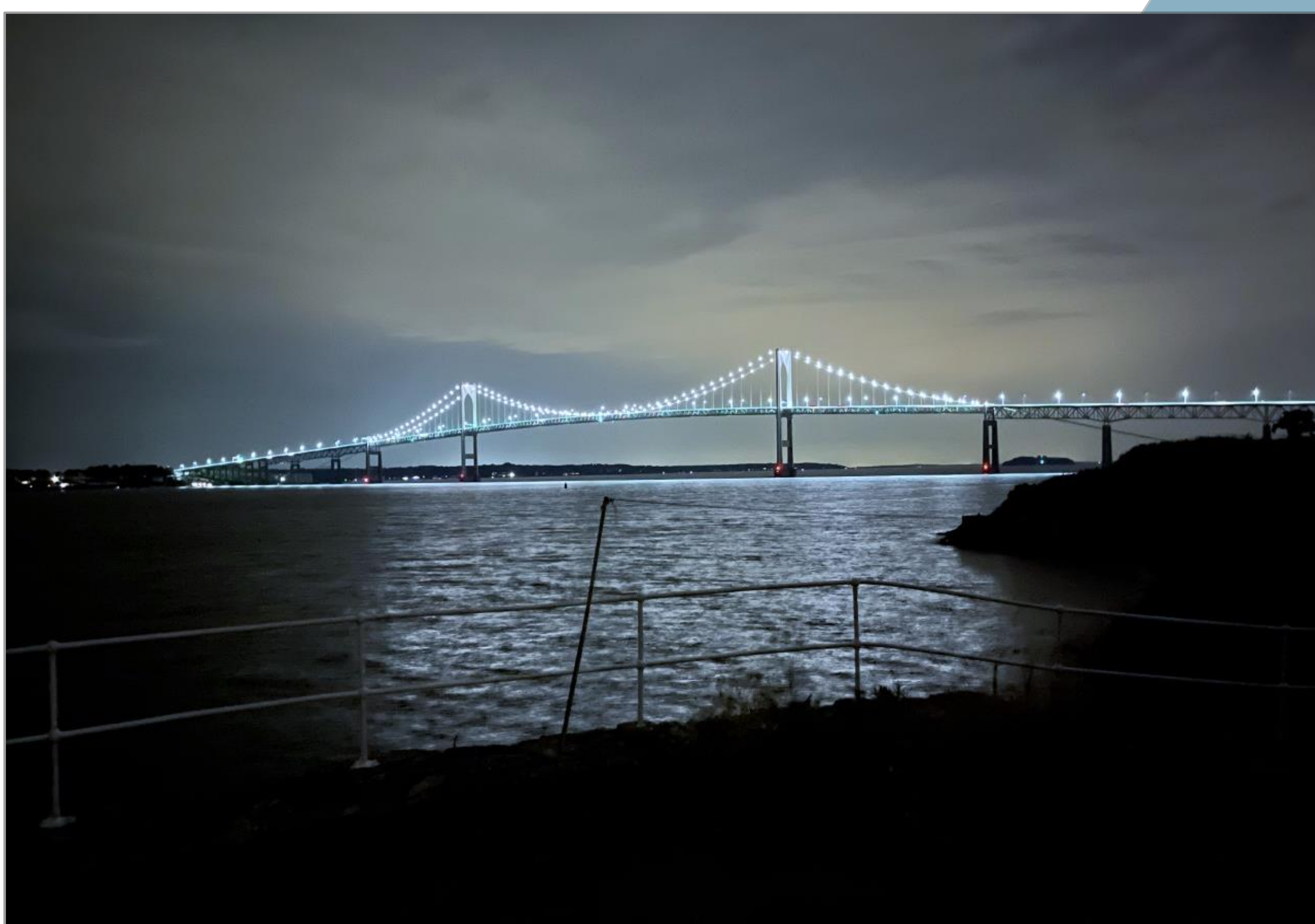
NARRAGANSETT BAY COMMISSION

RHODE ISLAND

Non-Union Defined Benefit Plan

Financial Report

Fiscal Year Ended June 30, 2022



LAURIE HORRIDGE
EXECUTIVE DIRECTOR

VINCENT J. MESOLELLA
CHAIRMAN

Narragansett Bay Commission
Non-Union Defined Benefit Plan
Table of Contents
June 30, 2022

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Independent Auditor's Report

To the Board of Commissioners
Narragansett Bay Commission
Providence, Rhode Island

