

**TOWN OF SOUTH KINGSTOWN,  
RHODE ISLAND**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2023**



**PREPARED BY: FINANCE DEPARTMENT**

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## **INTRODUCTORY SECTION**



# Town of South Kingstown, Rhode Island

180 High Street  
Wakefield, RI 02879  
Tel. 401-789-9331

## FINANCE DEPARTMENT

January 23, 2024

To the Citizens of the Town of South Kingstown, Rhode Island:

The Annual Comprehensive Financial Report of the Town of South Kingstown, Rhode Island, for the fiscal year ended June 30, 2023, is hereby submitted as mandated by both State statutes and the Town charter. State laws require that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants licensed to practice in the State of Rhode Island.

This report consists of management's representations concerning the finances of the Town of South Kingstown. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Town of South Kingstown has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town of South Kingstown's financial statements in conformity with GAAP. Since the cost of internal controls should not outweigh their benefits, the Town of South Kingstown's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As a member of management, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The Town of South Kingstown's financial statements have been audited by CliftonLarsonAllen LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Town of South Kingstown for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of South Kingstown's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section on page 1 of this report.

The independent audit of the financial statements of the Town of South Kingstown was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on

internal controls and legal requirements involving the administration of federal awards. These reports will be included in the Federal Single Audit Report, to be issued separately.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town of South Kingstown's MD&A can be found immediately following the report of the independent auditors beginning on page 5.

## **PROFILE OF THE GOVERNMENT**

The Town of South Kingstown, established in 1658 and incorporated as a town in 1723, is a diversified community in a rural, suburban area of southern Rhode Island approximately 30 miles from Providence. The geography of the Town includes farmland, wetlands, salt marshes, waterfront areas, woodland, and many natural and scenic attractions. The total area is 62.3 square miles, consisting of 56.8 square miles of land and 5.5 square miles of inland water. The Town, fronting the Atlantic Ocean, is part of the "South County" summer vacation area. The Town is empowered to levy a property tax on both real and personal properties located within its boundaries. The Town is also authorized to assess and collect excise taxes on registered motor vehicles and trailers.

The Town has a home-rule charter and operates under the Council-Manager form of government. The Town Council is elected by popular vote every two years and is responsible for, among other things, passing ordinances, adopting a budget, appointing committees, and hiring both the Town Manager and Town Solicitor. The Town Manager is responsible for carrying out the policies of the Town Council, for overseeing the day-to-day operations of the Town, and for appointing all other employees, except for School Department personnel.

The Town provides a full range of municipal services including public safety protection, the construction and maintenance of highways, streets, and other infrastructure, libraries, recreational activities, planning, and zoning, education, and administrative services. In addition, the Town operates water, sewer, and solid waste utility systems.

The annual budget serves as the foundation for the Town of South Kingstown's financial planning and control. All departments of the Town are required to submit requests for appropriation and revenue estimates to the Town Manager on or before the last day of January each year. The Town Manager uses these requests as the starting point for developing a proposed budget. It is the responsibility of the Town Manager to submit a proposed budget for the following fiscal year to the Town Council on or before March 1<sup>st</sup> of each year. The Town Council holds several budget work sessions in March to discuss the details of the Manager's proposed budget document. The Town Council may revise and adopt a preliminary budget not later than March 22<sup>nd</sup> of each year. Two public hearings are required to be conducted on the preliminary budget prior to April 18<sup>th</sup>.

Following adoption of the preliminary budget by the Council, any qualified elector of the Town may circulate a petition requesting the Council to increase or decrease by any amount any item of expenditure in the said budget or to insert a new item of expenditure. The Council, before final adoption of the budget, shall consider and vote upon each such petition(s) which were submitted on or before April 21<sup>st</sup> containing no less than twenty-five (25) valid signatures of qualified electors of the Town.



## **PROFILE OF THE GOVERNMENT (Continued)**

The Council shall, on or before May 1<sup>st</sup> of each year, complete its consideration of any petitions and make any final changes in the preliminary budget it may deem advisable, and give final approval to the budget by a vote of a majority of all the members of the Council. Following final approval of the budget by the Town Council, any qualified elector of the Town may circulate a petition requesting that a referendum be held on the appropriation for the general fund or the school fund in the budget as approved. Such a petition may propose a reduction or increase in the total appropriation for said funds.

The Town Clerk shall cause a referendum by ballot to be held on all budget changes requested on petitions provided that each such petition shall contain signatures of no less than two hundred of the qualified electors of the Town and shall request an increase or decrease of a sum of at least \$250,000.00. The qualified electors shall be instructed to vote either for the original total or for one (1) of the proposed increases or reductions thereof. The appropriation receiving the most votes shall be declared to have been adopted.

The appropriated budget is prepared by fund, major program function (e.g., public safety), and department (e.g., police). Department heads may make transfers of appropriations within a department. Transfers within a major program function may be made by the Town Manager, provided that proper notification is given to the Town Council. Contingency funds available at year-end are authorized by resolution of the Town Council to cover any deficits within general classifications.

Budget-to-actual comparisons are provided in this report for the general fund and the school unrestricted fund on pages 105-107 and page 108 respectively as part of the basic financial statements.

## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of South Kingstown operates.

**Population, Housing, and Industry Characteristics:** The population estimate, as of 2022 of South Kingstown is 32,056.<sup>1</sup> While statewide trends show slow population growth, the population of South Kingstown is projected to increase steadily over the next 20 years, with as many as 38,573 persons living in South Kingstown in 2040.<sup>2</sup>

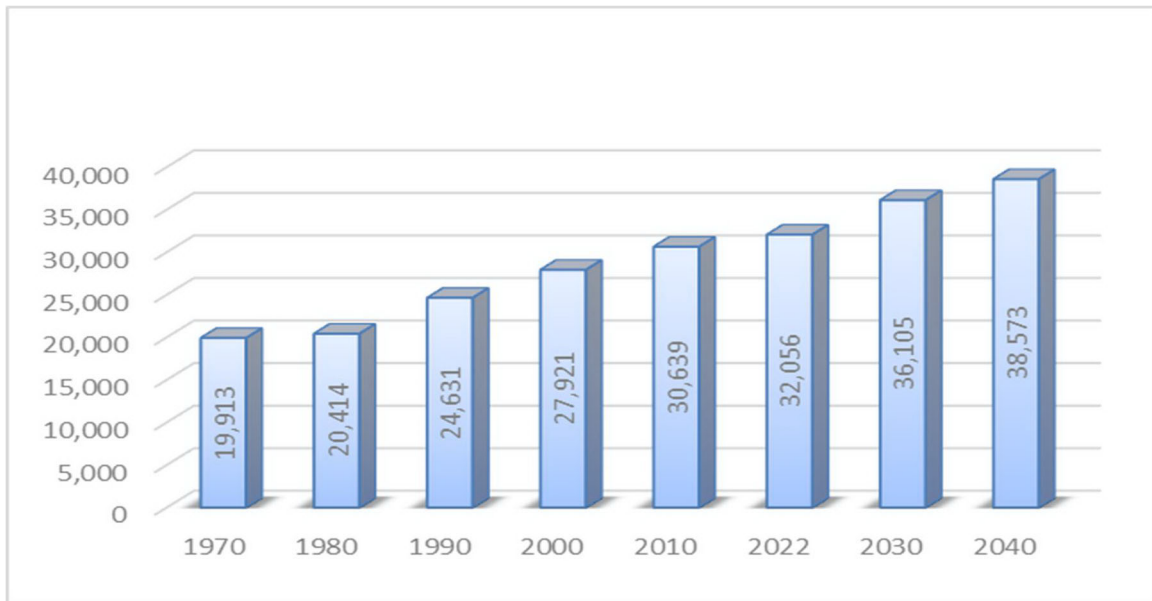
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<sup>1</sup> 2022 U.S. Census Quick Facts (V2022). U.S. Census Bureau.

<sup>2</sup> City and Town Population Projections. Rhode Island Statewide Planning Program.

## FACTORS AFFECTING FINANCIAL CONDITION (Continued)

### Population Change in South Kingstown



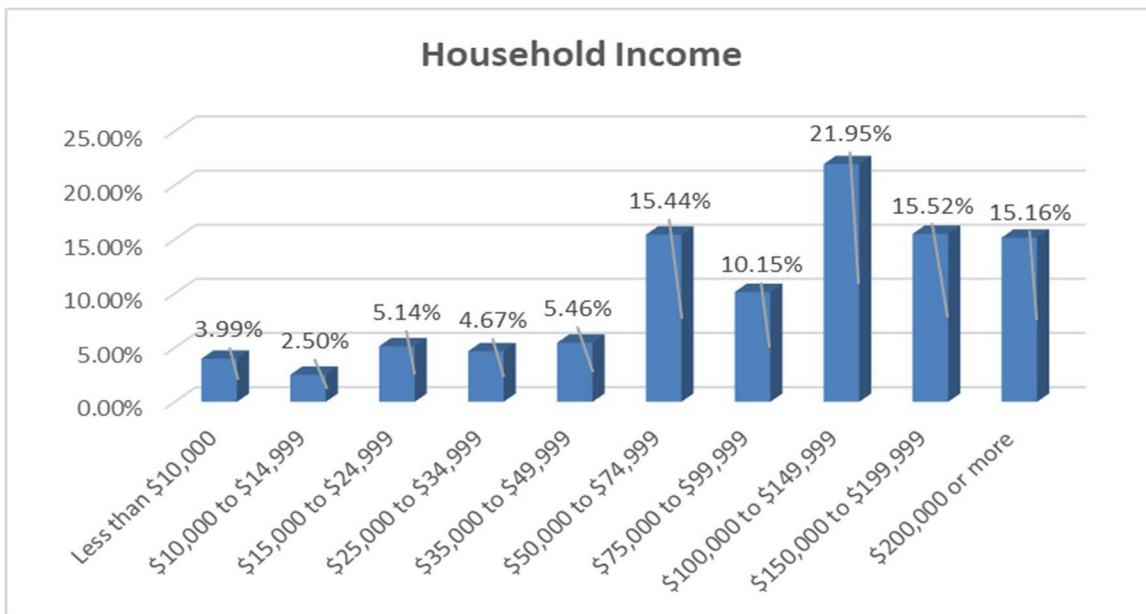
As of 2022, the median household income in South Kingstown was \$108,474,<sup>3</sup> which represents an approximate 52.37% increase from the 2010 median household income of \$71,192.<sup>4</sup> Additionally, 52.64% of all South Kingstown households earn over \$100,000 annually.<sup>5</sup> Over 95.34% of South Kingstown's population are high school graduates or higher, compared to 89.38% statewide. 59.46% of South Kingstown's population holds a bachelor's degree or higher, compared to 36.28% statewide.<sup>6</sup>

<sup>3</sup> 2022 American Community Survey 5-Year Estimates. U.S. Census Bureau.

<sup>4</sup> 2010 American Community Survey 5-Year Estimates. U.S. Census Bureau.

<sup>5</sup> 2022 American Community Survey 5-Year Estimates. U.S. Census Bureau.

<sup>6</sup> 2022 American Community Survey 5-Year Estimates. U.S. Census Bureau.



### FACTORS AFFECTING FINANCIAL CONDITION (Continued)

The median sales price for a single-family home has continued to improve since the crash in the late 2000s. The median single-family home sales price value increased to \$579,500 in 2023. In 2018, median single-family home sales price in South Kingstown was \$367,500. The five-year comparison for South Kingstown indicates a 58% increase in single family home prices.<sup>7</sup>

As of March-2023, the Rhode Island seasonally adjusted unemployment rate was 3.1%, down from 3.4% in March 2022. As of June 2023, the Rhode Island seasonally adjusted unemployment rate was 2.9%, up slightly from 2.8% in the prior year. South Kingstown's not seasonally adjusted unemployment rate was 2.8% as of March 2023, up from 2.4% in March 2022. South Kingstown's not seasonally adjusted unemployment rate in June 2023 was 2.9%<sup>8</sup>

Between 2018 and 2022, employment in South Kingstown decreased from 14,857 in 2018 full-time equivalent jobs to 14,580 in 2022, a decrease of 277 (1.86%) jobs. Private sector employers reported a loss of 354 (-3.23%) jobs, and the public sector employment decreased by 77 (-1.98%) jobs for the same time period.

In 2022, the top five industry sectors in South Kingstown by positions were educational/health care/social assistance (4,865 positions), professional/scientific/management/administrative & waste management (1,740 positions), arts/entertainment/recreation/accommodations & food service (1,560 positions), retail trade (1,403 positions), and manufacturing (1,161 positions). Since 2017, employment in the educational/health care/social assistance industry is up 6.20%, professional/scientific/management/administrative & waste management industry is up 18.45%, arts/entertainment/recreation/accommodations & food service industry is down -31.03%, the retail trade industry is down -8.72%, and the manufacturing industry is down -1.02%.<sup>9</sup> The fluctuations in these sectors is the result of the COVID-19 pandemic and its impact on the service industries.

<sup>7</sup> 2022 Housing Fact Book - HousingWorksRI at RWU.

