-
Due from other funds	172,495	17,488	212	336,768	115,000	4,937	206,245
Due from state or federal government	-	-	-	-	-	-	-
Total assets	<u>172,495</u>	<u>17,488</u>	<u>212</u>	<u>336,768</u>	<u>115,000</u>	<u>4,937</u>	<u>878,887</u>
<b>Deferred Outflows of Resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>172,495</u>	<u>17,488</u>	<u>212</u>	<u>336,768</u>	<u>115,000</u>	<u>4,937</u>	<u>878,887</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	-	-	-	2,551	-	-	71,298
Due to other funds	172,495	-	4,400	336,768	115,000	4,937	-
Total liabilities	<u>172,495</u>	<u>-</u>	<u>4,400</u>	<u>339,319</u>	<u>115,000</u>	<u>4,937</u>	<u>71,298</u>
<b>Deferred inflows of resources</b>							
Deferred inflows	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Restricted	-	17,488	-	-	-	-	807,589
Unassigned	-	-	(4,188)	(2,550)	-	-	-
Total fund balance (deficits)	<u>-</u>	<u>17,488</u>	<u>(4,188)</u>	<u>(2,550)</u>	<u>-</u>	<u>-</u>	<u>807,589</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ <u>172,495</u>	\$ <u>17,488</u>	\$ <u>212</u>	\$ <u>336,769</u>	\$ <u>115,000</u>	\$ <u>4,937</u>	\$ <u>878,887</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	24021001	24040060	24061000	24061001	24061002
	<b>LHS Scholarship</b>	<b>NFL Play 60 Grant</b>	<b>LHS Student Activities</b>	<b>LHS Class Funds</b>	<b>LMS Student Activities</b>
<b>Assets</b>					
Cash	\$ 44,394	\$ -	\$ 221,731	\$ 353,160	\$ 48,383
Receivables	-	-	9,721	-	-
Due from other funds	-	-	-	-	-
Due from state or federal government	-	-	-	-	-
Total assets	44,394	-	231,452	353,160	48,383
<b>Deferred Outflows of Resources</b>					
Deferred outflows	-	-	-	-	-
Total deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	44,394	-	231,452	353,160	48,383
<b>Liabilities</b>					
Accounts payable and accrued liabilities	-	-	-	-	-
Due to other funds	-	3,123	-	-	-
Total liabilities	-	3,123	-	-	-
<b>Deferred inflows of resources</b>					
Deferred inflows	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
<b>Fund balances</b>					
Restricted	44,394	-	231,452	353,161	48,383
Unassigned	-	(3,123)	-	-	-
Total fund balance (deficits)	44,394	(3,123)	231,452	353,161	48,383
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 44,394	\$ (0)	\$ 231,452	\$ 353,161	\$ 48,383

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	<b>24012005</b>	<b>24030009</b>	<b>24030018</b>	<b>24030060</b>	<b>24012020</b>	<b>24030727</b>
	<b>Feinstein Central</b>	<b>Target Grant</b>	<b>ED Development Center, Inc.</b>	<b>IBM</b>	<b>1st Student Cust Adv</b>	<b>National Restaurant Dues</b>
<b>Assets</b>						
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables	-	-	-	-	-	-
Due from other funds	10,288	231	1,099	122	1,492	10
Due from state or federal government	-	-	-	-	-	-
<b>Total assets</b>	<b>10,288</b>	<b>231</b>	<b>1,099</b>	<b>122</b>	<b>1,492</b>	<b>10</b>
<b>Deferred Outflows of Resources</b>						
Deferred outflows	-	-	-	-	-	-
<b>Total deferred outflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total assets and deferred outflows of resources</b>	<b>10,288</b>	<b>231</b>	<b>1,099</b>	<b>122</b>	<b>1,492</b>	<b>10</b>
<b>Liabilities</b>						
Accounts payable and accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>						
Deferred inflows	-	-	-	-	-	-
<b>Total deferred inflow of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>						
Restricted	10,288	231	1,099	122	1,492	10
Unassigned	-	-	-	-	-	-
<b>Total fund balance (deficits)</b>	<b>10,288</b>	<b>231</b>	<b>1,099</b>	<b>122</b>	<b>1,492</b>	<b>10</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 10,288</b>	<b>\$ 231</b>	<b>\$ 1,099</b>	<b>\$ 122</b>	<b>\$ 1,492</b>	<b>\$ 10</b>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – School Special Revenue Funds