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Narragansett Bay Commission Non- Union Defined Benefit Plan (the Plan), a fiduciary component unit of the Narragansett Bay Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Narragansett Bay Commission Non- Union Defined Benefit Plan, as of June 30, 2022, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (*Government Auditing Standards*), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Plan 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 opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan'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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan'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 Plan'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 supplementary pension information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2022 on our consideration of the Plan'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 Plan'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 the Plan's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
September 29, 2022

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Narragansett Bay Commission
Non-Union Defined Benefit Plan
Management's Discussion and Analysis (Unaudited)

Management of the Narragansett Bay Commission (NBC) provides this Management Discussion and Analysis of the NBC's Non-Union Defined Benefit Pension Plan (Plan) for the readers of the Plan's financial statements. This narrative provides an overview of the Plan's financial activity for the fiscal year ended June 30, 2022. This analysis is to be considered in conjunction with the financial statements to provide an objective analysis of the Plan's financial activities based on the status of the Plan and issues currently facing management.

Understanding the NBC's Non-Union Defined Benefit Plan

The NBC's Non-Union Defined Benefit Plan (Plan) was established by NBC's Board of Commissioners effective February 1, 2005. The Plan was established for NBC's non-union employees, pursuant to 401(a) of the Internal Revenue Code and is a single-employer plan. The plan year begins January 1 and ends December 31, with the initial plan year ending December 31, 2005. The Plan provides retirement benefits to all eligible non-union employees of NBC. The benefits are funded through employee contributions, employer contributions, and investment income. The Plan was amended and restated effective January 1, 2020.

The *Statement of Fiduciary Net Position* provides a snapshot of the financial position of the Plan at June 30, 2022. The *Statement of Changes in Fiduciary Net Position* summarizes the additions and deductions that occurred during the fiscal year. The *Notes to the Financial Statements* provide additional information essential to a full understanding of the financial statements. The *Required Supplementary Information* consists of schedules and related notes, which demonstrate the Plan's progress in accumulating funds to meet pension benefits for members of the Plan.

Financial Highlights

- Net position held in trust for pension benefits is available for payment of monthly retirement benefits and other qualified distributions to the Plan's participants. Net position decreased from $30.1 million at June 30, 2021 to $26.8 million at June 30, 2022.

- The actuarial funded ratio of the Plan decreased to 108.89% in FY 2022 from 129.75% in FY 2021.

- The pension benefits paid to members from the Plan, including refunds of member contributions, were $0.8 million, an increase of $0.03 million or 4.61%.

- Contributions to the Plan from both employer and employee increased by $1.1 million or 85.84%.

- The Plan's net loss from investing activities was $4.7 million for the fiscal year ended June 30, 2022.

Narragansett Bay Commission
Non-Union Defined Benefit Plan
Management's Discussion and Analysis (Unaudited)

Fiduciary Net Position

The following table presents the condensed Statement of Fiduciary Net Position as of June 30, 2022 and 2021.

	FY 2022	FY 2021	Percentage Change FY 2022 - FY 2021
Assets			
Investments	$ 25,759,673	$ 30,125,539	(14.49%)
Contributions receivable	1,000,000	-	-
Total assets	$ 26,759,673	$ 30,125,539	(11.17%)
Net Position restricted for pensions	$ 26,759,673	$ 30,125,539	(11.17%)

Narragansett Bay Commission
Non-Union Defined Benefit Plan
Management's Discussion and Analysis (Unaudited)

Changes in Fiduciary Net Position

The following schedule presents the condensed Statement of Changes in Fiduciary Net Position for the fiscal years ended June 30, 2022 and 2021.

	FY 2022	FY 2021	Percentage Change FY 2022 - FY 2021
Additions			
Contributions:			
Employer	$ 1,767,069	$ 738,505	139.28%
Employee	521,597	493,009	5.80%
Total Contributions	2,288,666	1,231,514	85.84%
Investment income			
Net appreciation (depreciation) in fair value of investments	(4,741,630)	5,827,359	(181.37%)
Interest and Dividends	58,286	63,138	(7.68%)
	(4,683,344)	5,890,497	(179.51%)
Less investment expenses	(168,867)	(191,120)	(11.64%)
Net investment income	(4,852,211)	5,699,377	(185.14%)
Total additions	(2,563,545)	6,930,891	(136.99%)
Deductions			
Benefit payments including refunds of member contributions	784,184	749,591	4.61%
Administrative expense	18,137	15,820	14.65%
Total deductions	802,321	765,411	4.82%
Net increase (decrease) in net position	(3,365,866)	6,165,480	(154.59%)
Net position restricted for pensions:			
Beginning of year	30,125,539	23,960,059	25.73%
End of year	$ 26,759,673	$ 30,125,539	(11.17%)