<sup>8</sup> Local Area Unemployment Statistics. RI Department of Labor and Training.  
<http://www.dlt.ri.gov/lmi/laus/town/town.htm>.

<sup>9</sup> RI Department of Labor and Training, Website, <https://dlt.ri.gov/documents/pdf/lmi/town20ann.pdf>.

## FACTORS AFFECTING FINANCIAL CONDITION (Continued)

**Local economy:** South Kingstown's economy is heavily influenced by the University of Rhode Island (URI), which had an enrollment of 17,602 students, including online students, for the 2022-2023 academic year, this represents a slight increase from the 17,584 of the 2021-2022 annual enrollment.<sup>10</sup> This enrollment is supported by a faculty of 1,306 (full time teaching faculty of 768 and part time teaching faculty of 538). The University has a full-time support staff of 1,837 and part-time support staff of 123. Of the student population, approximately 5,400 students live on campus.<sup>11</sup>

The University's total budget for the most recent fiscal year was \$868.7 million. The University has invested, or is in the process of investing, more than \$975 million in capital improvements and projects since 2007, across all four campuses.

At the University, capital project development has continued over the past year. Based on information found in URI's Capital Improvement Program, the University requested capital funding in FY 2024 from the state totaling \$118.1 million on three projects, which include:

- The Asset Projection Program: \$15.8 million
- Athletic Complex Renewal: \$82.3 million
- PFAS Removal Water Treatment Plant: \$20 million

The University FY 2025 capital request totaled \$16.3 million as part of the university's Asset Projection Program and is the principal means to perform major renovations and replacement of existing assets. The request also included a fall-2024 bond in support of a new Life Science building on the Kingston Campus, projected at \$88.4 million.

**Local Development Activity:** Over the past calendar year, South Kingstown continued to witness an increase in development activity in both the residential and commercial building sectors. Multiple projects are under construction, and several have received at least one stage of approval, including:

- **Liberty Cedar**, located at 521 Liberty Lane, a four (4) unit commercial development (Total sq.ft. 48,000) proposed to be used for manufacturing and storage currently being constructed in separate phases.
- **Fieldstone Farm**, located on Old North Road, a 39-lot subdivision for single-family development with ten (10) of these lots being deed-restricted for low to moderate income ownership or occupancy.
- **South Shore Country Club**, a condominium development composed of a golf course and 303 manufactured homes for persons aged 55 and over is under construction. Over 200 of the homes have been sold. Homes are available from \$431,000 to \$500,000+. Construction is ongoing at this project with the construction of the 9-hole golf course completed in Fall of 2023 with anticipated full opening in Spring of 2024.
- **The Woods at Stone Soup**, a 7 lot, 8-unit residential development, is ongoing.
- **Wakefield Alzheimer's Facility**, measuring approximately 30,800 square feet in area, located at 521 Main Street, the Preliminary Plan was approved and is currently waiting for submission for final approvals.
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<sup>10</sup> University of Rhode Island. RIBOE2022 & RIBOE23. Website, <https://web.uri.edu/ir/data/enrollment-data/>.

<sup>11</sup> University of Rhode Island. Website, <https://www.uri.edu/about/facts/>.

## FACTORS AFFECTING FINANCIAL CONDITION (Continued)

- **Bouchard Solar Energy Systems**, a five (5) megawatt ground-mounted principal solar energy system, measuring approximately 20 acres in size, at 681 Fairgrounds Road awaiting determination from the RI Department of Energy Resources before proceeding through the Major Land Development Process.
- **1860 Kingstown Road**, a project to construct a new 7,545 square foot retail building is has been constructed and is home to a retail store.
- **Marina & Shellfish Hatchery Operations**, a proposed plan to develop a 3,600 square foot, two-story shellfish hatchery, and parking as a principal use, at 650 Succotash Road, received Final Plan approval and is under construction.
- **221 Robinson Street**, a proposal to construct a second story to existing retail building to contain ten (10) residential units is currently pending combined Conceptual Master Plan and Preliminary Plan approval.
- **Hillside Commons**, proposed development of 18 residential units, including a combination of detached structures has received Preliminary Plan approval and is in the process of completing the Final Plan submission.
- **Residences on Holly**, is a proposed Major Multi-Household Land Development Project, to construction of twelve (12) 2-bedroom dwelling units within six (6) duplex structures and associated site improvements (three units to be deed restricted for low to moderate income ownership or occupancy). The project has received Conceptual Master Plan approval and the applicant received Preliminary Plan approval and has submitted plans for final plan approval.
- **Village at Curtis Corner**, a proposed Comprehensive Permit subdivision to create twenty-four (24) parcels at 55 Curtis Corner Road containing a total of thirty-two (32) dwelling units of which 8 units will be rented to Low and a Moderate Income (LMI) families received Preliminary Plan approval phase. Infrastructure (Road, utilities, and storm drainage) associated with the project is under construction. Project received final plan and has sold 10 residential units and has another 4 under construction.
- **Tower Hill Landings Annex**, the proposed construction of an 11-unit multi-household structure at 2095 Kingstown Road was constructed and is presently occupied.
- **Shepard's Run**, the Planning Board approved the Conceptual Master Plan and recommended approval of a text amendment and associated Zoning Map change which was approved by the Town Council for the redevelopment of the former Convent of the Sisters of the Cross and Passion. This change allowed the property to be redeveloped into a destination estate winery, resort, and event venue set on thirty-six acres just behind the Prout School located at 4780 Tower Hill Road (Route 1) called "Shepard's Run". This project received Preliminary Plan and Final Plan approval from the Planning Board. Interior, exterior and site renovations have been completed and the site is open for business including a new wedding/event center.
- **Matunuck Beach Road Condominiums**, an application for a Comprehensive Permit to create 12 units in 6 buildings has received Conceptual Master Plan approval for this Major Land Development project. The applicant has received final plan approval and is under construction.

**Westerly Community Credit Union**, change to a previously approved plan for proposed construction of a small overflow parking lot for Westerly Community Credit Union employees and guests received approval.

## FACTORS AFFECTING FINANCIAL CONDITION (Continued)

- **Medical Marijuana Compassion Centers**, the Planning Board has also reviewed and/or is in the process of reviewing five (5) applications for medical marijuana compassion centers.  
*South County Compassion Center - 703 Kingstown Road, N&N Associates, Inc., applicant, 703 Kingstown Road, LLC, owner, has received a license from the state and is operating their corporate offices and call center out of this location.*
- **North Woods**, a sixteen (16) lot major flexible residential design subdivision to contain fifteen (15) single-family dwellings and one (1) duplex structure for a total of seventeen (17) dwelling units, with fourteen (14) of these units being market-rate housing units and remaining three (3) being restricted low- and moderate-income housing units, located near the intersection of Curtis Corner Road and South Road. The project has received Conceptual Master Plan, Preliminary Plan approval and has submitted plans for final plan approval.
- **Magnolia Court Multi-Household Land Development Project**, construction of two (2) 2-unit duplexes on a single lot off Magnolia Court (formerly Wilson & Tarn Streets). The application has been approved, constructed and they are awaiting certificates of occupancy.
- **South County Hospital**, initial review of an updated Master Plan has been modified to the review of zoning text and map amendments for the hospital in an effort to address the Institutional Master Plan submission requirements for health care institutions within G1 Zoning Districts. The hospital submitted and the Planning Board approved a new institutional master plan.
- **Union Fire Station - Matunuck (Station 7)**, application to demolish and reconstruct the fire station with an ancillary building for the Town of South Kingstown's Emergency Medical Services (EMS) ambulatory use. The application received an advisory from the Planning Board and has received approval from the Zoning Board of Review.
- **551 Liberty Lane**, South County Post and Beam proposed construction of three new buildings with associated parking for the following areas: Building 1- 32,400 SF, Building 2- 22,500 SF, Building 3- 18,000 SF. The site is proposed to have two points of access off Liberty Lane. The applicant has received preliminary plan approval and is awaiting final plan approval.

The Planning Board also received and reviewed several smaller 2-4 lot single-family subdivision applications throughout the year, as well as several zoning text amendments.

**Long-term capital financial planning.** As a part of the annual budget process, the Town Manager prepares and presents a six-year capital improvement plan. This plan identifies costs and financing methods for those capital projects that the Town anticipates funding over the next six years. The 2022-2023 fiscal year capital improvement plan projects needs through fiscal year 2027-2028. The plan provides for the needs of the general government and addresses such issues as infrastructure, major equipment replacement, school facilities, public safety, recreation and open space purchases.

This plan estimates total project costs over the six-year period of approximately \$121,422,285. Financing, net of third-party funding sources for these projects by debt issuance, approximates \$86,160,000. In addition, \$27,753,705 in capital projects to be funded on a "pay as you go" basis is projected over the same six-year period. The total estimated cost of the two components of the six-year capital improvement plan is \$149,214,991.

## **FACTORS AFFECTING FINANCIAL CONDITION (Continued)**

Major projects planned in the capital improvement program include recreational fields and open space programs, affordable housing, village infrastructure, and senior services for \$1,692,410; neighborhood guild renovations for \$1,125,000; town beach and marina improvements for \$938,755; general municipal improvements for \$13,739,923; school improvements for \$103,765,197; and harbor patrol equipment replacement for \$200,000.

**Cash management policies and practices.** It is the policy of the Town to invest funds in a manner which will provide the highest investment return, with the maximum amount of security, while meeting the daily cash flow needs of the Town and conforming to all state statutes governing the investment of municipal funds. Cash temporarily idle during the year was invested in certificates of deposit, obligations of the U.S. Treasury and money market mutual funds. In addition, some trust funds held corporate stocks and bonds in their investment portfolios. Investment income includes appreciation in the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the government intends to hold to maturity.

The Town engaged the services of an Investment Advisor to assist the Town and the Finance Director with the Town's first written investment policy that complies with the Government Finance Officers' Association recommendation that municipalities create an investment policy as a best practice. This policy provides for future opportunities with longer term investment durations in US Treasuries and Federal Agency obligations for the Town's pooled cash, 'core' funds and Town's pooled cash liquidity 'cushion' funds which are short term or within FDIC.

**Pension and other post-employment benefits.** The Town of South Kingstown participates in the Municipal Employees' Retirement System of the State of Rhode Island (MERS), an agent multiple employers defined benefit pension plan for all permanent employees, who work in excess of 20 hours per week, except for certified school department employees. As a matter of policy, the Town of South Kingstown fully funds each year's annual required contribution to the pension plan as determined by the actuary. The actuarial assumptions and methods used in the actuary's report comply with the parameters for disclosure that appear in Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment to GASB Statement No. 68*.

The Town of South Kingstown also provides postretirement healthcare benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 60 retired School Department and Town employees receiving these benefits. The Town has completed their required update of the OPEB obligations with a valuation date of June 30, 2023. The Town has established an irrevocable trust fund for the funding of Other Post-Employment Benefits and as such the financial statements include an OPEB Trust Fund and the related disclosure requirements and required supplementary information in accordance with GASB Statement No.74 and No. 75.

Additional information on the Town of South Kingstown's pension arrangements and post-employment benefits can be found in Note 11 on pages 57-75 and Note 12 on pages 75-83, respectively, in the notes to the financial statements.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of South Kingstown for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Town of South Kingstown has received a Certificate of Achievement for the last thirty-three consecutive fiscal years (fiscal years ended June 30, 1990-2022). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the efficient and dedicated services of the entire staff of the Finance Department. In addition, I would like to individually recognize Deputy Finance Director Rosalie Bouchard for her dedication and commitment to ensuring the operational excellence of the Finance Department. I sincerely appreciate the efforts of the entire Department in assisting with the preparation of this Annual Comprehensive Financial Report.