*June 30, 2023*

	24040030	24040059	24040065	24040079	24040160	24050040	
	<b>Reading Excellence</b>	<b>NE Food and Dairy</b>	<b>RI Jump Stop</b>	<b>PTO Donations</b>	<b>American Chemical Society</b>	<b>Donations Instruction</b>	<b>Total</b>
<b>Assets</b>							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,340,309
Receivables	-	-	-	-	-	-	9,721
Due from other funds	1,465	1,672	850	872	153	850	4,588,371
Due from state or federal government	-	-	-	-	-	-	78,393
Total assets	<u>1,465</u>	<u>1,672</u>	<u>850</u>	<u>872</u>	<u>153</u>	<u>850</u>	<u>6,016,795</u>
<b>Deferred Outflows of Resources</b>							
Deferred outflows	-	-	-	-	-	-	-
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets and deferred outflows of resources	<u>1,465</u>	<u>1,672</u>	<u>850</u>	<u>872</u>	<u>153</u>	<u>850</u>	<u>6,016,795</u>
<b>Liabilities</b>							
Accounts payable and accrued liabilities	-	-	-	-	-	-	245,465
Due to other funds	-	1,523	-	-	-	-	4,052,441
Total liabilities	<u>-</u>	<u>1,523</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,297,905</u>
<b>Deferred inflows of resources</b>							
Deferred inflows	-	-	-	-	-	-	-
Total deferred inflow of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances</b>							
Restricted	1,465	149	850	872	153	850	1,773,620
Unassigned	-	-	-	-	-	-	(54,727)
Total fund balance (deficits)	<u>1,465</u>	<u>149</u>	<u>850</u>	<u>872</u>	<u>153</u>	<u>850</u>	<u>1,718,893</u>
Total liabilities, deferred inflows of resources, and fund balances (deficits)	<u>\$ 1,465</u>	<u>\$ 1,672</u>	<u>\$ 850</u>	<u>\$ 872</u>	<u>\$ 153</u>	<u>\$ 850</u>	<u>\$ 6,016,799</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	<b>21011100</b> <b>SPED</b> <b>IDEA</b> <b>Part B</b>	<b>21021100</b> <b>SPED</b> <b>IDEA Part B</b> <b>Support</b>	<b>21011200</b> <b>SPED</b> <b>IDEA</b> <b>Preschool</b>	<b>21021100</b> <b>Title I Part A</b> <b>Disadvantaged</b> <b>Youth</b>	<b>21031100</b> <b>Title II</b> <b>Part A</b> <b>Teacher Quality</b>	<b>21041100</b> <b>Title III</b> <b>Language</b> <b>Acquisition</b>
<b>Revenues</b>						
Federal and state grant income	\$ 859,341	\$ -	\$ 28,189	\$ 728,663	\$ 210,720	\$ 29,139
Other income	-	-	-	-	-	-
Total revenues	<u>859,341</u>	<u>-</u>	<u>28,189</u>	<u>728,663</u>	<u>210,720</u>	<u>29,139</u>
<b>Expenditures</b>						
Education	<u>859,341</u>	<u>-</u>	<u>28,189</u>	<u>728,687</u>	<u>210,720</u>	<u>29,103</u>
Excess (deficiency) of revenue over expenditures	-	-	-	(24)	-	36
<b>Other financing sources (uses)</b>						
Transfers from (to) other funds	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	(24)	-	36
Fund Balance, July 1, 2022	<u>-</u>	<u>38</u>	<u>-</u>	<u>24</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2023	<u>\$ -</u>	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	21061100	21091100	21093100	21162100	21413100	21251706	23112001
	<u>Title V</u>	<u>Perkins Vocational Even</u>	<u>Perkins V</u>	<u>USDA FFVP</u>	<u>RIDHS Bright Stars</u>	<u>ESSER Grant</u>	<u>Legislative Grant</u>
<b>Revenues</b>							
Federal and state grant income	\$ -	\$ 78,109	\$ 603	\$ 23,948	\$ -	\$ 723,868	\$ 2,000
Other income	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>78,109</u>	<u>603</u>	<u>23,948</u>	<u>-</u>	<u>723,868</u>	<u>2,000</u>
<b>Expenditures</b>							
Education	-	78,109	603	23,948	-	468,924	1,930
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	254,943	70
<b>Other financing sources (uses)</b>							
Transfers from (to) other funds	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	254,943	70
Fund Balance, July 1, 2022	1,803	-	-	-	2,751	-	2,397
Fund Balance, June 30, 2023	<u>\$ 1,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,751</u>	<u>\$ 254,943</u>	<u>\$ 2,467</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	<b>23142000</b>	<b>23163000</b>	<b>23183000</b>	<b>23463000</b>	<b>23581001</b>	<b>23581001</b>	<b>23582000</b>
	<b>RI State Council</b>	<b>RICAPP</b>	<b>Big Yellow School Bus</b>	<b>RI Skills Commission</b>	<b>CTE Categorical 2013</b>	<b>CTE Categorical Even</b>	<b>CTE Course Sequence</b>
<b>Revenues</b>							
Federal and state grant income	\$ -	\$ -	\$ -	\$ -	\$ 16,135	\$ -	\$ -
Other income	-	-	630	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>630</u>	<u>-</u>	<u>16,135</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>							
Education	-	-	439	-	14,102	-	-
Excess (deficiency) of revenue over expenditures	-	-	191	-	2,033	-	-
<b>Other financing sources (uses)</b>							
Transfers from (to) other funds	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	191	-	2,033	-	-