Request for Information

This financial report is designed to provide the Board of Commissioners (Board), the NBC's ratepayers, employees, and other interested parties with a general overview of the Plan's finances. Questions concerning this report or requests for additional financial information should be directed to the Chief Financial Officer at One Service Road, Providence, RI 02905.

Narragansett Bay Commission Non-Union Defined Benefit Plan
Statement of Fiduciary Net Position
June 30, 2022

Assets		
Investments, at fair value:		
Investment contract with insurance company	$	3,596,449
Pooled separate account investments:		
Large Cap US Equity		7,917,761
Small/Mid Cap US Equity		2,723,777
International Equity		3,580,398
Intermediate to Long-Term Bonds		7,941,288
Total investments		25,759,673
Contributions receivable		1,000,000
Total assets		26,759,673
Net position restricted for pension benefits	$	26,759,673

The notes to financial statements are an integral part of this statement

Narragansett Bay Commission Non-Union Defined Benefit Plan
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

Additions	
Contributions	
Employer	$ 1,767,069
Employee	521,597
Total contributions	2,288,666
Investment Income	
Net appreciation (depreciation) in fair value of investments	(4,741,630)
Interest and dividends	58,286
Less investment expense	(168,867)
Net investment income	(4,852,211)
Total additions	(2,563,545)
Deductions	
Benefit payments, including refunds of member contributions	784,184
Administrative expenses	18,137
Total deductions	802,321
Net decrease in fiduciary net position	(3,365,866)
Net position restricted for pension benefits, beginning of year, restated	30,125,539
Net position restricted for pension benefits, end of year	$ 26,759,673

The notes to financial statements are an integral part of this statement

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Narragansett Bay Commission Non-Union Defined Benefit Plan
Notes to Financial Statements
June 30, 2022

The financial statements of the Narragansett Bay Commission Non-Union Defined Benefit Plan (Plan) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to pension plans established and administered by governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following notes to the financial statements are an integral part of the Narragansett Bay Commission's Non-Union Defined Benefit Plan's financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The NBC's Board of Commissioners (Board) approved a resolution at the business meeting on December 20, 2004, adopting a defined benefit plan for its non-union employees effective February 1, 2005, pursuant to 401(a) of the Internal Revenue Code. The Plan is a single-employer, defined benefit pension plan. The Plan year begins January 1 and ends December 31, with the initial Plan year ending December 31, 2005. The Plan was most recently amended effective January 1, 2020. All non-seasonal, full-time non-union employees are eligible to participate in the plan after the completion of one year of service and attaining age 21. Plan benefits and other provisions are established by the Plan document. Any changes to the Plan must be approved by the Board.

The Plan is a component unit of the Narragansett Bay Commission and is reported as a Fiduciary Activity in its financial statements.

Basis of Presentation and Accounting

The Plan's financial statements are prepared on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Investments

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Contributions

Plan member contributions are recognized in the period in which compensation subject to required contributions are earned. NBC contributions are recognized when due and the NBC has made a formal commitment to provide the contributions.

Payment of Benefits

Benefit payments to participants and refunds of contributions are recorded upon distribution in accordance with the terms of the Plan.

Administrative Expenses
The Plan's expenses are paid by the Plan or NBC. Expenses that are paid directly by NBC are excluded from these financial statements. Certain expenses incurred in connection with the general administration of the Plan that are paid by the Plan are recorded as deductions in the accompanying statement of changes in fiduciary net position. In addition, certain investment management expenses are presented separately as a component of net investment income in the accompanying statement of changes in fiduciary net position.

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

NOTE 2 – PLAN DESCRIPTION

Plan Administration
The Plan is administered by NBC staff and a third-party administrator, The Angell Pension Group, Inc. An Investment Committee (IC) provides overall guidance to the Plan. The IC meets quarterly and works with NBC's investment advisor Strategic Retirement Partners, LLC, a fiduciary to the Plan, to select investments and review asset allocations and performance. The Plan assets are invested under a group annuity contract which as of December 31, 2021, was assigned by MassMutual Financial Group to Great-West Life and Annuity Insurance Company, which operates primarily as Empower Retirement (Empower). Certain administrative services are also provided by Empower.