Finally, I would like to express my appreciation to the Town Manager and the Town Council for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,

*Brian Silvia*

Brian Silvia  
Finance Director



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
TOWN OFFICIALS  
JUNE 30, 2023**

**TOWN COUNCIL**

Rory H. McEntee, President

Michael K. Marran, Vice President  
Deborah D. Bergner

Patricia A. Alley  
Jessica L. Rose

**TOWN MANAGER**

James M. Manni

**TOWN ATTORNEYS**

Michael A. Ursillo  
Andrew Teitz  
Peter Skwirz  
Amy Goins  
Terrence G. Simpson

**PROBATE JUDGE**

James P. Howe

**DEPARTMENT HEADS**

Building Inspection Official  
Finance Director  
Leisure Services Director, Interim  
Library Director  
Planning Director  
Police Chief  
Public Services Director  
Tax Assessor  
Town Clerk

James G. Gorman  
Brian M. Silvia  
Theresa L. Murphy  
Laurel A. Clark  
James D. Rabbitt  
Matthew C. Moynihan  
Richard J. Bourbonnais  
Mark D. Capuano  
Susan M. Flynn



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Town of South Kingstown  
Rhode Island**

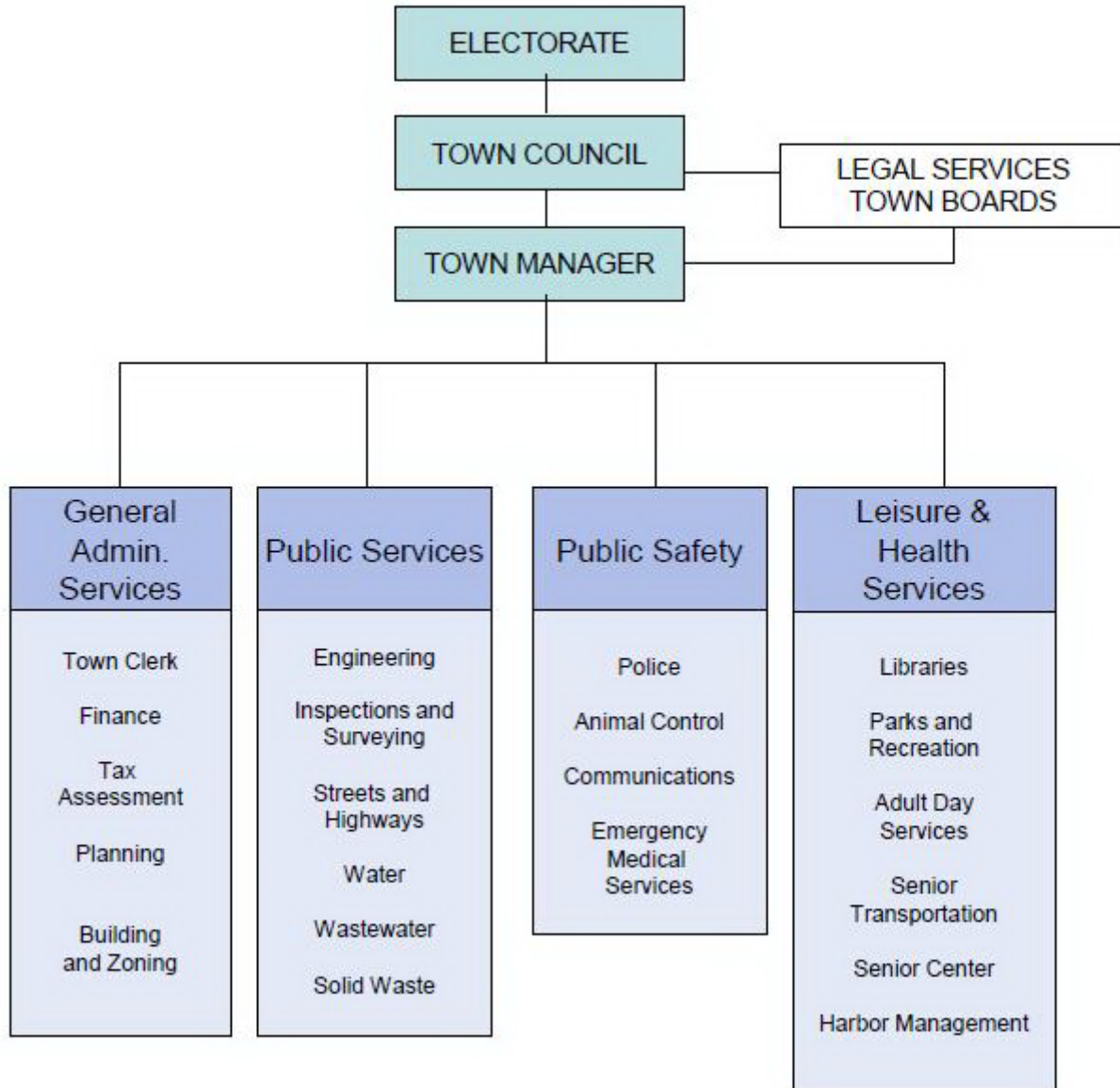
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Town of South Kingstown



## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

Honorable Town Council  
Town of South Kingstown, Rhode Island

### **Report on the Audit of the Financial Statements**

#### ***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 South Kingstown, 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 South Kingstown, Rhode Island's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of South Kingstown, Rhode Island, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter – Change in Accounting Principle***

As discussed in Note 1 to the financial statements, effective July 1, 2022, the Town of South Kingstown, Rhode Island adopted new accounting guidance for Subscription-Based Information Technology Arrangements. The guidance requires recognition of a right-to-use subscription asset and a corresponding subscription liability. Our opinions are not modified with respect to this matter.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of South Kingstown, 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.

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

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

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

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of South Kingstown, Rhode Island's basic financial statements. The combining and individual nonmajor fund financial statements and schedules and Annual Supplemental Transparency Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and schedules and Annual Supplemental Transparency Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Honorable Town Council  
Town of South Kingstown, Rhode Island

**Other Information**

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

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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2024, on our consideration of the Town of South Kingstown, 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 South Kingstown, 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 the Town of South Kingstown, Rhode Island's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Cranston, Rhode Island  
January 23, 2024



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

As management of the Town of South Kingstown (the Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-x of this report as well as the Town's basic financial statements that follow this section. All amounts in the tables in this MD&A are expressed in thousands. All amounts in the narrative portion are expressed in real dollars.

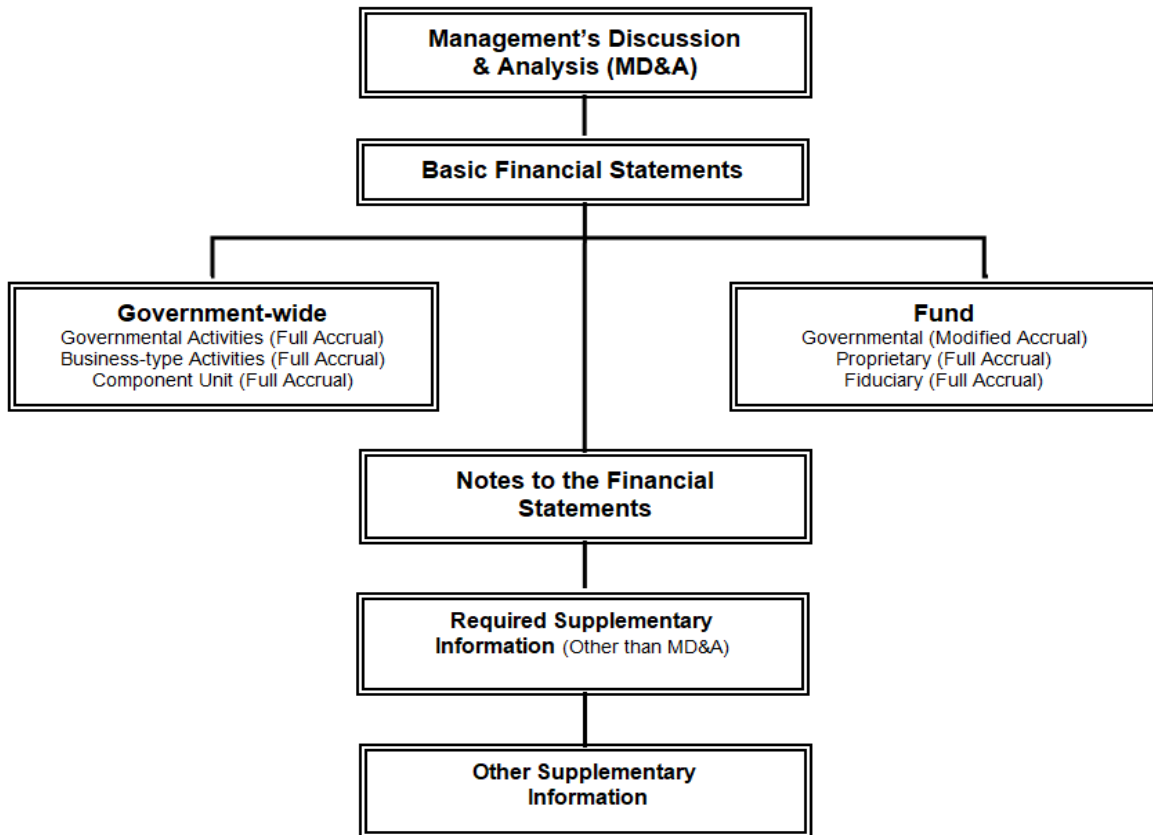
**Financial Highlights**

- At the end of the fiscal year, the Town's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$125,415,064, or 10.1%, from the prior year's amount of \$113,914,037. Net position was comprised mainly of \$91,700,953 attributable to the Town's net investment in capital assets, \$32,000,251 restricted, and \$1,713,860 unrestricted.
- The governmental activities total net position increased by \$10,677,563, an increase of 14.0% over the prior year due to positive operating results. Business-type activities net position increased by \$823,464 an increase of 2.2% over the prior year.
- The Town's unrestricted deficit decreased by \$7,200,310.
- The Town has significant investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding.
- As of the close of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$72,252,516. Approximately 22.2% of this total amount, \$16,036,435, is available for use at the government's discretion (unassigned fund balance).
- The remaining fund balance of \$56,216,081 includes \$905,453 in nonspendable funds, \$25,975,834 in restricted funds and \$29,334,794 in committed funds.
- The Town's total bonded debt decreased by \$1,693,320 during the current fiscal year. Government activities decreased by \$1,483,000 and Business-type activities decreased by \$210,320.
- Long-term liabilities reported an increase of \$11,952,888 which is the result of a net decrease in general obligation bonds and bond premiums of \$1,805,742, decrease of compensated absence liability of \$462,401, increase of net pension liability of \$13,947,038, decrease in claims and judgements liability of \$67,097, decrease of lease liability of \$78,759, and an increase of subscription liability of \$419,849.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town of South Kingstown's basic financial statements. The Town's basic financial statements comprise three components: 1) introductory, 2) financial, and 3) statistical. As illustrated in the following chart, the financial section of this report consists of five components: management's discussion and analysis (this section), the basic financial statements, notes to the financial statements, required supplementary information, and other supplementary.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**



The Town's financial statements present a focus on the Town as a whole (government-wide) as well as the major individual funds. The government-wide financial statements provide both long-term and short-term information about the Town's overall financial status. The fund financial statements focus on the individual parts of the Town government, reporting the operations of the Town in more detail than the government-wide statements. Both perspectives, government-wide and individual fund, allow the user to address relevant questions, broaden the basis for comparisons year to year or government to government and enhance the Town's accountability.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Town of South Kingstown's finances, in a manner similar to a private-sector business. Government-wide financial reporting consists of two statements: the Statement of Net Position and the Statement of Activities. The Statement of Net Position includes all of the Town's assets, both short-term and long-term, while the Statement of Activities reports all of the current year's revenues and expenses as soon as the underlying event for recognition occurs, regardless of the timing of the related cash flows, and provides a clearer picture of how the government's net position changed during the most recent fiscal year. Revenues and expenses are reported in the statement of activities for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Over time, the increase or decreases in the Town's net position can be an indicator of the Town's financial condition. ACFR users should also consider additional nonfinancial factors in assessing the overall health of the Town. The government-wide financial statements can be found on Exhibits I and II of this report.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

The Town's government-wide financial statements are divided into three categories:

- **Governmental Activities** – Most of the Town's basic services including general government, public safety, streets and highways, planning, libraries, education and recreation are reported here. The majority of these activities are supported by property taxes, other local taxes and federal and state funding.
- **Business-Type Activities** – The Town's water, wastewater operations, solid waste and school cafeteria funds are reported here. Fees charged to customers to help cover the costs of providing these services.
- **Component Unit** – Included as a blended component unit is the Friends of South Kingstown Parks and Recreation Fund. Although legally separate, this component unit is part of the Primary Government's operations.

### **Fund Financial Statements**

The fund financial statements provide detailed information about the Town's most significant funds and not the Town as a whole. Funds are an accounting tool that the Town uses to track resources that are 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. Other funds are established to control and manage money for particular purposes or to show that the Town is using specific revenue sources such as taxes and grants for their intended purposes. The Town has three types of funds: governmental, proprietary, and fiduciary.

- **Governmental Funds** – The General Fund, School Trust Fund, Debt Service Fund, School Improvement Fund, Capital Projects Fund and Special Revenue Funds are governmental funds. Most of the basic services provided by the Town are financed through governmental funds. The School Unrestricted Fund has been included in the General Fund, in the basic governmental financial statements. These funds' statements focus on near-term inflows and outflows of spendable resources as well as balances of spendable resources available at the end of the fiscal year. Additional information is provided accompanying these statements that explains the relationship between the long-term focused government-wide statements and the short-term focused governmental fund statements.

The basic governmental fund financial statements can be found on Exhibits III through IV of this report.

- **Proprietary Funds** – Services for which the Town charges customers a fee are generally reported in proprietary funds. Like the government-wide statements, proprietary funds statements provide both long-and short-term financial information. The Town maintains two types of proprietary funds:
  - **Enterprise Funds** – Similar to business-type activities included in the government-wide statements, the enterprise fund financial statements provide more detail and additional information, such as cash-flow.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- **Internal Service Funds** – The Town uses internal service funds to report activities that provide supplies and services for the Town's other programs and activities. This is an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses three types of internal service funds: (1) for medical costs incurred by persons covered by the health insurance plans and for plan administrative expenses, (2) accounting for accrued sick and vacation time for various governmental funds, and (3) for future purchases and/or replacements of nonmajor information technology (IT) systems and equipment to keep the Town's infrastructure up-to-date and within industry best practices. Because these funds predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found in Exhibits V through VII of this report.