Fund Balance, July 1, 2022	<u>1,270</u>	<u>1,083</u>	<u>210</u>	<u>10,426</u>	<u>1,449</u>	<u>139</u>	<u>301</u>
Fund Balance, June 30, 2023	<u>\$ 1,270</u>	<u>\$ 1,083</u>	<u>\$ 401</u>	<u>\$ 10,426</u>	<u>\$ 3,482</u>	<u>\$ 139</u>	<u>\$ 301</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	21251702	21251705	21251805	21251820	2291010	21251806
	ESSER II Priority II	ESSER II Priority V	ESSER II Digital Divide	ARP - ELC Grant	Emergency Connectivity Fund	ESSER III Other Priority
<b>Revenues</b>						
Federal and state grant income	\$ 55,462	\$ 108,896	\$ -	\$ 58,294	\$ -	\$ 163,601
Other income	-	-	-	-	-	-
Total revenues	<u>55,462</u>	<u>108,896</u>	<u>-</u>	<u>58,294</u>	<u>-</u>	<u>163,601</u>
<b>Expenditures</b>						
Education	<u>55,462</u>	<u>108,896</u>	<u>43,480</u>	<u>58,569</u>	<u>0</u>	<u>145,689</u>
Excess (deficiency) of revenue over expenditures	-	-	(43,480)	(275)	-	17,912
<b>Other financing sources (uses)</b>						
Transfers from (to) other funds	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	(43,480)	(275)	-	17,912
Fund Balance, July 1, 2022	<u>-</u>	<u>(44,866)</u>	<u>-</u>	<u>275</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2023	<u>\$ -</u>	<u>\$ (44,866)</u>	<u>\$ (43,480)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,912</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	21251815	23582001	21251816	23911001	23911007	23671000	60010000
	ARPA IDEA Part B	CTE Categorical 2014	ARPA IDEA Preschool	SBA Capital	SBA Food Truck	ELL Categorical	School Lunch
<b>Revenues</b>							
Federal and state grant income	\$ 172,495	\$ -	\$ 18,233	\$ 336,768	\$ 115,000	\$ 4,937	\$ 1,259,055
Other income	-	-	-	-	-	-	-
Total revenues	<u>172,495</u>	<u>-</u>	<u>18,233</u>	<u>336,768</u>	<u>115,000</u>	<u>4,937</u>	<u>1,259,055</u>
<b>Expenditures</b>							
Education	<u>172,495</u>	<u>-</u>	<u>22,421</u>	<u>339,318</u>	<u>115,000</u>	<u>5,475</u>	<u>1,243,110</u>
Excess (deficiency) of revenue over expenditures	-	-	(4,188)	(2,550)	-	(538)	15,945
<b>Other financing sources (uses)</b>							
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	(4,188)	(2,550)	-	(538)	15,945
Fund Balance, July 1, 2022	<u>-</u>	<u>17,488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538</u>	<u>791,644</u>
Fund Balance, June 30, 2023	<u>\$ -</u>	<u>\$ 17,488</u>	<u>\$ (4,188)</u>	<u>\$ (2,550)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 807,589</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	<b>24021001</b>	<b>24040060</b>	<b>24061000</b>	<b>24061001</b>	<b>24061002</b>
	<b>LHS Scholarship</b>	<b>NFL Play 60 Grant</b>	<b>LHS Student Activities</b>	<b>LHS Class Funds</b>	<b>LMS Student Activities</b>
<b>Revenues</b>					
Federal and state grant income	\$ 8,554	\$ -	\$ -	\$ -	\$ -
Other income	-	-	351,277	95,502	67,353
Total revenues	<u>8,554</u>	<u>-</u>	<u>351,277</u>	<u>95,502</u>	<u>67,353</u>
<b>Expenditures</b>					
Education	<u>24,018</u>	<u>0</u>	<u>275,919</u>	<u>94,503</u>	<u>64,222</u>
Excess (deficiency) of revenue over expenditures	(15,464)	-	75,358	999	3,131
<b>Other financing sources (uses)</b>					
Transfers from (to) other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(15,464)	-	75,358	999	3,131
Fund Balance, July 1, 2022	<u>59,858</u>	<u>(3,123)</u>	<u>156,094</u>	<u>352,162</u>	<u>45,252</u>
Fund Balance, June 30, 2023	<u>\$ 44,394</u>	<u>\$ (3,123)</u>	<u>\$ 231,452</u>	<u>\$ 353,161</u>	<u>\$ 48,383</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	24012005	24030009	24030018	24030060	24012020	24030727
	<u>Feinstein Central</u>	<u>Target Grant</u>	<u>ED Development Center, Inc.</u>	<u>IBM</u>	<u>1st Student Cust Adv</u>	<u>National Restaurant Dues</u>
<b>Revenues</b>						
Federal and state grant income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other income	8,500	-	-	-	2,000	5,000
Total revenues	<u>8,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>5,000</u>
<b>Expenditures</b>						
Education	9,455	-	-	-	508	4,990
Excess (deficiency) of revenue over expenditures	(955)	-	-	-	1,492	10
<b>Other financing sources (uses)</b>						
Transfers from (to) other funds	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	(955)	-	-	-	1,492	10
Fund Balance, July 1, 2022	<u>11,243</u>	<u>231</u>	<u>1,099</u>	<u>122</u>	<u>-</u>	<u>-</u>
Fund Balance, June 30, 2023	<u>\$ 10,288</u>	<u>\$ 231</u>	<u>\$ 1,099</u>	<u>\$ 122</u>	<u>\$ 1,492</u>	<u>\$ 10</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in fund Balance – School Special Revenue Funds