Plan Membership
All non-seasonal, non-union employees scheduled to work more than 20 hours per week are eligible to participate in the plan after the completion of one year of service and attaining age 21. Effective as of January 1, 2007, the Plan was amended such that 1,000 hours of service were added to the definitions of both "Period of Service" and "Period of Participation."

As of June 30, 2022, Plan membership consisted of the following:

Inactive Plan members or beneficiaries currently receiving benefits	44
Inactive Plan members entitled to but not yet receiving benefits	49
Active Plan members	124
Total Plan members	217

Contributions
NBC's policy is to fund 100% of the actuarially determined contribution or a total of up to 10% of budgeted non-union salaries (determined by the total budgeted for non-union retirement less the 5% employer contribution to the 401(a) Non-Union Defined Contribution Plan) whichever is greater. Additional NBC contributions may be made to the Plan subsequent to fiscal year end if it is determined to be in the best interest of the Plan, there are unspent budget funds, and the action does not impair NBC from meeting its debt service coverage requirements. The actuarially determined contribution is calculated as the normal cost plus an amortization of the initial accrued liability. Changes in plan provisions and actuarial assumptions give rise to changes in the unfunded liability.

Participants must make mandatory contributions of 5% of compensation, as defined in the Plan, until termination of service.

Vesting

Plan participants are eligible for their Plan benefit after terminating employment with vested rights. Vesting in a participant's accrued benefit is based on years of service in accordance with the following schedule:

Years of Service	Percentage Vested
Less than 7 years	0%
7 years and thereafter	100%

Notwithstanding the foregoing, a participant becomes 100% vested upon normal retirement age, death, disability, or attainment of early retirement age.

Participants are vested immediately in their mandatory employee contributions. If a participant terminates employment for reasons other than retirement, death, or disability prior to the completion of 7 years of service, the participant is entitled to a refund of the mandatory employee contributions without interest.

Benefits Provided

Distributions are subject to the applicable provisions of the Plan document. The monthly retirement benefit is based on 1% of average annual compensation for each year of credited service up to a maximum of 30 years. Average annual compensation is the average of the annual compensation over 3 consecutive years in the final 10 years that results in the highest average.

Normal Retirement – The monthly retirement benefit is based on 1% of average annual compensation multiplied by total years of service limited to 30 years. Participants are eligible to monthly pension benefits beginning at normal retirement age. Normal retirement age is the later of the date a participant reaches age 65 or the fifth anniversary of participation.

Early Retirement – Participants are eligible for reduced amount of their accrued benefit at their early retirement age. Early retirement age is the later of: (1) a participant attaining age 62 or, (2) The date a participant reaches the later of 20 years of credited service or the fifth anniversary of participation. The early retirement benefit is reduced by 6.67% for each year that a participants early retirement date precedes their normal retirement age.

Late Retirement – Benefits to participants who remain employed after their normal retirement date commence upon termination. The later retirement benefit accrual is the greater of the benefit earned under the benefit formula or an actuarial adjustment required for the commencement of benefit payments after reaching normal retirement age.

Death Benefit – If retirement benefit payments have not began at the time of a participant's death, the death benefit is the greater of 50% joint and survivor benefit or the participant's mandatory contributions. A lump sum distribution is allowed if the present value of the death benefit is less than $10,000.

Total and Permanent Disability – Benefit payments are deferred until normal or early retirement date.

Cash Out – If the vested amount of the present value of the accrued benefit exceeds $1,000 but is less than $5,000 and the participant does not timely return distribution forms, the value of the vested accrued benefit may be transferred to an IRA in the participant's name, unless the distribution is after the later of normal retirement age or 62.

NOTE 3 - INVESTMENTS

Investment Policy

The Plan's asset investment policy is established and may be amended by the Investment Committee (IC) by a majority vote of its members. It is the policy of the IC to invest the assets in a prudent manner and establish an investment strategy following the concepts driven by modern portfolio theory, including risk, return and correlations among asset classes. The primary objective of the IC's investment policy is to preserve the actuarial soundness of the Plan by achieving a long-term return of at least the actuarial return rate and to prudently manage the inherent investment risks that are related to the achievement of this goal. The IC recognizes that the investment objective is long-term in nature, and that actual year-to-year returns achieved may be above or below the actuarially assumed rate of return.