- **Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. These fiduciary activities are excluded from the Town's government-wide financial statements because the Town cannot use these assets to finance its operations. The Town maintains three fiduciary funds:
  - **Private Purpose Trust Funds** – Provides for resources legally held in trust for use by parties outside of the Town, and cannot be used at the Town's discretion or to support the Town's general operations. The activities are utilized for the care and maintenance of cemeteries within the Town.
  - **OPEB Trust Funds** – Provides postemployment benefits for all vested full-time employees such as health, dental and life insurance for the Town and School retirees.

The basic fiduciary fund financial statements can be found in Exhibits VIII and IX of this report.

### **Notes to the Financial Statements**

The notes to the financial statements provide information that is essential for a full understanding of the information provided in the government-wide and fund financial statements. The notes also present certain required supplementary information. Included in the notes is the information pertaining to the Town's funding obligation to provide pension and OPEB benefits to its employees. The notes to the financial statements can be found on pages 31-87 of this report.

### **Other information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This section includes budgetary comparison schedules, a reconciliation between the statutory fund balance for budgetary purposes and the fund balances for the General Fund and School Fund, as presented in the governmental fund financial statements. Required supplementary information can be found on pages 88-100 of this report following the notes to the financial statements.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 101-129.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The Town of South Kingstown's combined net position, assets and deferred outflow of resources exceeded liabilities by \$125,415,064 (government and business-type activities), at the close of the most recent fiscal year.

**NET POSITION**

For the fiscal years ended June 30, 2023 and 2022 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 96,037	\$ 92,097	\$ 16,149	\$ 14,996	\$ 112,186	\$ 107,093
Noncurrent Assets	4,133	-	825	-	4,958	-
Capital Assets, Net of Accumulated Depreciation	84,001	83,865	24,252	24,716	108,253	108,581
Total Assets	184,171	175,962	41,226	39,712	225,397	215,674
Deferred Outflows of Resources	23,348	17,744	-	-	23,348	17,744
Current Liabilities	17,767	13,710	1,330	1,143	19,097	14,853
Long-Term Liabilities						
Outstanding	74,351	61,696	278	361	74,629	62,057
Total Liabilities	92,118	75,406	1,608	1,504	93,726	76,910
Deferred Inflows of Resources	28,660	42,236	944	358	29,604	42,594
Net Position:						
Net Investment in Capital Assets	67,647	65,949	24,054	24,308	91,701	90,257
Restricted	31,994	29,137	6	6	32,000	29,143
Unrestricted	(12,900)	(19,022)	14,614	13,536	1,714	(5,486)
Total Net Position	\$ 86,741	\$ 76,064	\$ 38,674	\$ 37,850	\$ 125,415	\$ 113,914

FY 2023, total assets for the Primary Government were \$225,396,801, an increase from prior year total assets by \$9,723,224. Total assets for only governmental activities were \$184,170,260, an increase of \$8,208,634 or 4.7%. Total assets from business-type activities increased by \$1,514,590. The largest portion of the Town's net position, 73.1%, reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment); 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 its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Total liabilities were \$93,725,536, an increase of \$16,815,745 from \$76,909,791 in FY 2022. Total liabilities associated with governmental type activities increased by \$16,711,378 or 22.2% while total liabilities associated with business-type activities increased \$104,367 or 6.9% when compared to FY 2022.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

A portion of the Town's net position (25.5% or \$32,000,251) represents resources that are subject to external restrictions on how they may be used. This includes the \$22,321,218 restricted recreational and educational purposes of which \$21,482,827 represents the School Trust Fund.

At the end of the current fiscal year, the Town of South Kingstown, is able to report positive balances in all three categories of net position as a whole. The governmental activities unrestricted deficit was reduced by \$6,123,182 or 32.2% and the business-type activities portion increased by \$1,077,128 or 8.0%. Unrestricted net position represents the portion of net position that has no related liabilities or restriction as to use.

**CHANGES IN NET POSITION**

For the Fiscal Years Ended June 30, 2023 and 2022 (in 000s)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 7,246	\$ 7,526	\$ 7,100	\$ 7,846	\$ 14,346	\$ 15,372
Operating Grants and Contributions	12,107	9,851	483	1,361	12,590	11,212
Capital Grants and Contributions	499	1,555	-	-	499	1,555
General Revenues:						
Property Taxes	75,807	77,574	-	-	75,807	77,574
Motor Vehicle Phase-Out Taxes	3,930	1,370	-	-	3,930	1,370
Telephone and Hotel Taxes	371	289	-	-	371	289
Grants not Restricted to Specific Programs	1,538	1,341	-	-	1,538	1,341
Unrestricted Investment Earnings	3,425	(3,936)	112	(411)	3,537	(4,347)
<b>Total Revenues</b>	<b>104,923</b>	<b>95,570</b>	<b>7,695</b>	<b>8,796</b>	<b>112,618</b>	<b>104,366</b>
<b>Expenses:</b>						
General Government	6,476	5,313	-	-	6,476	5,313
Public Safety	13,455	11,460	-	-	13,455	11,460
Public Works	4,192	4,785	-	-	4,192	4,785
Human Service	602	655	-	-	602	655
Public Libraries	1,479	1,491	-	-	1,479	1,491
Education	63,505	63,379	-	-	63,505	63,379
Recreation	4,170	3,874	-	-	4,170	3,874
Interest on Long-Term Debt	366	402	-	-	366	402
Wastewater	-	-	4,115	3,907	4,115	3,907
Solid Waste	-	-	759	781	759	781
Water	-	-	966	974	966	974
School Cafeteria	-	-	1,032	1,126	1,032	1,126
<b>Total Expenses</b>	<b>94,245</b>	<b>91,359</b>	<b>6,872</b>	<b>6,788</b>	<b>101,117</b>	<b>98,147</b>
Change in Net Position Before Transfers	10,678	4,211	823	2,008	11,501	6,219
Transfers	(1)	(4)	1	4	-	-
<b>Change in Net Position</b>	<b>10,677</b>	<b>4,207</b>	<b>824</b>	<b>2,012</b>	<b>11,501</b>	<b>6,219</b>
Net Position - Beginning of Year	76,064	71,857	37,850	35,838	113,914	107,695
<b>Net Position - End of Year</b>	<b>\$ 86,741</b>	<b>\$ 76,064</b>	<b>\$ 38,674</b>	<b>\$ 37,850</b>	<b>\$ 125,415</b>	<b>\$ 113,914</b>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Activities**

In FY 2023, the Town's net position increased by \$11,501,027. Primary Government revenues increased from the prior year by \$8,251,373 or 7.9% to \$112,618,381. Program revenues (charges for services, grants and contributions) of \$27,435,420 accounted for 24.4% of all Primary Government revenues, while property and state taxes attributable to governmental activities accounted for \$80,107,747, 71.1%, of which property taxes is a major revenue source accounting for \$75,806,589. Grants and contributions not restricted to specific programs account for an additional \$1,537,977 while unrestricted investment earnings account for \$3,537,237.

**Governmental Activities**

Total revenues for all governmental activities were \$104,923,258. Governmental Activities' program revenues of \$19,852,296 accounted for 18.9%.

- Property tax revenues recorded for the 2023 fiscal year decreased by \$1,767,623 or (2.3%) over prior year due to the final phase out of motor vehicle taxes in fiscal year 2023.
- The Town's tax rate of \$10.95 per thousand dollars of assessed valuation decreased \$3.50 or 24.2% from the fiscal year 2022 rate of \$14.45 per thousand dollars of assessed valuation. The reduction was primarily due to the marked increase in net assessed value due to the full revaluation conducted and implemented with a tax roll date of December 31, 2021 in fiscal year 2023. The growth in the total assessed value of taxable property, excluding motor vehicles, was 33.5%. Total net assessed value of all taxable property increased by \$1,757,515,740 from \$5,262,711,041 to 7,020,226,781.
- Motor vehicle taxes were completely phased out in fiscal year 2023 and in place of it, the Town received a motor vehicle phase out reimbursement from the State of Rhode Island.
- Charges for services decreased by \$279,381. The decrease was largely due to a slowing of real estate sales and building permit applications as well as a reduction in Medicaid reimbursement offset in part by strong EMS services collections and an increase in recreation programming revenue. Annual variances in several other functions were reported.
- Operating grants and contributions increased by \$2,256,015 or 22.9% from the previous fiscal year. \$651,434 of the increase was in the category of general government and attributable to ARPA (American Rescue Plan Act) funding and \$1,519,017 was in the category of education, mainly attributable to a combination of increased State and Federal funding and an adjustment to on-behalf State pension contributions and Town pensions in the amount of \$850,585 year over year.
- Unrestricted investment earnings for the 2023 fiscal year were \$3,425,238, representing an increase of \$7,362,215 when compared to the prior fiscal year. The School Trust Fund experienced investment income of \$2,162,685. An increase of \$5,011,373 over the prior year. The increase was due to stabilization in the markets.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Total expenses for Primary Government were \$101,117,354. Five activities: general government, public safety, public works, education, and business-type activities accounted for the majority of the expenses, as depicted in the following amounts and percentages: \$6,475,628 (6.4%), \$13,454,904 (13.3%), \$4,191,535 (4.1%), \$63,505,409 (62.8%) and \$6,872,678 (6.8%), respectively. The Changes in Net Position table is provided for the Town's government-wide activities for the years ended June 30, 2023 and 2022. Major expense factors included:

- Governmental activities expenses increased by \$2,885,486 from \$91,359,190 to \$94,244,676, (3.2%). The increase was due to a variety of factors including increased personnel costs as well as ARPA spending.
- General government expenses within governmental activities increased by \$1,162,825. The increase was primarily due to the increased costs associated with the filling of several key positions including that of the Town Manager, Finance Director and Tax Assessor that had remained vacant for some time, as well as the reallocation of facilities staff from enterprise funds to the general fund, as well as other personnel-related changes in this category. In total, personnel costs increased \$689,130 versus the prior year. In addition, the \$228,279 expenses (as well as the revenue) related to the 300<sup>th</sup> Anniversary, and \$618,569 ARPA expense flow through the general government category.
- Public safety expenses within governmental activities have increased by \$1,995,182. The increase was due primarily to increased personnel costs of \$706,159, increased pension costs of \$507,808 and \$566,933 in costs related to EMS collections.
- Public works expenses within governmental activities decreased \$593,234. Expenses related to Community Development Block Grant administration decreased \$739,722, while the cost for street lighting decreased by \$110,886.
- Human service expenses within governmental activities decreased \$53,685. The decrease in expenses can be attributed to the reallocation of facilities staff from human services to general government.
- Public libraries expenses within governmental activities decreased \$11,907. A substantial portion of the decrease is due to \$51,935 less in capital assets versus the prior year offset by an increase in personnel costs of \$32,200.
- Educational expenses within governmental activities increased by \$126,261 overall compared to last year. Operating expenses increased approximately \$154,761, grant expenditures increased \$180,407, student activity expenses increased \$70,090, capital expenses increased \$44,633, while compensated absences decreased \$414,893.
- Recreation expenses within governmental activities increased \$296,261. The increase was due to the cost associated with the addition of \$108,282 in capital assets, an increase of \$112,763 in compensated absences and \$90,06 in professional services associated with increased programming.

**Business-type activities.** Net position in business-type activities increased by \$823,464 resulting in a 2.2% increase in business-type net position.

Charges for services for business-type activities accounted for 93.6% of the total program revenue sources. The balance of revenues for business-type activities was from operating grants and contributions, 6.4%.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- Charges for services for business-type activities decreased from \$7,847,093 to \$7,100,327, a decrease of \$746,766, 9.5%. The wastewater fund realized a decrease of \$1,340,370 in fiscal year 2023 versus fiscal year 2022 due to a reduction in capital expenses charged to the Town of Narragansett and the University of Rhode Island for costs related to the Town's wastewater system. The other three business-type funds realized increases. Solid waste charges for services increased by \$42,132, water increased by \$115,591 and school cafeteria increased by \$435,881.

Wastewater treatment expenses account for approximately 59.9% of the total expenses within the business-type activities of the Town. The school cafeteria fund, water fund and solid waste fund expenses account for 15.0%, 14.1%, and 11.0% respectively of the total business-type activities expenses for the 2023 fiscal year.

- Expenses in the wastewater fund increased by \$208,039 primarily due to increased depreciation expense and chemical costs. The \$8,086 decrease in water fund expenses was related to decreased depreciation expenses. The \$22,006 decrease in the solid waste fund is largely attributable to reduced superfund expenses offset by increased tipping fees.
- Costs to operate the cafeteria fund decreased by \$94,134 as a result of decreased participation in the school lunch program.

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

***Financial Analysis of the Government's Funds***

**Governmental funds.** The focus of the Town of South Kingstown'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 of South Kingstown'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 the end of the current fiscal year, the Town of South Kingstown's governmental funds reported combined ending fund balances of \$72,252,516. Of this amount, \$16,036,435 is available for spending at the government's discretion (unassigned) within the Town. The remaining fund balance of \$56,216,081 includes \$1,314,008 committed to help finance the 2023-2024 town and school operating budgets. The remaining amount of \$54,902,073 consists of nonspendable fund balance of \$905,453, restricted fund balance of \$25,975,834 and committed fund balance of \$28,020,786.