*For the Year Ended June 30, 2023*

	24040030	24040059	24040065	24040079	24040160	24050040	
	<u>Reading Excellence</u>	<u>NE Food and Dairy</u>	<u>RI Jump Stop</u>	<u>PTO Donations</u>	<u>American Chemical Society</u>	<u>Donations Instruction</u>	<u>Total</u>
<b>Revenues</b>							
Federal and state grant income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	5,002,010
Other income	-	-	-	-	-	-	530,262
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,532,272</u>
<b>Expenditures</b>							
Education	-	-	-	-	-	-	5,227,625
Excess (deficiency) of revenue over expenditures	-	-	-	-	-	-	304,646
<b>Other financing sources (uses)</b>							
Transfers from (to) other funds	-	-	-	-	-	-	-
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	-	-	-	-	-	304,646
Fund Balance, July 1, 2022	<u>1,465</u>	<u>149</u>	<u>850</u>	<u>872</u>	<u>153</u>	<u>850</u>	<u>1,414,247</u>
Fund Balance, June 30, 2023	<u>\$ 1,465</u>	<u>\$ 149</u>	<u>\$ 850</u>	<u>\$ 872</u>	<u>\$ 153</u>	<u>\$ 850</u>	<u>\$ 1,718,893</u>

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Balance Sheet – Capital Project Funds

*June 30, 2023*

	<b>Open Space Reserve</b>	<b>Capital Projects Reserve</b>	<b>Town Capital Projects</b>	<b>School Capital Projects</b>	<b>Total</b>
<b>Assets</b>					
Cash & cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	517,387	604,366	5,823,410	-	6,945,163
Total assets	517,387	604,366	5,823,410	-	6,945,163
<b>Deferred outflows of resources</b>					
Deferred inflows	-	-	-	-	-
Total assets and deferred outflows of resources	517,387	604,366	5,823,410	-	6,945,163
<b>Liabilities</b>					
Accounts Payable	-	-	-	334,124	334,124
Due to other funds	493	141,326	22,500	1,423,220	1,587,539
Total liabilities	493	141,326	22,500	1,757,344	1,921,663
<b>Deferred inflows of resources</b>					
None	-	-	-	-	-
<b>Fund Balances</b>					
Restricted	516,894	463,040	5,800,911	-	6,780,845
Unassigned	-	-	-	(1,757,344)	(1,757,344)
Total liabilities, deferred inflows of resources, and fund balances	\$ 517,387	\$ 604,366	\$ 5,823,411	\$ -	\$ 6,945,164

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Non-Major Governmental Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance – Capital Project Funds

*For the Year Ended June 30, 2023*

	<u>Open Space Reserve</u>	<u>Capital Projects Reserve</u>	<u>Town Capital Projects</u>	<u>School Capital Projects</u>	<u>Total</u>
<b>Revenues</b>					
Investment income	\$ -	\$ -	\$ -	\$ -	\$ -
Other	-	-	-	-	-
Total revenues	-	-	-	-	-
<b>Expenditures</b>					
Education	-	60,549	-	1,440,557	1,501,107
Public safety	-	69,238	-	-	69,238
General government	-	-	-	-	-
Public services	-	-	22,500	-	22,500
Total expenditures	-	129,787	22,500	1,440,557	1,592,846
Excess (deficiency) of revenue over expenditures	-	(129,787)	(22,500)	(1,440,557)	(1,592,846)
<b>Other financing sources (uses)</b>					
Transfer from (to) other funds	-	-	1,966,585	-	1,966,585
Total other financing sources (uses)	-	-	1,966,585	-	1,966,585
Excess (deficiency) of revenues and other sources over expenditures and other uses	-	(129,787)	1,944,085	(1,440,557)	373,740
Fund balance, July 1, 2021	516,894	592,827	3,856,826	(316,787)	4,649,761
Fund balance, June 30, 2022	\$ 516,894	\$ 463,040	\$ 5,800,911	\$ (1,757,344)	\$ 5,023,500

*See independent auditors' report*

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Combining Statement of Net Position – Private Purpose Trust Funds