The IC has adopted asset allocation ranges and the adopted asset target allocation as of June 30, 2022 is as follows:

Asset Class	*Target Allocation*
Short-Term Bonds	10%
Large Cap US Equity	30%
Small/Mid Cap US Equity	10%
International Equity	15%
Intermediate to Long-Term Bonds	35%
Total	100%

At June 30, 2022, the Plan had the following investments:

Description	*Fair Value*
Investment contract with insurance company -	
Separate Account Guaranteed Interest Contract (SAGIC)	$ 3,596,449
Pooled separate account investments:	
Large Cap US Equity	7,917,761
Small/Mid Cap US Equity	2,723,777
International Equity	3,580,398
Intermediate to Long-Term Bonds	7,941,288
	$ 25,759,673

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of the counterparty, the Plan will not be able to recover its investment or collateral securities that are in the possession of an outside party. The Plan does not have a formal investment policy related to custodial credit risk. As of June 30, 2022 the Plan had no investments subject to custodial credit risk.

Interest Rate Risk
The Plan does not have a formal investment policy that limits the length of its investment maturities in order to manage the exposure to fair value losses arising from increasing interest rates. As of June 30, 2022, the Plan had the following investments subject to interest rate risk:

		Fair Value	Weighted Average Maturity/Duration (Years)
Investment contract with insurance company			
SAGIC	$	3,596,449	6.30
Pooled Separate account investments:			
Western Asset Core Plus Bond		3,911,639	15.24
Inflation Protected Securities (DFA)		1,428,148	7.98
Delaware Extended Duration Bond		1,207,061	25.12
Alliance Bernstein Global Bond Advisor		1,394,440	9.02
Total Fair Value	$	11,537,737	
Portfolio weighted average maturity/duration			11.84

Credit Risk
The Plan does not have a formal investment policy that limits investment choices due to credit risk. Credit quality information for the Plan's investments subject to credit risk as of June 30, 2022 is as follows: MassMutual - Separate Account Guaranteed Interest Contract (SAGIC) rating of A+.

Concentration of Credit Risk
The Plan does not have a formal investment policy that limits the amount that may be invested in a single issuer. Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments issued or explicitly guaranteed by the U.S. Government and investments in diversified mutual funds, external investment pools, and other pooled investments are excluded. As of June 30, 2022, the Plan had no assets subject to concentration of credit risk.

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

The Plan has the following recurring fair value measurements as of June 30, 2022.

- Investment Contract with insurance company - Separate Account Guaranteed Interest Contract (SAGIC) – The fair value is based on the SAGIC's market value account. The market value account is maintained at the fair value of the underlying assets and equals the number of units owned multiplied by unit value. The unit value includes reinvested dividend and interest income, realized gains and losses and unrealized gains and losses of the underlying assets. (Level 3 inputs)

The valuation methods for the Plan's investments in pooled separate accounts measured at the net asset value (NAV) per share or its equivalent are as follows:

- *Large, Mid and Small Cap US Equity Accounts* – are primarily invested in domestic equity funds. The fair values of the investments have been determined using the NAV equivalent per unit as determined by the insurance company using the closing price of the underlying funds from the applicable exchange, NYSE, NASDQ, etc. The redemption frequency is daily and there are no withdrawal limitations for domestic equity accounts.

- *International Equity Accounts* - are primarily invested in international equity funds. The fair values of the investments have been determined using the NAV equivalent per unit as determined by the insurance company using the closing price of the underlying funds from the applicable exchange, NYSE, NASDQ, etc. The redemption frequency is daily and there are no withdrawal limitations for international equity accounts.

- *Intermediate to Long Term Bond Accounts* - are primarily invested in domestic fixed income funds with some exposure to international fixed income funds. The fair values of the investments have been determined using the NAV equivalent per unit as determined by the insurance company using the closing price of the underlying funds from the applicable exchange, NYSE, NASDQ, etc. The redemption frequency is daily and there are no withdrawal limitations for the bond accounts.

Concentrations
The Plan's investment in the Separate Account Guaranteed Interest Contract is $3.6 million or 13.44% of the Plan's fiduciary net position as of June 30, 2022.

Rate of Return
For the year ended June 30, 2022 the annual money-weighted rate of return on Plan investments, net of investment expense, was (15.99%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the change amounts actually invested.