The General Fund is the chief operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The School Unrestricted Fund is used to report all financial transactions of the South Kingstown School Department but is considered a department of the Town since its major source of revenue is property tax dollars and is not a separate taxing authority.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Therefore, the School Unrestricted Fund is reported within the Town Operating Fund. At the end of the current fiscal year, excluding the School Fund amount, the total General Fund balance was \$17,308,248 which represents an increase of \$108,261 over the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund budgeted expenditures. Unassigned fund balance represents 17.7% of the 2023 FY Adopted General Fund Expenditure Budget, while total fund balance represents 19.4% of that same amount.

The fund balance of the Town of South Kingstown's General Fund, excluding the School Fund, increased by \$108,261 as compared to the June 30, 2022 fund balance. This increase is the result of positive operating results in the General Fund. Key factors in this increase are as follows:

- The Town committed \$1,263,608 of fund balance to help finance the 2022-2023 General Fund budget. The planned drawdown of fund balance was a decrease of \$56,600 from the prior year commitment of fund balance. The difference between the GAAP basis of accounting and the budgetary basis of accounting is the result of recognizing the fund balance commitment of \$1,263,608, as a revenue source under the budgetary basis but not the GAAP basis.
- On a budgetary basis, the operating surplus in the General Fund was \$1,489,768 for 2022-2023. Expenditures under budget contributed \$1,534,164 to the surplus, while revenues finished the fiscal year with a \$1,103,180 surplus. Other financing sources (uses) over budget decreased the surplus by \$218,493.
- The Town abides by conservative spending guidelines when seeking to purchase commodities and other services. Favorable expenditure variances of significance, when compared to the budget, included savings in public safety \$614,287, public works \$470,792, and general government \$159,699. Recreation and public libraries, and miscellaneous expenditures recognized a combined savings of \$289,386.
- Tax collections resulted in a positive budget variance in property taxes of \$269,077. The Town's collection rate remained high. Meals and beverage taxes and hotel taxes, were higher than budgeted, at \$218,263 and \$168,703 respectively. Departmental revenues were down by \$469,091 but were offset in part by \$96,779 in additional recreation self-supporting program fees. Business licenses and fees contributed \$102,817 to the budgetary surplus. Short term investment income increase the surplus by \$816,795. Positive variances were recognized in three of the five revenue categories.
- It should be noted that the State of Rhode Island fully phased out Motor Vehicle taxes in fiscal year 2023 causing a shift in revenue from one category of revenue to another (that of property taxes to State Aid-Town).

The fund balance of the School Unrestricted Fund increased by \$255,596 as compared to the June 30, 2022 fund balance. Key factors in this increase are as follows:

- The School department committed \$247,927 of fund balance to help finance the 2022-2023 school's operating budget. The planned drawdown of fund balance was not recognized in the current fiscal year.
- On a budgetary basis, the operating surplus in the School Fund was \$1,041,251 for 2022-2023. Revenues and use of fund balance finished the fiscal year with a \$233,053 deficit which was offset by expenditures savings of \$1,270,197 and other financing sources (uses) of \$4,107.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

- A decrease in revenue of \$233,053 was reported for the fiscal year as \$247,927 from use of fund balance was not recognized offset in part by additional revenue. The surplus in expenses of \$1,270,197 was primarily attributed to savings in purchased services of \$877,324, 69.1%, and employee benefits of \$409,512, 32.2%.

The school fund has a total fund balance of \$2,942,719 of which \$580,729 is committed to liquidate contracts and purchase orders of the prior period, and \$270,400 is committed to help finance the 2023-2024 fiscal year budget. The remaining balance of \$2,091,590 is available to help finance future years' school budgets.

The fund balance of the Debt Service Fund decreased by \$230,081 as compared to the June 30, 2022 fund balance. The decrease was due to the use of fund balance in fiscal year 2022-2023 to offset debt service costs of the Town.

The fund balance of the School Improvement Fund decreased by \$197,967. The decrease was primarily due to the use of fund balance for proposed future capital improvement projects of the school department (high school bond project related expenses).

The fund balance for the Solid Waste and Water Funds increased by \$28,462 and increased by \$357,011, respectively. Operating expenses for each are as follows, Solid Waste Fund decreased by \$19,380 and the Water Fund decreased by \$8,086. The operating revenues for the Solid Waste and the Water Fund increased by \$51,015 and by \$115,591, respectively.

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

Unrestricted net position in the wastewater fund at the end of the fiscal year totaled \$9,752,386 an increase of \$999,946 over the prior year. Unrestricted net position in the water fund increased by \$278,567 to a total of \$4,467,723. The school cafeteria operation maintains a surplus position of \$275,070 of which \$272,975 is unrestricted while the solid waste fund finished the year with unrestricted net position of \$120,050 which was a decrease in value of \$126,592 mainly attributed to increased tipping fee expense. The restricted fund balance of \$6,186 is related to grant revenues received by Rhode Island Resource Recovery for the purpose of training and educating residents on the importance of recycling in our community, the balance remains unchanged from the prior year. The Town has been actively educating the importance of the recycling program.

Other factors concerning the finances of these four funds have already been addressed in the discussion of the Town of South Kingstown's business-type activities.

***General Fund Budgetary Highlights***

Overall, the Town finished the 2022-2023 fiscal year with a \$2,366,950 budgetary surplus (excess of revenues over expenditures). Differences between the original budget and the final amended budget involved transferring funds from departments with expenditure surpluses to departments with expenditure deficits. In order to effectively manage the unassigned fund balance and support the financing of capital projects and multi-year obligations, at the end of each fiscal year the Town Manager and Finance Director request the Town Council to transfer unexpended balances to specific capital projects or multi-year obligation accounts. At the end of the fiscal year the Town executed transfers to various capital and other multi-year funds in the amount of \$1,425,000.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

**Capital Asset and Debt Administration**

**Capital assets.** The Town of South Kingstown's investment in capital assets for its governmental and business type activities as of June 30, 2023 amounts to \$108,252,976 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, infrastructure, and construction in progress. The 2023 fiscal year resulted in a decrease in value of investment in capital assets of \$328,216. The total decrease in the Town of South Kingstown's investment in capital assets for the current fiscal year was (0.3%). Depreciation expense as compared to the amount of capitalized assets recognized in the 2023 fiscal year, specifically, the amount of new capital assets being depreciated was \$2,561,393 for the governmental activities, however, the amount of depreciation expense was \$4,922,045, in comparison to the prior year of new capital assets of \$1,289,293 and depreciation expense of \$4,801,390.

**Town of South Kingstown's Capital Assets**

(Net of accumulated depreciation) in 000s

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 14,170	\$ 14,170	\$ 1,587	\$ 1,587	\$ 15,757	\$ 15,757
Construction in Progress	7,725	5,072	4,070	3,614	11,795	8,686
Land Improvements	8,266	8,421	1,597	1,643	9,863	10,064
Buildings	16,046	16,786	1,800	1,977	17,846	18,763
Building Improvements	15,783	17,210	3,527	3,698	19,310	20,908
Equipment	2,234	2,150	1,321	1,565	3,555	3,715
Right to Use Lease Equipment	125	204	-	-	125	204
Right-to-Use Software	360	-	48	-	408	-
Vehicles	2,796	2,730	90	129	2,886	2,859
Infrastructure	16,359	16,940	10,113	10,378	26,472	27,318
Intangibles	137	182	99	125	236	307
<b>Total</b>	<b>\$ 84,001</b>	<b>\$ 83,865</b>	<b>\$ 24,252</b>	<b>\$ 24,716</b>	<b>\$ 108,253</b>	<b>\$ 108,581</b>

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

- Town-wide purchases of new vehicles and equipment accounted for \$1,315,897 during the fiscal year these were mainly attributed to public safety, 37.0%, general government, 27.8%, public services, 20.2%, and parks and recreation, 14.6%. General government included \$276,533 of networking equipment, public safety included 9 vehicles and a drone and public services included a dump truck, Bobcat track loader and an asphalt roller.
- Town infrastructure improvements accounted for \$720,862 included \$684,912 in road improvements and \$35,950 for a new sidewalk at the senior center.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Additional information on the Town of South Kingstown's capital assets can be found in Note 8 on pages 50-51 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of South Kingstown had total bonded debt outstanding of \$15,841,001, entirely backed by the full faith and credit of the Town. Bonds authorized but unissued totaled an additional \$4,090,000.

State statutes limit the amount of general obligation bonded debt a town can issue to 3% of net assessed property values. However, all bonds approved through State enabling legislation and voter referendums are exempt from the limit. At June 30, 2023, the Town had a debt limit of \$210,606,803. Of the Town's \$15,841,001 in debt outstanding, \$1,769,176 is subject to the Town's legal debt limit. A balance of \$208,837,627 exists within the legal limit for additional bonds to be issued.

**Town of South Kingstown, Rhode Island's  
Outstanding Debt  
General Obligation Bonds in 000s**

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
	General Obligation Bonds	\$ 15,643	\$ 17,126	\$ 198	\$ 408	\$ 15,841

The Town's total bonded debt decreased by \$1,693,320, (9.7%) during the 2023 fiscal year.

There were no issuances of general obligation debt during the fiscal year ended June 30, 2023.

It should be noted, on December 22, 2021, the Town Manager and Finance Director met with the Town's bond rating agency, Moody's Investors Services, to affirm the Town's Aa1 rating which is the highest local municipal rating in the State. In their credit opinion report issued on January 6, 2022, Moody's noted the Town's "moderately sized tax base with favorable wealth levels, stable financial position with healthy reserves and strong liquidity, and low debt burden" as credit strengths when determining the basis for their review and consideration. South Kingstown is one of only five Rhode Island communities that have a bond rating of Aa1. The Moody's credit report cited the following additional factors for the affirmation:

- The population, economy and tax base is anchored by the state flagship University of Rhode Island (Aa3 stable), the town's coastal amenities, and its proximity to the metro-Providence labor market. The full value tax base of \$5.3 billion (2022) is diverse with the Top 10 taxpayers accounting for a small 3.7% of the tax base; and includes student housing, a utility, as well as office and corporate facilities. The tax base has grown at an annual compound growth rate of 2.8% over the past 5 years, benefitting from several commercial and residential developments as well as a revaluation completed in 2020.
- Despite being skewed downward by its large student population, the town's wealth and income levels are strong, with local median family income equivalent to 131% of the state and 146% of the national level. The town's full value per capita is above average at \$171,692. As of Oct 2021, the town's unemployment rate was a low 2.9% and is better than the state and national levels of 4.1% and 4.3% respectively.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2023**

Additional information on the Town of South Kingstown's long-term debt can be found in Note 10 on pages 53-57 of this report.

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

- As of June 2023, the labor force in South Kingstown was 16,964 with employment at 16,476 yielding an unemployment rate of 2.9%, an increase of 0.7% from the prior fiscal year.
- The final budget for 2024 was adopted in the amount of \$89,044,624 which represents an increase of \$1,644,704, or 1.9% from the prior fiscal year. The FY2023 budget was based on a full property revaluation.
- Property tax revenues for the fiscal year 2024 reflect an increase in the Town's tax levy of \$1,307,443 (excluding motor vehicles) or 1.7% higher than the previous fiscal year. The property tax rate increased to \$11.05 per thousand dollars of assessed value. Total taxable property decreased by \$120,462,580 from \$7,020,226,779 to \$6,899,764,199. This represents an increase of \$56,394,711 offset by the final motor vehicle phase out of \$176,857,291.

During the current fiscal year, the fund balance in the General Fund increased to \$17,308,248. The Town of South Kingstown has committed \$1,043,608 of this amount for spending in the 2024 fiscal year budget, \$32,935 is committed for future municipal planning projects and \$181,016 is committed for outstanding purchase orders at June 30, 2023. \$200 is recognized as nonspendable for prepaid expenditures. The Town maintains an unassigned fund balance of \$16,050,489 to use at its discretion.

**Requests for Information:** This financial report is designed to provide a general overview of the Town of South Kingstown's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 180 High Street, Town Hall, Wakefield, Rhode Island, 02879.