*June 30, 2023*

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	<b>Eunice L. Hopkins Fund</b>	<b>Rufus Jenkins Fund</b>	<b>McDevitt Historical Cemetery Fund</b>	<b>Totals</b>
<b>Assets</b>				
Cash	\$ 1,511	\$ 6,006	\$ 26,662	\$ 34,179
Investments	-	-	-	-
<b>Total assets</b>	1,511	6,006	26,662	34,179
<b>Liabilities</b>				
Accounts payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total liabilities</b>	-	-	-	-
<b>Net position</b>				
Restricted for private purpose	1,511	6,006	26,662	34,179
<b>Total liabilities and net position</b>	\$ 1,511	\$ 6,006	\$ 26,662	\$ 34,179

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Combining Statement of Changes in Net Position – Private Purpose Trust Funds

*For the Year Ended June 30, 2023*

	<b>Eunice L. Hopkins Fund</b>	<b>Rufus Jenkins Fund</b>	<b>McDevitt Historical Cemetery Fund</b>	<b>Total</b>
<b>Additions</b>				
Investment income	\$ 3	\$ 14	\$ 65	\$ 82
Other	-	-	-	-
	3	14	65	82
<b>Deductions</b>				
Per trust agreements	-	-	-	-
Changes in fund equity held in trust for individuals, organizations, and other governments	3	14	65	82
Net position, July 1, 2022	1,508	5,992	26,597	34,097
Net position, June 30, 2023	\$ 1,511	\$ 6,006	\$ 26,662	\$ 34,179

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Combining Statement of Net Position – Custodial Funds

*June 30, 2023*

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	<u>Road Surety</u>
<b>Assets</b>	
Cash	\$ -
Due from other funds	514,637
Total assets	<u>514,637</u>
<b>Deferred outflows of resources</b>	
None	<u>-</u>
<b>Total outflows of resources and assets</b>	<u>514,637</u>
<b>Liabilities</b>	
Other Liabilities	\$ 30,188
Deposits Held	175,386
Total Liabilities	<u>175,386</u>
<b>Deferred inflows of resources</b>	
None	<u>-</u>
<b>Net Position</b>	
Restricted for Road Surety	<u>309,063</u>
<b>Total Net Position</b>	<u></u>

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Combining Statement of Changes in Net Position – Custodial Funds

*For the Year Ended June 30, 2023*

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	<b>Road Surety</b>
<b>Additions</b>	
Funds received on behalf of others	\$ 52,519
Total additions	<u>52,519</u>
<b>Deductions</b>	
Funds distributed on behalf of others	<u>96,363</u>
Total deductions	<u>96,363</u>
Increase (decrease) in deposits held	(43,844)
Net Position, July 1, 2022	<u>352,907</u>
Net Position, June 30, 2023	<u>\$ 309,063</u>

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Tax Collectors Annual Report

*For the Year ended June 30, 2023*

<u>Tax Roll Year</u>	<u>Balance July 1, 2022</u>	<u>Assessment</u>	<u>Abatements &amp; Adjustments</u>	<u>Amount to be collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2023</u>
2022	\$ 304	\$ 57,203,526	\$ (89,789)	\$ 57,114,041	\$ 55,721,932	\$ 1,392,109
2021	1,815,046	-	(145)	1,814,901	1,241,974	572,927
2020	565,310	-	(33,693)	531,617	245,601	286,016
2019	440,593	-	-	440,593	122,016	318,577
2018	234,850	-	-	234,850	46,219	188,631
2017	151,212	-	-	151,212	8,931	142,281
2016	134,607	-	-	134,607	6,099	128,508
2015	132,682	-	-	132,682	5,668	127,014
2014	118,325	-	-	118,325	3,640	114,685
2013	115,527	-	-	115,527	735	114,792
2012 and prior	501,501	-	(1,030)	500,471	2,779	497,692
	<u>\$ 4,209,957</u>	<u>\$ 57,203,526</u>	<u>\$ (124,657)</u>	<u>\$ 61,288,826</u>	<u>\$ 57,405,594</u>	<u>\$ 3,883,232</u>
Less: Allowance for uncollectible accounts	(571,764)					(571,764)
	<u>\$ 3,638,193</u>					<u>\$ 3,311,468</u>

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Tax Collectors Annual Report