NOTE 4 – NET PENSION LIABILITY (ASSET)

The components of the net pension asset of the NBC at June 30, 2022, were as follows:

Total pension liability	$	24,575,853
Plan fiduciary net position		(26,759,673)
Net pension liability (asset)	$	(2,183,820)
Plan's fiduciary net position as a percentage of the total pension liability		108.89%

Actuarial assumptions
The total pension liability was determined by an actuarial valuation performed as of December 31, 2021 and rolled forward to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method - actuarially determined contribution	Frozen Entry Age Cost Method
Actuarial cost method - GASB 67 & 68	Entry Age Cost Method
Discount Rate for Purposes of Determining Net Pension Liability:	6.00%
Long-Term Rate of Return on Investments:	6.00%
Annual Salary Increases:	3.50%
Payroll Growth Rate:	3.50%
Pre and Post Retirement Mortality:	PubG-2010 Above Median for Employees and Healthy Retirees with Scale MP-2021 Generational Improvements (Male/Female)
Terminations	T-2. Illustrative annual rates of withdrawal are as follows:

Age	Rate
25	5.29%
40	3.50%
55	0.00%

Disability Rate:	None
Assumed Retirement Age:	Age 65 for active and inactive participants
Expenses:	None

The following changes in assumptions were made from the prior valuation:

Mortality scale was changed from MP-2020 Generational Improvements to MP-2021 Generational Improvements.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of 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 Plan's target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	*Target Allocation*	*Long-Term Expected Real Rate of Return*
Short-Term Bonds	10%	3.23%
Large Cap US Equity	30%	6.65%
Small/Mid Cap US Equity	10%	7.04%
International Equity	15%	7.27%
Intermediate to Long-Term Bonds	35%	2.99%
Total	100%	

Discount rate

The discount rate used to measure the total pension liability was 6.00%. The projection of cash flows used to determine the discount rate assumed that plan participant contributions will be made at the current contribution rate and that NBC contributions will be made at rates equal to the difference between actuarially determined contribution rates and the participant rate. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan participants. Therefore, the long-term expected rate of return on 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) of the NBC, calculated using the discount rate of 6.00%, as well as the NBC's net pension liability (asset) if it were calculated using a discount rate that is one percentage-point lower (5.00%) or one percentage-point higher (7.00%) than the current rate:

	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
Plan's Net Pension Liability (Asset)	$ 976,829	$ (2,183,820)	$ (4,838,806)

NOTE 5 – RISK MANAGEMENT

The Plan is exposed to various risks of loss relating to torts, errors and omissions and has purchased commercial fiduciary liability insurance. There have been no claims resulting from these risks in any of the past three years.

NOTE 6 – UNCERTAINTIES

The global Coronavirus Disease 2019 (COVID-19) pandemic and other world events impact economic activity and contribute to instability in the financial markets. The value of the Plan’s investments has a direct impact on the Plan’s funded status and may affect future actuarial assumptions used in determining the net pension liability and the contributions needed to fund the Plan. The financial impact of COVID-19 and other world events on the Plan cannot be determined at this time.

NOTE 7 – RESTATEMENTS

The net position restricted for pensions has been restated to reflect the recording of the Separate Account Guaranteed Investment Contract (SAGIC) at fair market value as of June 30, 2021.

	Non-Union Pension Fund
Net position, June 30, 2021, as previously reported	$ 30,014,495
Restatement of Net Position to record the SAGIC investment at fair market as of June 30, 2021	111,044
Net Position, June 30, 2021, as restated	$ 30,125,539

NOTE 8 – SUBSEQUENT EVENTS

On January 4, 2021, Empower Retirement ("Empower") closed the acquisition of the Massachusetts Mutual Life Insurance Company ("MassMutual") retirement plan business, and the Administrative Services Agreement was assigned to Empower. Empower is requiring NBC to execute a new service agreement for the Plan and to change the trustee from Reliance Trust Company to Great-West Trust Company, LLC. These changes are anticipated to be completed in October 2022. In addition, Empower is engaging Milliman, Inc. ("Milliman") to provide some or all of the services required for the Plan. As part of this arrangement, Empower will provide Milliman with all necessary information so that the Plan's records and data are on Milliman's systems.