## **BASIC FINANCIAL STATEMENTS**

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	\$ 44,634,373	\$ 6,447,017	\$ 51,081,390
Investments	40,925,985	8,279,449	49,205,434
Receivables, Net of Allowance for Uncollectibles	1,903,226	1,304,573	3,207,799
Due from Federal and State Governments	2,544,885	32,858	2,577,743
Internal Balances	(85,403)	85,403	-
Prepaid Items	950	-	950
Total Current Assets	<u>89,924,016</u>	<u>16,149,300</u>	<u>106,073,316</u>
<b>NONCURRENT ASSETS</b>			
Net Pension Asset	1,040,558	-	1,040,558
Net OPEB Asset	5,072,220	-	5,072,220
Leases Receivable	4,132,904	824,827	4,957,731
Capital Assets Not Being Depreciated or Amortized	21,895,046	5,656,516	27,551,562
Capital Assets, Net of Accumulated Depreciation and Amortization	<u>62,105,516</u>	<u>18,595,898</u>	<u>80,701,414</u>
Total Noncurrent Assets	<u>94,246,244</u>	<u>25,077,241</u>	<u>119,323,485</u>
Total Assets	184,170,260	41,226,541	225,396,801
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge on Refunding	63,537	-	63,537
Deferred Outflows of Resources Related to Pensions	20,339,415	-	20,339,415
Deferred Outflows of Resources Related to OPEB	<u>2,945,470</u>	<u>-</u>	<u>2,945,470</u>
Total Deferred Outflows of Resources	<u>23,348,422</u>	<u>-</u>	<u>23,348,422</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable	2,244,713	579,920	2,824,633
Accrued Liabilities	3,356,839	235,459	3,592,298
Due to Federal and State Governments	142,635	-	142,635
Unearned Revenue	8,769,147	330,652	9,099,799
Deposits Held in Custody of Others	205,457	-	205,457
Current Maturities of Long-Term Obligations	<u>3,047,624</u>	<u>184,715</u>	<u>3,232,339</u>
Total Current Liabilities	<u>17,766,415</u>	<u>1,330,746</u>	<u>19,097,161</u>
<b>NONCURRENT LIABILITIES</b>			
Due in More Than One Year	<u>74,350,686</u>	<u>277,689</u>	<u>74,628,375</u>
Total Liabilities	92,117,101	1,608,435	93,725,536
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to Pensions	18,096,105	-	18,096,105
Deferred Inflows of Resources Related to OPEB	6,206,299	-	6,206,299
Deferred Inflows of Resources Related to Leases	4,209,725	944,373	5,154,098
Advance Property Tax Collections	<u>148,121</u>	<u>-</u>	<u>148,121</u>
Total Deferred Inflows of Resources	<u>28,660,250</u>	<u>944,373</u>	<u>29,604,623</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	67,646,540	24,054,413	91,700,953
Restricted for:			
Pension and OPEB	6,112,778	-	6,112,778
Trust Purposes:			
Expendable	2,024,958	-	2,024,958
Nonexpendable	905,453	-	905,453
Student Activity	269,151	-	269,151
Unused Grants and Donations	360,507	6,186	366,693
Recreational and Educational	22,321,218	-	22,321,218
Unrestricted	<u>(12,899,274)</u>	<u>14,613,134</u>	<u>1,713,860</u>
Total Net Position	<u>\$ 86,741,331</u>	<u>\$ 38,673,733</u>	<u>\$ 125,415,064</u>

See accompanying Notes to Financial Statements.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Function/Program Activities	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES</b>							
General Government	\$ 6,475,628	\$ 405,065	\$ 1,372,926	\$ -	\$ (4,697,637)	\$ -	\$ (4,697,637)
Public Safety	13,454,904	2,432,449	68,841	-	(10,953,614)	-	(10,953,614)
Public Works	4,191,535	1,032,999	-	498,578	(2,659,958)	-	(2,659,958)
Human Service	601,635	113,258	270,329	-	(218,048)	-	(218,048)
Public Libraries	1,479,313	8,687	313,277	-	(1,157,349)	-	(1,157,349)
Education	63,505,409	1,152,362	10,067,046	-	(52,286,001)	-	(52,286,001)
Recreation	4,170,383	2,101,045	14,823	-	(2,054,515)	-	(2,054,515)
Interest and Fiscal Charges	365,869	611	-	-	(365,258)	-	(365,258)
Total Governmental Activities	94,244,676	7,246,476	12,107,242	498,578	(74,392,380)	-	(74,392,380)
<b>BUSINESS-TYPE ACTIVITIES</b>							
Wastewater	4,115,477	4,561,064	-	-	-	445,587	445,587
Solid Waste	759,316	774,089	-	-	-	14,773	14,773
Water	965,829	1,293,169	-	-	-	327,340	327,340
School Cafeteria	1,032,056	472,005	482,797	-	-	(77,254)	(77,254)
Total Business-Type Activities	6,872,678	7,100,327	482,797	-	-	710,446	710,446
Total	<u>\$ 101,117,354</u>	<u>\$ 14,346,803</u>	<u>\$ 12,590,039</u>	<u>\$ 498,578</u>	(74,392,380)	710,446	(73,681,934)
<b>GENERAL REVENUES</b>							
Property Taxes					75,806,589	-	75,806,589
Motor Vehicle Phase-Out Taxes					3,930,455	-	3,930,455
Telephone and Hotel Taxes					370,703	-	370,703
Grants and Contributions not Restricted to Specific Programs					1,537,977	-	1,537,977
Unrestricted Investment Earnings					3,425,238	111,999	3,537,237
<b>TRANSFERS</b>					(1,019)	1,019	-
Total General Revenues and Transfers					<u>85,069,943</u>	<u>113,018</u>	<u>85,182,961</u>
<b>CHANGE IN NET POSITION</b>					10,677,563	823,464	11,501,027
Net Position - Beginning of Year					<u>76,063,768</u>	<u>37,850,269</u>	<u>113,914,037</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 86,741,331</u>	<u>\$ 38,673,733</u>	<u>\$ 125,415,064</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	General	School Trust Fund	Debt Service Fund	School Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ 38,942,705	\$ 408,296	\$ (75,752)	\$ -	\$ -	\$ 4,318,198	\$ 43,593,447
Investments	12,271,567	21,488,201	-	-	-	7,166,217	40,925,985
Accounts and Other Receivable, Net	1,366,051	-	-	-	-	251,434	1,617,485
Due from Federal and State Governments	49,345	-	-	-	-	2,495,540	2,544,885
Due from Other Funds	1,827,235	-	2,504,066	213,207	8,174,082	16,465,541	29,184,131
Lease Receivable	4,308,050	-	-	-	-	110,595	4,418,645
Prepaid Items	200	-	-	-	-	750	950
<b>Total Assets</b>	<b>\$ 58,765,153</b>	<b>\$ 21,896,497</b>	<b>\$ 2,428,314</b>	<b>\$ 213,207</b>	<b>\$ 8,174,082</b>	<b>\$ 30,808,275</b>	<b>\$ 122,285,528</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts Payable	\$ 1,359,963	\$ -	\$ -	\$ -	\$ 1,038	\$ 881,987	\$ 2,242,988
Accrued Liabilities	3,105,455	417	-	-	3,775	106,941	3,216,588
Due to State and Federal Governments	129,736	-	-	-	-	12,899	142,635
Due to Other Funds	28,333,231	20	-	-	-	1,827,215	30,160,466
Unearned Revenue	476,995	-	-	-	8,169,269	122,883	8,769,147
Deposits Held in Custody of Others	204,284	-	-	-	-	1,173	205,457
<b>Total Liabilities</b>	<b>33,609,664</b>	<b>437</b>	<b>-</b>	<b>-</b>	<b>8,174,082</b>	<b>2,953,098</b>	<b>44,737,281</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	653,069	-	-	-	-	-	653,069
Unavailable Revenue - Other Receivable	-	-	-	-	-	284,816	284,816
Advance Property Tax Collections	148,121	-	-	-	-	-	148,121
Deferred Inflow - Leases	4,103,332	-	-	-	-	106,393	4,209,725
<b>Total Deferred Inflows of Resources</b>	<b>4,904,522</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>391,209</b>	<b>5,295,731</b>
<b>FUND BALANCES</b>							
Nonspendable	200	413,233	-	-	-	492,020	905,453
Restricted	-	21,482,827	-	-	-	4,493,007	25,975,834
Committed	4,200,278	-	2,428,314	213,207	-	22,492,995	29,334,794
Unassigned	16,050,489	-	-	-	-	(14,054)	16,036,435
<b>Total Fund Balances</b>	<b>20,250,967</b>	<b>21,896,060</b>	<b>2,428,314</b>	<b>213,207</b>	<b>-</b>	<b>27,463,968</b>	<b>72,252,516</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 58,765,153</b>	<b>\$ 21,896,497</b>	<b>\$ 2,428,314</b>	<b>\$ 213,207</b>	<b>\$ 8,174,082</b>	<b>\$ 30,808,275</b>	<b>\$ 122,285,528</b>

See accompanying Notes to Financial Statements.

TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
BALANCE SHEET  
GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

RECONCILIATION TO THE STATEMENT OF NET POSITION

Total Fund Balances - Governmental Funds (Exhibit III) \$ 72,252,516

Amounts reported for governmental activities in the statement of net position (Exhibit I) are different because of the following:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental Capital Assets	184,032,004
Less: Accumulated Depreciation and Amortization	(100,031,442)
Net Capital Assets	<u>84,000,562</u>

Other long-term assets and deferred outflows of resources are not available to pay for current-period expenditures and, therefore, are deferred in the funds:

Property Tax Receivables Greater than 60 Days	653,069
Other Receivables	284,817
Net Pension Asset	1,040,558
Net OPEB Asset	5,072,220
Deferred Outflows of Resources Related to Pensions	20,339,415
Deferred Outflows of Resources Related to OPEB	2,945,470

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.

1,930,135

Long-term liabilities and deferred inflows of resources are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds Payable	(15,643,000)
Deferred Charges on Refunding	63,537
Deferred Inflows of Resources Related to Pensions	(18,096,105)
Deferred Inflows of Resources Related to OPEB	(6,206,299)
Unamortized Bond Issue Premium	(774,559)
Interest Payable on Bonds	(140,254)
Compensated Absences	(4,547,043)
Net Pension Liability	(54,995,301)
Lease Liability	(128,700)
Subscription Liability	(370,335)
Claims and Judgments	<u>(939,372)</u>

Net Position of Governmental Activities as Reported on the Statement of Net Position

\$ 86,741,331

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	General	School Trust Fund	Debt Service Fund	School Improvement Fund	ARPA Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Property Taxes, Interest, and Lien Fees	\$ 75,810,273	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,810,273
Intergovernmental Revenues	11,401,160	-	219,458	-	754,717	4,539,813	16,915,148
Licenses and Fees	1,904,700	-	-	-	-	705,035	2,609,735
Investment Income	1,007,435	2,162,685	-	-	-	235,244	3,405,364
Fines and Charges	82,204	-	-	-	-	2,867,081	2,949,285
Departmental	1,202,957	-	-	-	-	-	1,202,957
Contributions	-	-	-	-	-	117,597	117,597
State On-Behalf Pension Contribution	2,910,686	-	-	-	-	-	2,910,686
Other Revenues	472,740	-	-	-	-	29,733	502,473
Total Revenues	<u>94,792,155</u>	<u>2,162,685</u>	<u>219,458</u>	<u>-</u>	<u>754,717</u>	<u>8,494,503</u>	<u>106,423,518</u>
<b>EXPENDITURES</b>							
Current:							
General Government	6,225,501	82,794	1,001	-	754,717	307,947	7,371,960
Public Safety	13,655,931	-	-	-	-	1,027,613	14,683,544
Public Works	2,756,339	-	-	-	-	9,792	2,766,131
Human Service Agency Contribution	84,000	-	-	-	-	517,635	601,635
Public Libraries	1,307,921	-	-	-	-	23,520	1,331,441
Education	63,686,042	-	-	-	-	3,818,812	67,504,854
Recreation	2,030,926	-	-	-	-	1,277,798	3,308,724
Debt Service:							
Principal Retirement	93,856	-	1,483,000	-	-	-	1,576,856
Interest and Other Charges	-	-	543,209	-	-	-	543,209
Capital Outlay	364,980	-	-	197,967	-	4,200,932	4,763,879
Total Expenditures	<u>90,205,496</u>	<u>82,794</u>	<u>2,027,210</u>	<u>197,967</u>	<u>754,717</u>	<u>11,184,049</u>	<u>104,452,233</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	4,586,659	2,079,891	(1,807,752)	(197,967)	-	(2,689,546)	1,971,285
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of Leases	-	-	-	-	-	15,097	15,097
Issuance of Subscriptions	364,980	-	-	-	-	88,124	453,104
Transfers In from Other Funds	1,417,223	-	1,577,671	-	-	5,010,786	8,005,680
Transfers Out to Other Funds	(6,005,005)	(519,650)	-	-	-	(1,687,044)	(8,211,699)
Total Other Financing Sources (Uses)	<u>(4,222,802)</u>	<u>(519,650)</u>	<u>1,577,671</u>	<u>-</u>	<u>-</u>	<u>3,426,963</u>	<u>262,182</u>
<b>NET CHANGE IN FUND BALANCES</b>	363,857	1,560,241	(230,081)	(197,967)	-	737,417	2,233,467
Fund Balances - Beginning of Year	19,887,110	20,335,819	2,658,395	411,174	-	26,726,551	70,019,049
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 20,250,967</u>	<u>\$ 21,896,060</u>	<u>\$ 2,428,314</u>	<u>\$ 213,207</u>	<u>\$ -</u>	<u>\$ 27,463,968</u>	<u>\$ 72,252,516</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2023**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net Change in Fund Balances - Governmental Funds (Exhibit IV) \$ 2,233,467

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because of the following:

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.