*For the Year ended June 30, 2023*

FY2023 Tax Collection Summary			Schedule of Property Valuation Assessed as of December 31, 2021		
Collections Subject to 60-day FY22 Accrual	Sept-June 2023 Collections	Total FY2023 Cash Collections	FY23 Cash Collections Subject to 60-day FY23 Accrual	Valuation	Levy
\$ -	\$ 55,721,932	\$ 55,721,932	\$ 479,222	Real Property	\$ 3,766,083,141 \$ 68,397,023
655,079	586,895	1,241,974	15,721	Motor Vehicles	250,614,206 -
55,109	190,492	245,601	6,134	Tangible Personal Property	181,460,778 5,443,823
21,275	100,741	122,016	4,982	Total	\$ 4,198,158,125 \$ 73,840,847
6,874	39,345	46,219	1,375	Less: Exemptions and Motor Vehicle Phase Out	
3,735	5,196	8,931	852	Real Property	(1,010,759,993) (16,644,620)
431	5,668	6,099	10	Motor Vehicles	(89,970,855) -
164	5,504	5,668	-	Total	\$ 3,097,427,277 \$ 57,196,227
40	3,600	3,640	-		
-	735	735	-		
-	2,778	2,778	-		
\$ 742,707	\$ 56,662,887	\$ 57,405,594	\$ 508,295		

\* Note current year collections excludes interest collected

**Reconciliation of Current Year Property Tax Revenue**

Current Year Collections	\$ 57,405,594
60-day FY23 Accrual	
July-August 2022 Collections	508,295
60-day FY22 Accrual	
July-August 2021 Collections	(742,707)
Miscellaneous	(4,457)
	<u>\$ 57,166,725</u>

**TOWN OF LINCOLN, RHODE ISLAND**

Supplementary Information  
Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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**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 Lincoln  
Annual Supplemental Transparency Report (MTP2)  
Fiscal Year Ended June 30, 2023

<u>REVENUE</u>	<u>Municipal</u>	<u>Education Department</u>
Current Year Levy Tax Collection	\$ 56,201,154	\$ -
Last Year's Levy Tax Collection	602,616	-
Prior Years Property Tax Collection	367,412	-
Interest & Penalty	438,053	-
PILOT & Tax Treaty (excluded from levy) Collection	4,642	-
Other Local Property Taxes	-	-
Licenses and Permits	47,587	-
Fines and Forfeitures	7,093	-
Investment Income	130,245	-
Departmental	1,441,672	-
Rescue Run Revenue	1,194,922	-
Police & Fire Detail	1,214,620	-
Other Local Non-Property Tax Revenues	141,953	-
Tuition	-	321,028
Impact Aid	-	-
Medicaid	-	622,516
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	656,536
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	-	1,958,711
COVID - ESSER	-	1,051,826
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	1,382,901	249,022
MV Excise Tax Reimbursement	-	-
State PILOT Program	-	-
Distressed Community Relief Fund	-	-
Library Resource Aid	234,360	-
Library Construction Aid	-	-
Public Service Corporation Tax	269,979	-
Meals & Beverage Tax / Hotel Tax	1,140,472	-
LEA Aid	-	17,047,513
Group Home	-	-
Housing Aid Capital Projects	3,382,891	64,510
Housing Aid Bonded Debt	-	-
State Food Service Revenue	-	16,240
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	8,864,407	475,470
Motor Vehicle Phase Out	5,683,015	-
Other Revenue	-	1,177,636
Local Appropriation for Education	-	43,345,860
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<b>\$ 82,749,994</b>	<b>\$ 66,986,868</b>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	-	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	-	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<b>\$ -</b>	<b>\$ -</b>

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

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public Works	Parks and Rec	Police Department
	Government	Finance	Services	IT					
Compensation- Group A	\$ 607,229	\$ 447,567	\$ 282,311	\$ 68,459	\$ 146,653	\$ 679,988	\$ 2,313,324	\$ 331,840	\$ 3,047,463
Compensation - Group B	-	-	-	-	-	-	-	-	88,707
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	748	-	1,956	-	-	2,512	106,265	4,403	73,249
Overtime - Group B	-	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	816,410
Active Medical Insurance - Group A	117,750	123,260	63,547	2,585	24,350	255,855	765,344	27,474	595,937
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	40,481
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	10,312	2,310	1,168	62	4,608	2,490	33,499	319	19,264
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	1,473
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	136,136	28,030	18,678	2,034	9,995	44,658	160,955	23,552	299,146
Life Insurance	-	-	-	-	-	-	-	-	-
State Defined Contribution- Group A	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	-
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	-	-	-	-	-	-	109,422
Other Benefits- Group B	-	-	-	-	-	-	-	-	-
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	1,618,097
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	20,059	7,742	-	-	9,889	30,459	-	-
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	62,325	46,354	10,485	5,688	11,093	52,901	196,968	15,794	9,174
Purchased Services	335,982	48,730	40,294	26,463	7,258	42,065	45,676	-	117,047
Materials/Supplies	6,000	11,383	22,735	-	3,205	180,386	22,872	39,624	66,054
Software Licenses	-	-	-	137,701	-	-	524	-	29,322
Capital Outlays	-	-	-	-	-	-	2,436,673	50,000	194,046
Insurance	3,951,280	-	-	-	-	-	-	-	-
Maintenance	-	-	32,229	-	-	6,861	109,446	110,439	51,904
Vehicle Operations	-	-	-	-	149	-	655,134	3,982	137,817
Utilities	-	-	44,827	1,800	-	37,018	76,233	51,228	17,295
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	440,984	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	239,218	-	-
Trash Removal & Recycling	-	-	-	-	-	-	431,661	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	190,816	34,520	5,602	3,001	240	740	9,765	20,631	55,727
Tipping Fees	-	-	-	-	-	-	416,010	-	-
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	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 5,418,578</b>	<b>\$ 762,213</b>	<b>\$ 531,574</b>	<b>\$ 247,793</b>	<b>\$ 207,551</b>	<b>\$ 1,315,363</b>	<b>\$ 8,491,010</b>	<b>\$ 679,286</b>	<b>\$ 7,388,035</b>