Narragansett Bay Commission Non-Union Defined Benefit Plan
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios [1]
(Unaudited)

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total pension liability				
Service cost	$ 541,641	$ 498,635	$ 511,897	$ 540,312
Interest	1,376,241	1,331,636	1,240,457	1,159,483
Differences between expected and actual experience	144,836	(192,830)	(43,521)	299,596
Changes of assumptions	80,019	(115,355)	559,283	(57,266)
Benefit payments, including refunds of participant contributions	(784,184)	(749,591)	(682,310)	(533,330)
Net change in total pension liability	1,358,553	772,495	1,585,806	1,408,795
Total pension liability - beginning	23,217,300	22,444,805	20,858,999	19,450,204
Total pension liability - ending (a)	$ 24,575,853	$ 23,217,300	$ 22,444,805	$ 20,858,999
Pension fiduciary net position				
Contributions - employer	$ 1,767,069	$ 738,505	$ 683,152	$ 1,008,665
Contributions - employee	521,597	493,009	448,468	446,520
Net investment income	(4,852,211)	5,699,377	1,441,662	1,537,861
Benefit payments, including refunds of participant contributions	(784,184)	(749,591)	(682,310)	(533,330)
Administrative expense	(18,137)	(15,820)	(13,304)	(11,910)
Net change in plan fiduciary net position	(3,365,866)	6,165,480	1,877,668	2,447,806
Plan fiduciary net position - beginning	30,125,539	23,960,059	22,082,391	19,634,585
Plan fiduciary net position - ending (b)	$ 26,759,673	$ 30,125,539	$ 23,960,059	$ 22,082,391
NBC's net pension liability (asset) - ending (a) - (b)	$ (2,183,820)	$ (6,908,239)	$ (1,515,254)	$ (1,223,392)
Plan fiduciary net position as a percentage of the total pension liability	108.89%	129.75%	106.75%	105.87%
Covered payroll	$ 10,431,937	$ 9,860,178	$ 8,969,358	$ 8,930,389
Net pension liability as a percentage of covered payroll	(20.93%)	(70.06%)	(16.89%)	(13.70%)

[1] This schedule is intended to show 10 years – additional information will be presented as it becomes available.

(Continued)

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

Narragansett Bay Commission Non-Union Defined Benefit Plan
Required Supplementary Information
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios [1]
(Unaudited)

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total pension liability					
Service cost	$ 517,250	$ 483,428	$ 469,348	$ 504,855	$ 441,297
Interest	1,090,715	1,048,533	965,809	803,212	729,646
Differences between expected and actual experience	23,003	(265,443)	352,399	232,651	(187,670)
Changes of assumptions	(112,144)	(228,207)	(228,213)	1,350,562	424,254
Benefit payments, including refunds of participant contributions	(321,603)	(268,133)	(180,615)	(136,591)	(120,730)
Net change in total pension liability	1,197,221	770,178	1,378,728	2,754,689	1,286,797
Total pension liability - beginning	18,252,983	17,482,805	16,104,077	13,349,388	12,062,591
Total pension liability - ending (a)	$ 19,450,204	$ 18,252,983	$ 17,482,805	$ 16,104,077	$ 13,349,388
Pension fiduciary net position					
Contributions - employer	$ 1,168,202	$ 1,899,556	$ 1,744,985	$ 986,656	$ 789,435
Contributions - employee	453,943	454,135	429,941	410,397	398,975
Net investment income	1,365,701	1,434,681	239,860	283,708	1,101,778
Benefit payments, including refunds of participant contributions	(321,603)	(268,133)	(180,615)	(136,591)	(120,730)
Administrative expense	(10,669)	(8,421)	(6,761)	(6,027)	(2,639)
Net change in plan fiduciary net position	2,655,574	3,511,818	2,227,410	1,538,143	2,166,819
Plan fiduciary net position - beginning	16,979,011	13,467,193	11,239,783	9,701,640	7,534,821
Plan fiduciary net position - ending (b)	$ 19,634,585	$ 16,979,011	$ 13,467,193	$ 11,239,783	$ 9,701,640
NBC's net pension liability (asset) - ending (a) - (b)	$ (184,381)	$ 1,273,972	$ 4,015,612	$ 4,864,294	$ 3,647,748
Plan fiduciary net position as a percentage of the total pension liability	100.95%	93.02%	77.03%	69.79%	72.67%
Covered payroll	$ 9,078,824	$ 9,082,700	$ 8,598,820	$ 8,207,940	$ 7,979,500
Net pension liability as a percentage of covered payroll	(2.03%)	14.03%	46.70%	59.26%	45.71%

[1] This schedule is intended to show 10 years – additional information will be presented as it becomes available.