Capital Outlay	5,214,232
Depreciation and Amortization Expense	(4,922,045)
Loss on Disposition of Capital Assets	(156,419)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Property Taxes Collected After 60 Days	(3,684)
Other Receivables	(95,249)
Change in Net Pension Asset	(482,927)
Change in Net OPEB Asset	1,761,139
Change in Deferred Outflows of Resources Related to Pensions	6,551,552
Change in Deferred Outflows of Resources Related to OPEB	(914,206)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principal Payments	1,483,000
Issuance of Leases	(15,097)
Principal Payments on Leases	93,856
Issuance of Subscriptions	(453,104)
Principal Payments on Subscriptions	82,769

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Amortization of Deferred Charges in Refunding	(33,201)
Change in Deferred Inflows of Resources Related to Pensions	12,544,436
Change in Deferred Inflows of Resources Related to OPEB	785,460
Amortization of Bond Premiums	112,422
Accrued Interest	15,409
Change in Long-Term Compensated Absences	424,234
Change in Net Pension Liability	(13,947,038)
Change in Claims and Judgments	67,097

The net expense of the internal service funds is reported with governmental activities. 331,460

Change in Net Position of Governmental Activities as Reported on the Statement of Activities \$ 10,677,563

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds					Activities
	Major Funds			Nonmajor		Internal Service Funds
	Wastewater	Solid Waste	Water	School Cafeteria	Total	
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 4,251,287	\$ 91,901	\$ 1,792,607	\$ 311,222	\$ 6,447,017	\$ 1,040,926
Investments	5,656,681	53,241	2,569,527	-	8,279,449	-
Accounts and Other Receivables, Net	795,483	64,616	294,186	-	1,154,285	-
Due from Federal and State Governments	-	-	-	32,858	32,858	-
Due from Other Funds	1,372	4	4,678	79,347	85,401	890,934
Leases Receivable	-	-	975,115	-	975,115	-
Total Current Assets	10,704,823	209,762	5,636,113	423,427	16,974,125	1,931,860
<b>NONCURRENT ASSETS</b>						
Capital Assets Not Being Depreciated or Amortized	3,278,319	1,005,003	1,373,194	-	5,656,516	-
Capital Assets, Net of Accumulated Depreciation and Amortization	13,835,485	1,613,185	3,145,133	2,095	18,595,898	-
Total Noncurrent Assets	17,113,804	2,618,188	4,518,327	2,095	24,252,414	-
Total Assets	27,818,627	2,827,950	10,154,440	425,522	41,226,539	1,931,860
<b>LIABILITIES</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	388,549	49,950	54,384	87,035	579,918	1,725
Accrued Liabilities	164,218	3,565	67,676	-	235,459	-
Unearned Revenue	267,235	-	-	63,417	330,652	-
Current Portion of Compensated Absences	56,116	5,268	28,424	-	89,808	-
Current Portion of Subscription Liability	4,195	3,356	3,356	-	10,907	-
Current Portion of Bonds Payable	30,000	54,000	-	-	84,000	-
Total Current Liabilities	910,313	116,139	153,840	150,452	1,330,744	1,725
<b>NONCURRENT LIABILITIES</b>						
Compensated Absences	57,275	9,508	58,298	-	125,081	-
Subscription Liability	14,849	11,879	11,879	-	38,607	-
Bonds Payable After One Year	-	114,001	-	-	114,001	-
Total Noncurrent Liabilities	72,124	135,388	70,177	-	277,689	-
Total Liabilities	982,437	251,527	224,017	150,452	1,608,433	1,725
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred Inflow - Leases	-	-	944,373	-	944,373	-
<b>NET POSITION</b>						
Net Investment in Capital Assets	17,083,804	2,450,187	4,518,327	2,095	24,054,413	-
Restricted For Grants	-	6,186	-	-	6,186	-
Unrestricted	9,752,386	120,050	4,467,723	272,975	14,613,134	1,930,135
Total Net Position	\$ 26,836,190	\$ 2,576,423	\$ 8,986,050	\$ 275,070	\$ 38,673,733	\$ 1,930,135

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor		Activities
	Wastewater	Solid Waste	Water	School Cafeteria	Total	Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for Services	\$ 4,488,104	\$ 755,907	\$ 1,276,897	\$ 472,005	\$ 6,992,913	\$ 199,678
Other	53,483	-	16,272	-	69,755	-
Total Operating Revenues	4,541,587	755,907	1,293,169	472,005	7,062,668	199,678
<b>OPERATING EXPENSES</b>						
Wells	-	-	233,764	-	233,764	-
Pumping	688,448	-	21,024	-	709,472	-
Distribution	-	-	46,374	-	46,374	-
Treating and Sludge	2,204,702	-	-	-	2,204,702	-
Transportation and Disposal	-	547,727	-	-	547,727	-
Administrative and General	307,995	90,105	444,816	-	842,916	-
Depreciation and Amortization	744,224	44,746	195,601	1,986	986,557	-
Repairs and Maintenance	17,408	-	24,250	3,549	45,207	-
Health Care Management	-	-	-	-	-	10,000
School Cafeteria Operations	-	-	-	1,026,046	1,026,046	-
Other Operating	151,172	72,538	-	-	223,710	83,092
Total Operating Expenses	4,113,949	755,116	965,829	1,031,581	6,866,475	93,092
<b>OPERATING INCOME (LOSS)</b>	427,638	791	327,340	(559,576)	196,193	106,586
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Income (Loss) on Investments	67,419	13,689	30,891	-	111,999	19,874
Other Revenue	19,475	18,182	-	-	37,657	-
Intergovernmental	-	-	-	482,797	482,797	-
Interest Expense	(1,526)	(4,200)	(475)	-	(6,201)	-
Total Nonoperating Revenues (Expenses)	85,368	27,671	30,416	482,797	626,252	19,874
<b>INCOME BEFORE TRANSFERS</b>	513,006	28,462	357,756	(76,779)	822,445	126,460
Transfers In	4,000	-	-	-	4,000	205,000
Transfers Out	(2,236)	-	(745)	-	(2,981)	-
<b>CHANGE IN NET POSITION</b>	514,770	28,462	357,011	(76,779)	823,464	331,460
Net Position - Beginning of Year	26,321,420	2,547,961	8,629,039	351,849	37,850,269	1,598,675
<b>NET POSITION - END OF YEAR</b>	<u>\$ 26,836,190</u>	<u>\$ 2,576,423</u>	<u>\$ 8,986,050</u>	<u>\$ 275,070</u>	<u>\$ 38,673,733</u>	<u>\$ 1,930,135</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Business-Type Activities - Enterprise Funds					Governmental
	Major Funds			Nonmajor	Total	Activities
	Wastewater	Solid Waste	Water	School Cafeteria		Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers and Users	\$ 4,510,025	\$ 751,775	\$ 1,263,596	\$ 453,342	\$ 6,978,738	\$ -
Receipts from Providing Services	-	-	-	-	-	(675,016)
Payments to Suppliers	(3,159,399)	(770,043)	(766,479)	(625,417)	(5,321,338)	(83,092)
Payments for Claims	-	-	-	-	-	(10,000)
Net Cash Provided (Used) by Operating Activities	1,350,626	(18,268)	497,117	(172,075)	1,657,400	(768,108)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers In from Other Funds	4,000	-	-	-	4,000	205,000
Transfers to Other Funds	(2,236)	-	(745)	-	(2,981)	-
Nonoperating Grants Received	-	-	-	482,797	482,797	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,764	-	(745)	482,797	483,816	205,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Additions to Property, Plant, and Equipment	(210,573)	(18,480)	(274,045)	-	(503,098)	-
Principal Paid on Bonds and Subscriptions	(9,956)	(166,085)	15,235	-	(160,806)	-
Interest Paid on Bonds and Subscriptions	(1,526)	(4,200)	(475)	-	(6,201)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(222,055)	(188,765)	(259,285)	-	(670,105)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Sales of Investments	82,114	290,361	37,569	-	410,044	-
Interest on Investments	-	-	-	-	-	19,874
Net Cash Provided (Used) by Investing Activities	82,114	290,361	37,569	-	410,044	19,874
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	1,212,449	83,328	274,656	310,722	1,881,155	(543,234)
Cash and Cash Equivalents - Beginning of Year	3,038,838	8,573	1,517,951	500	4,565,862	1,584,160
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,251,287</u>	<u>\$ 91,901</u>	<u>\$ 1,792,607</u>	<u>\$ 311,222</u>	<u>\$ 6,447,017</u>	<u>\$ 1,040,926</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ 427,638	\$ 791	\$ 327,340	\$ (559,576)	\$ 196,193	\$ 106,586
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation and Amortization	744,224	44,746	195,601	1,986	986,557	-
Change in Assets and Liabilities:						
(Increase) Decrease in Accounts Receivable	(209,702)	(4,132)	(9,438)	-	(223,272)	-
(Increase) Decrease in Due from Other Governments	-	-	-	100,033	100,033	-
(Increase) Decrease in Due from Other Funds	188	17,767	(5,597)	340,495	352,853	(570,917)
(Increase) Decrease in Lease Receivable and Accrued Items	234,285	(68,608)	14,534	(36,350)	143,861	(670)
Increase (Decrease) in Subscription Liability	-	-	-	-	-	-
Increase (Decrease) in Due to Other Funds	-	-	-	-	-	(303,107)
Increase (Decrease) in Deferred Revenue	178,140	-	-	(18,663)	159,477	-
Increase (Decrease) in Compensated Absences	(24,147)	(8,832)	(5,188)	-	(38,167)	-
Increase (Decrease) in Deferred Inflows	-	-	586,759	-	586,759	-
Total Adjustments	922,988	(19,059)	169,777	387,501	1,461,207	(874,694)
Net Cash Provided (Used) by Investing Activities	<u>\$ 1,350,626</u>	<u>\$ (18,268)</u>	<u>\$ 497,117</u>	<u>\$ (172,075)</u>	<u>\$ 1,657,400</u>	<u>\$ (768,108)</u>

See accompanying Notes to Financial Statements.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2023**

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 113,964	\$ -
Investments:		
Mutual Funds	-	22,535,769
Total Assets	<u>113,964</u>	<u>22,535,769</u>
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	1,550	-
<b>NET POSITION</b>		
Restricted for Care and Maintenance	112,414	-
Restricted for OPEB Benefits	-	22,535,769
Total Net Position	<u>\$ 112,414</u>	<u>\$ 22,535,769</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Cemetery Care Private - Purpose Trust Funds	OPEB Trust Fund
	<u>                    </u>	<u>                    </u>
<b>ADDITIONS</b>		
Employer Contributions	\$ -	\$ 1,566,348
Net Change in Fair Value of Investments	-	1,239,664
Interest and Dividends	2,705	539,205
Other Revenues	3,000	-
Total Additions	<u>5,705</u>	<u>3,345,217</u>
<b>DEDUCTIONS</b>		
Benefit Payments	-	1,372,376
Operating Expenses in Accordance with Agreement	9,600	-
Administrative Expense	-	58,262
Total Deductions	<u>9,600</u>	<u>1,430,638</u>
<b>CHANGE IN NET POSITION</b>	(3,895)	1,914,579
Net Position - Beginning of Year	<u>116,309</u>	<u>20,621,190</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 112,414</u>	<u>\$ 22,535,769</u>

See accompanying Notes to Financial Statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of Government-Wide Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of Town of South Kingstown, Rhode Island (the Town). All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support.

**B. Reporting Entity**

The Town was incorporated in 1723. The Town operates under a council/town manager form of government, with a five-member Town Council headed by a Council President. The Town Manager exercises the executive power of the Town government and is responsible to the Town Council for day-to-day operations of the Town's affairs. All legislative powers of the Town are vested in the Town Council.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include the primary government, organizations for which the primary government is financially accountable, and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A government is financially accountable for a legally separate organization if it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the government. These criteria have been considered and have resulted in the inclusion of the component units as detailed below.

Blended Component Unit

Friends of South Kingstown Parks and Recreation is a nonprofit entity for which the government is considered to be financially accountable. The management of the Town has operational responsibility for the component unit. The operations of the component unit exclusively benefit the Town even though it does not provide services directly to it. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, the blended component unit is appropriately presented as a fund of the primary government.

Fiduciary Component Unit

The Town has established a postretirement health care benefits (OPEB) plan to provide retirement benefits and post-retirement health care benefits primary to employees and their beneficiaries. The Town performs the duties of a governing board for the OPEB plan and is required to make contributions to the OPEB plan.

The financial statements of the fiduciary component unit are reported as OPEB Trust fund in the fiduciary fund financial statements. Separate financial statements have not been prepared for the fiduciary component unit.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Basis of Presentation – Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and transit functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**D. Basis of Presentation – Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category: governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *School Trust Fund* accounts for the activity of various trust funds established for recreational and educational purposes. The fund's major source of revenue comes from donations and investment income.

The *Debt Service Fund* is used to account for the accumulation of resources and the payment of general long-term debt principal, interest and related costs.

The *School Improvement Fund* is used to account for the construction costs of various school improvements. The fund is primarily supported through the issuance of debt.