Town of Lincoln  
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	\$ -	\$ 294,220	\$ 1,100,821	\$ -	\$ -	\$ -	\$ 9,319,875	\$ 27,906,825
Compensation - Group B	-	39,774	-	-	-	-	128,481	2,185,472
Compensation - Group C	-	-	-	-	-	-	-	5,650,497
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	446,788	-	-	-	635,921	-
Overtime - Group B	-	-	-	-	-	-	-	-
Overtime - Group C	-	-	-	-	-	-	-	102,199
Police & Fire Detail	-	-	-	-	-	-	816,410	-
Active Medical Insurance - Group A	-	83,484	165,784	-	-	-	2,225,370	4,408,589
Active Medical Insurance- Group B	-	-	-	-	-	-	40,481	307,705
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,842,123
Active Dental insurance- Group A	-	1,268	12,961	-	-	-	88,261	197,354
Active Dental Insurance- Group B	-	-	-	-	-	-	1,473	12,721
Active Dental Insurance- Group C	-	-	-	-	-	-	-	76,440
Payroll Taxes	-	21,971	103,936	-	-	-	849,091	879,759
Life Insurance	-	-	-	-	-	-	-	295,757
State Defined Contribution- Group A	-	-	-	-	-	-	-	667,933
State Defined Contribution - Group B	-	-	-	-	-	-	-	51,976
State Defined Contribution - Group C	-	-	-	-	-	-	-	3,970
Other Benefits- Group A	-	-	14,665	-	-	-	124,087	101,518
Other Benefits- Group B	-	-	-	-	-	-	-	6,674
Other Benefits- Group C	-	-	-	-	-	-	-	4,265
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	1,618,097	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	18,425
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	604,721
State Defined Benefit Pension- Group A	-	-	301,091	-	-	-	369,240	4,109,899
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	279,378
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	15,965
Other Defined Benefit / Contribution	-	27,689	11,772	-	-	-	450,243	-
Purchased Services	-	-	91,547	-	-	-	755,062	11,075,959
Materials/Supplies	-	-	67,790	-	-	-	420,049	1,882,761
Software Licenses	-	-	-	-	-	-	167,547	173,255
Capital Outlays	-	-	83,190	-	-	-	2,763,909	904,309
Insurance	-	-	-	-	-	-	3,951,280	610,693
Maintenance	-	-	35,139	-	-	-	346,018	407,672
Vehicle Operations	-	-	107,746	-	-	-	904,828	57,444
Utilities	-	-	35,225	-	-	-	263,626	724,365
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	440,984	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	239,218	-
Trash Removal & Recycling	-	-	-	-	-	-	431,661	-
Claims & Settlements	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-
Other Operation Expenditures	-	-	18,194	-	-	-	339,236	702,841
Tipping Fees	-	-	-	-	-	-	416,010	-
Local Appropriation for Education	-	-	-	43,345,860	-	-	43,345,860	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	365,000	-	365,000	-
Municipal Debt- Interest	-	-	-	-	101,275	-	101,275	-
School Debt- Principal	-	-	-	-	4,120,000	-	4,120,000	-
School Debt- Interest	-	-	-	-	2,768,250	-	2,768,250	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	475,057
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	21,524
OPEB Contribution- Total	-	-	-	-	-	1,349,760	1,349,760	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 468,406</b>	<b>\$ 2,596,649</b>	<b>\$ 43,345,860</b>	<b>\$ 7,354,525</b>	<b>\$ 1,349,760</b>	<b>\$ 80,156,603</b>	<b>\$ 66,766,045</b>

Financing Uses: Transfer to Capital Funds	\$ 1,966,585	\$ -
Financing Uses: Transfer to Other Funds	-	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	-	-
<b>Total Other Financing Uses</b>	<b>\$ 1,966,585</b>	<b>\$ -</b>
<b>Net Change in Fund Balance<sup>1</sup></b>	<b>626,806</b>	<b>220,823</b>
<b>Fund Balance1- beginning of year</b>	<b>\$10,913,703</b>	<b>\$1,743,155</b>
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	(1,460,015)	-
Misc. Adjustment	<u>1</u>	<u>2</u>
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<b>9,453,689</b>	<b>1,743,157</b>
Rounding	-	-
<b>Fund Balance<sup>1</sup> - end of year</b>	<b>\$ 10,080,495</b>	<b>\$ 1,963,980</b>