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

Narragansett Bay Commission Non-Union Defined Benefit Plan
Required Supplementary Information
Schedule of NBC (Employer) Contributions [1]
(Unaudited)

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Actuarially determined contribution	$ -	$ -	$ -	$ 254,623
Contributions in relation to the actuarially determined contribution	1,767,069	738,505	683,152	1,008,665
Contribution deficiency (excess)	$ (1,767,069)	$ (738,505)	$ (683,152)	$ (754,042)
Covered payroll	$ 10,431,937	$ 9,860,178	$ 8,969,358	$ 8,930,389
Contributions as a percentage of covered payroll	16.94%	7.49%	7.62%	11.29%

[1] This schedule is intended to show 10 years – additional information will be presented as it becomes available.

(Continued)

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

Narragansett Bay Commission Non-Union Defined Benefit Plan
Required Supplementary Information
Schedule of NBC (Employer) Contributions [1]
(Unaudited)

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Actuarially determined contribution	$ 212,581	$ 626,042	$ 679,731	$ 657,313	$ 470,780
Contributions in relation to the actuarially determined contribution	1,168,202	1,899,556	1,744,985	986,656	789,435
Contribution deficiency (excess)	$ (955,621)	$ (1,273,514)	$ (1,065,254)	$ (329,343)	$ (318,655)
Covered payroll	$ 9,078,824	$ 9,082,700	$ 8,598,820	$ 8,207,940	$ 7,979,500
Contributions as a percentage of covered payroll	12.87%	20.91%	20.29%	12.02%	9.89%

[1] This schedule is intended to show 10 years – additional information will be presented as it becomes available.

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

Narragansett Bay Commission Non-Union Defined Benefit Plan
Required Supplementary Information
Schedule of Investment Returns [1]
(Unaudited)

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Annual money-weighted rate of return, net of investment expense	(15.99%)	23.14%	6.48%	7.74%

[1] This schedule is intended to show 10 years – additional information will be presented as it becomes available.

(Continued)

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

Narragansett Bay Commission Non-Union Defined Benefit Plan
Required Supplementary Information
Schedule of Investment Returns [1]
(Unaudited)

	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Annual money-weighted rate of return, net of investment expense	7.85%	10.25%	2.06%	2.81%	13.84%

[1] This schedule is intended to show 10 years – additional information will be presented as it becomes available.

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

Narragansett Bay Commission Non-Union Defined Benefit Plan
Notes to Required Supplementary Information
June 30, 2022

The actuarial methods and assumptions used to calculate the total pension liability are described in Note 4 to the financial statements.

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

ACTUARIALLY DETERMINED CONTRIBUTIONS:

Actuarial Cost Method for GASB 67/68
Costs have been computed in accordance with the Entry Age Normal Cost Method. The normal cost is the sum of the Present Value of all Plan Benefits for all plan participants minus the value of Plan Assets, further reduced by the balance of the unfunded liability; and spread over the ratio of the present value of salaries for active participants less than Normal Retirement age divided by the actual salaries of such plan participants.

Actuarial Cost Method of Actuarially Determined Contribution
Costs have been computed in accordance with the Aggregate Entry Age Normal Cost Method with Frozen Initial Liability. The normal cost is the sum of the Present Value of all Plan Benefits for all plan participants minus the value of Plan Assets, further reduced by the balance of the unfunded liability; and spread over the ratio of the present value of salaries for active participants less than Normal Retirement age divided by the actual salaries of such plan participants.

The accrued liability is the remainder of the initial accrued liability as of December 31, 2005 amortized over an initial period of 30 years.

Changes in plan provisions and actuarial assumptions give rise to changes in the unfunded liability. The new layer(s) created each year is (are) aromatized over a closed 30-year period on a level dollar basis.

Actuarial gains and losses are not separately amortized under this method. Rather, the impact is spread through the normal cost component over the future working lifetime of the participant.

Asset Valuation Method
The Fiduciary Net position is based on the fair market value of assets as of the measurement date.

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

Independent Auditor's Report

To the Board of Commissioners
Narragansett Bay Commission
Providence, 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 Narragansett Bay Commission Non-Union Defined Benefit Plan, (the Plan), a fiduciary component unit of the Narragansett Bay Commission, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Plan's basic financial statements, and have issued our report thereon dated September 29, 2022.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
September 29, 2022