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

Town of Lincoln  
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 <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance1 - per MTP-2 at June 30, 2022</b>						\$ 10,913,703	\$ (1,460,015)	\$ 9,453,688	
<i>No funds removed from RGS for fiscal 2022</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2022</i>						-	-	-	
<i>Misc. adjustments made for fiscal 2022</i>						1	-	1	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 10,913,704</u>	<u>\$ (1,460,015)</u>	<u>\$ 9,453,689</u>	
General Fund	\$ 80,152,473	\$ -	\$ 34,431,380	\$ 45,312,445	\$ 408,648	\$ 10,499,557	\$ (1,460,015)	\$ 9,039,542	\$ 9,448,190
Police Detail	1,214,620	-	996,462	-	218,158	414,147	-	414,147	632,305
American Rescue Plan Fund	1,382,901	-	1,382,901	-	-	-	-	-	-
<b>Totals per audited financial statements</b>	<u>\$ 82,749,994</u>	<u>\$ -</u>	<u>\$ 36,810,743</u>	<u>\$ 45,312,445</u>	<u>\$ 626,806</u>	<u>\$ 10,913,704</u>	<u>\$ (1,460,015)</u>	<u>\$ 9,453,689</u>	<u>\$ 10,080,495</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 43,345,860	\$ (43,345,860)	\$ -	\$ -	\$ -	\$ -	\$ -
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 82,749,994</u>	<u>\$ -</u>	<u>\$ 80,156,603</u>	<u>\$ 1,966,585</u>	<u>\$ 626,806</u>	<u>\$ 10,913,704</u>	<u>\$ (1,460,015)</u>	<u>\$ 9,453,689</u>	<u>\$ 10,080,495</u>

Town of Lincoln  
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 <sup>1</sup>	Beginning Fund Fund Balance <sup>1</sup> (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance <sup>1</sup> (Deficit)	Ending Fund Balance <sup>1</sup> (Deficit)
<b>Fund Balance1 - per MTP-2 at June 30, 2022 adjusted</b> <i>Misc. adjustments made for fiscal 2022</i>						\$ 1,743,155	\$ -	\$ 1,743,155	
						2	-	2	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 1,743,157</u>	<u>\$ -</u>	<u>\$ 1,743,157</u>	
School Unrestricted Fund	\$ 21,169,983	\$ 43,345,860	\$ 64,599,667	\$ -	\$ (83,824)	\$ 328,910	\$ -	\$ 328,910	\$ 245,086
School Special Revenue Funds	5,532,272	-	5,227,625	-	304,647	1,414,247	-	1,414,247	1,718,894
<b>Totals per audited financial statements</b>	<u>\$ 26,702,255</u>	<u>\$ 43,345,860</u>	<u>\$ 69,827,292</u>	<u>\$ -</u>	<u>\$ 220,823</u>	<u>\$ 1,743,157</u>	<u>\$ -</u>	<u>\$ 1,743,157</u>	<u>\$ 1,963,980</u>
<b><u>Reconciliation from financial statements to MTP2</u></b>									
Municipal appropriation for Education reported as a transfer on financial statements but a revenue on MTP2	\$ 43,345,860	\$ (43,345,860)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(3,061,247)	-	(3,061,247)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 66,986,868</u>	<u>\$ -</u>	<u>\$ 66,766,045</u>	<u>\$ -</u>	<u>\$ 220,823</u>	<u>\$ 1,743,157</u>	<u>\$ -</u>	<u>\$ 1,743,157</u>	<u>\$ 1,963,980</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Miscellaneous Variance between MTP2 and UCOA	<u>\$ (2)</u>		<u>\$ (10,986)</u>						
<b>Totals per UCOA Validated Totals Report Dated 9/30/24</b>	<u>\$ 66,986,866</u>		<u>\$ 66,755,059</u>						

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

# TOWN OF LINCOLN, RHODE ISLAND

## Supplementary Information Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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

### NOTE 1. Basis of Presentation

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

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

### NOTE 2. Reportable Government Services

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

### NOTE 3. Allocations

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

### NOTE 4. Employee Groups - Compensation and Benefit Costs

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

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

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

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

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

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

# TOWN OF LINCOLN, RHODE ISLAND

## Supplementary Information Annual Supplemental Transparency Report (MTP2)

*For the Year Ended June 30, 2023*

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### NOTE 4. Employee Groups - Compensation and Benefit Costs (continued)

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

### NOTE 5. Education Revenue and Expenditures

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

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

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Independent Auditor's 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*

To the Honorable Town Council  
Town of Lincoln  
Lincoln, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Lincoln, RI, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town of Lincoln, RI's basic financial statements, and have issued our report thereon dated September 27, 2024.

### **Internal Control over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Hague, Sabady & Co. PC*

Fall River, Massachusetts  
September 27, 2024