The *ARPA Fund* is used to account for the activity of the expenditure of grant funding received through the Coronavirus State and Local Fiscal Recover Funds program.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Presentation – Fund Financial Statements (Continued)**

The Town reports the following major proprietary funds:

The *Wastewater Fund* is a proprietary (enterprise) fund used to account for the operation and maintenance of the regional wastewater treatment facility, which is owned by the Town and is primarily supported through charges to customers.

The *Solid Waste Fund* is a proprietary (enterprise) fund used to account for solid waste disposal operations of the Town. The fund is primarily supported through charges to customers.

The *Water Fund* is a proprietary (enterprise) fund used to account for the supply of public water to the South Shore and Middlebridge area of the Town. The fund is primarily supported through charges to customers.

The Town also reports a nonmajor proprietary (enterprise) fund, the *School Cafeteria Fund*, which is an enterprise fund used to account for the provision of meals.

Additionally, the Town reports the following fund types:

The *Internal Service Funds* are used to account for the Town's self-insurance program for medical and dental health insurance coverage for persons covered by the health benefit plan of the Town and for payment of accrued compensated absences that arise and are not included in the annual budget. They also account for funds set aside for nonmajor technological improvements made to the Town.

The *Private Purpose Trust Funds* are used to account for resources legally held in trust for use by parties outside of the Town and cannot be used at the Town's discretion or to support the Town's general operations. The activities of the Town's private purpose trust fund are utilized for the care and maintenance of cemeteries within the Town.

The *OPEB Trust Fund* is used to account for funding of future other postemployment benefits such as health, dental and life insurance for the Town's and School Department's retirees.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year-end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the governmental-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Basis of Presentation – Fund Financial Statements (Continued)**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**E. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues 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.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the Town the right to use lease assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. Measurement Focus and Basis of Accounting (Continued)**

Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary, other postemployment benefit trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**F. Adoption of New Accounting Standards**

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The Entity adopted the requirements of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

**G. Assets, Liabilities, and Equity**

Cash and Cash Equivalents

The government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments for the government are reported at fair value (generally based on quoted market prices).

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of donated commodities are stated at fair market value. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities, and Equity (Continued)**

Capital Assets

Capital assets, which include property, plant, equipment, intangible, and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year.

As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets, the measurement of which is discussed below). The reported value excludes normal maintenance and repairs that are essentially amounts spent in relation to capital assets and that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, the right to use lease equipment, and infrastructure of the government are depreciated using the straight-line method over the following estimated useful lives:

Land Improvements	15 Years
Buildings	30 to 50 Years
Building Improvements	10 to 40 Years
Equipment	5 to 15 Years
Vehicles	3 to 10 Years
Right-to-Use Lease Equipment	5 Years
Infrastructure	20 to 50 Years

Leases (Lessee)

The Town determines if an arrangement is a lease at inception. Leases are included in right-to-use lease assets and lease liabilities in the statements of net position.

Right-to-use lease assets represent the Town's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Right-to-use lease assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right-to-use lease assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent the Town's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities, and Equity (Continued)**

Leases (Lessee) (Continued)

The lease term may include options to extend or terminate the lease when it is reasonably certain that the Town will exercise that option.

The Town has elected to recognize payments for short-term leases with a lease term of twelve months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

Leases (Lessor)

The Town determines if an arrangement is a lease at inception. Leases are included in lease receivables and deferred inflows of resources in the statements of net position and fund financial statements.

Lease receivables represent the Town's claim to receive lease payments over the lease term, as specified in the contract, in an exchange or exchange-like transaction. Lease receivables are recognized at commencement date based on the present value of expected lease payments over the lease term, reduced by any provision for estimated uncollectible amounts. Interest revenue is recognized ratably over the contract term.

Deferred inflows of resources related to leases are recognized at the commencement date based on the initial measurement of the lease receivable, plus any payments received from the lessee at or before the commencement of the lease term that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Amounts to be received under residual value guarantees that are not fixed in substance are recognized as a receivable and an inflow of resources if (a) a guarantee payment is required and (b) the amount can be reasonably estimated. Amounts received for the exercise price of a purchase option or penalty for lease termination are recognized as a receivable and an inflow of resources when those options are exercised.

The Town has elected to recognize payments received for short-term leases with a lease term of twelve months or less as revenue as the payments are received. These leases are not included as lease receivables or deferred inflows on the statements of net position and fund financial statements.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities, and Equity (Continued)**

Leases (Lessor) (Continued)

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Town has elected to use their incremental borrowing rate to calculate the present value of expected lease payments.

The Town accounts for contracts containing both lease and nonlease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and nonlease components, and it is impractical to estimate the price of such components, the Town treats the components as a single lease unit.

Subscription-Based Information Technology Arrangements

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represent a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension and OPEB in the government-wide statement of net position. 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. A deferred outflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension/OPEB plan (active employees and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports advance property tax collections and deferred inflows related to leases in the government-wide statement of net position and in the governmental funds balance sheet.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities, and Equity (Continued)**

Deferred Outflows/Inflows of Resources (Continued)

In addition, the Town reports deferred inflow of resources related to pensions, OPEB in the government-wide statement of net position. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. A deferred inflow of resources related to pension/OPEB results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension/OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension/OPEB plan (active employees and inactive employees). For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources (revenue) in the period in which the amounts become available.

Equity

Equity in the government-wide financial statements, business type activities and fiduciary funds is defined as “net position” and is classified in the following categories:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

*Restricted* – Restrictions are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Assets, Liabilities, and Equity (Continued)**

Equity (Continued)

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

*Nonspendable Fund Balance* – This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

*Restricted Fund Balance* – This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

*Committed Fund Balance* – This represents amounts constrained for a specific purpose imposed by formal action of the government’s highest level of decision-making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The Town Council is the highest level of decision-making authority and utilizes Town Ordinances as a formal procedure to commit fund balance.

*Assigned Fund Balance* – This represents amounts constrained for the intent to be used for a specific purpose by the Town Manager which has been delegated authority by the Town Council.

*Unassigned Fund Balance* – This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

Fund Balance Policies

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Revenues and Expenditures/Expenses**

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property taxes attach as an enforceable lien on real property. Current tax collections for the Town, including the 60-day collections, were approximately 99.13% of the total 2022 levy. The Town's fiscal 2022-2023 property taxes were levied on July 1, 2022 on assessed valuation as of December 31, 2021. Upon levy, taxes are due and payable on August 1 or may be paid in equal quarterly installments on August 1, November 1, February 1, and May 1 following the levy date. The taxpayer may elect to pay the taxes in full by September 1, annually. Taxes due and unpaid after the respective due dates are subject to interest at a rate of 12% per annum calculated on the unpaid portion of the total tax. Property taxes levied are recorded as receivables in the fiscal year of the levy.

The Town completed a full revaluation of real and tangible personal property on December 31, 2012 and statistical revaluation performed on December 31, 2018. The latest assessed values were effective for the property tax levy beginning with fiscal year 2019-2020. The Town is required to perform two statistical updates every three years within the nine-year timeframe requirement of a full valuation.

During the year ended June 30, 2023, the Town received \$3,930,455 from the state of Rhode Island as payment in accordance with legislation regarding the phase-out of motor vehicle tax. Motor vehicle values are assessed at a rate of \$18.71 per thousand dollars of assessed value. This rate has been frozen by the State since fiscal year 1998. In addition to freezing the tax rate, the State instituted a program to phase-out the taxation of motor vehicles over a 10-year period, by replacing the loss of motor vehicle tax income with State revenue. This program was restructured in fiscal year 2010-2011 whereby State reimbursement was limited to a maximum of \$500 per vehicle. In addition, the Town provides an additional \$2,500 exemption.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Revenues and Expenditures/Expenses (Continued)**

Pensions

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) and Employees' Retirement System plan (ERS) of Rhode Island and additions to/deductions from MERS' and ERS' fiduciary net position have been determined on the same basis as they are reported by MERS and ERS, respectively. 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.

Postemployment Benefits Other than Pension (OPEB)

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

Compensated Absences

Vacation and Sick Leave

The government's policy permits certain employees to accumulate earned but unused vacation and sick benefits. Upon retirement, termination or death, these employees are compensated for unused vacation and sick leave (subject to certain limitations) at their current rates of pay. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. For governmental activities, the General Fund is used to satisfy year this liability as it becomes due, while each enterprise fund accounts for all its settlement of business-type liabilities for compensated absences. The liability for compensated absences is accrued at varying amounts based on the collective bargaining unit contracts of the various unions and includes salary-related benefits, where applicable. The Compensated Absences Reserve Fund was established in June 2008 to account for the accrued liability. It is the recommendation of management to build assets in this reserve fund until 50% of the recorded liabilities are held in reserve. It is the intention of management to minimize property tax requirements to fund these benefits and, as such, transfers from the operating budgets have been recommended.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**H. Revenues and Expenditures/Expenses (Continued)**

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating 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 wastewater fund, solid waste fund, water fund, school cafeteria fund and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**I. Accounting 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 disclosures 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 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

It is the responsibility of the Town Manager to submit a proposed budget for the following fiscal year to the Town Council on or before March 1 of each year. The Town Council may revise and adopt a recommended budget no later than March 22 of each year. Two public hearings are required to be conducted on the preliminary budget prior to April 18.

Following adoption of the preliminary budget by the Council, any qualified elector of the Town may circulate a petition requesting the Council to increase or decrease by any amount any item of expenditure in the said budget or to insert a new item of expenditure. The Council, before final adoption of the budget, shall consider and vote upon each such petition(s) that were submitted on or before April 21 containing no less than 25 valid signatures of qualified electors of the Town.

The Council shall, on or before May 1 of each year, complete its consideration of any petitions and make any final changes in the preliminary budget it may deem advisable, and give final approval to the budget by a vote of a majority of all the members of the Council.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

Following final approval of the budget by the Council, any qualified elector of the Town may circulate a petition requesting that a referendum be held on the appropriation for the General Fund or the School Unrestricted Fund in the budget as approved. Such petition may propose a reduction or increase in the total appropriation for said funds.

The Town Clerk shall cause a referendum by ballot to be held on all budget changes requested on petitions, provided that each such petition shall contain signatures of no less than 200 of the qualified electors of the Town and shall request an increase or decrease of a sum of at least \$250,000. The qualified electors shall be instructed to vote either for the original total of for one of the proposed increases or reductions thereof. The appropriation receiving the most votes shall be declared to have been adopted.

The Town Manager may transfer part or all of any unencumbered appropriation balances among departments within a major program function and shall report such transfers to the Council in writing in a timely manner. Major program functions within the General Fund are as follows:

- Town general government
- Public safety program
- Public works program
- Human service agency contributions
- Recreation department
- Library services
- Insurances, fund contingency and employment benefits program
- Capital improvement program
- Debt services program
- Transfer to schools

Based on State Statutes, the School Committee is also authorized to spend funds up to the total amount appropriated for the School Unrestricted Fund, which is considered the fund level. The budget of the School Unrestricted Fund is prepared annually and submitted to the School Committee for approval. The amount of the annual transfer from the Town's General Fund to the School Unrestricted Fund is ultimately determined through the adoption of the General Fund budget.

Budgets are adopted on a basis consistent with GAAP for the General Fund and the School Unrestricted Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds and the permanent funds do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year. The appropriated budget is prepared by fund, function and department. The government's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)**

**A. Budgetary Information (Continued)**

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

**NOTE 3 CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

**A. Deposits**

Substantially all of the Town's cash and cash equivalents are held in public deposit institutions. Pursuant to Section 35-10.1 of the Rhode Island General Laws, as of October 1, 1991, public deposit institutions are required to insure accounts that hold public funds in excess of the \$250,000 which is guaranteed by Federal Deposit Insurance Corporation (FDIC). At times, the Town pools cash resources of its various funds to facilitate the management of cash and maximize investment returns.

Deposit Custodial Credit Risk

Custodial credit risk in the case of deposits is the risk that in the event of a bank failure, the government's deposits may not be returned. Rhode Island public law requires 100% of public deposits in a qualified public depository with maturities greater than sixty (60) days are collateralized with either bank segregated assets, in a trust department or in custodial accounts at a Federal Reserve Bank or federal home loan bank. The Town has adopted a "statement of investment objectives, goals and policy guidelines" for investments held in the School Trust Fund. In addition, the Town has guidelines for deposits authorized by Town Code Sec. 4233.H. As such, the entire bank balance of the Town as of June 30, 2023 of \$52,035,750 was insured or collateralized.

**B. Cash Equivalents**

Cash equivalents are short-term, highly liquid investments that are both readily convertible to known amounts of cash and purchased within 90 days of maturity. As of June 30, 2023, the cash equivalent amounted to \$406,340. The cash equivalents consisted of certificates of deposit and money market mutual funds held at banking institutions and were not rated.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 INVESTMENTS**

State statutes and the Town Charter authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds and repurchase agreements. In addition, the Town has an investment policy that provides for future opportunities longer term investment durations in U.S. Treasuries and Federal Agency obligations for the town's pooled cash, "core" funds and Town's pooled cash liquidity "cushion" funds, which are short term or within FDIC limits.

Investment Type	Credit Rating	Fair Value	Investment Maturities (Years)		
			Less Than 1	1 - 10	More Than 10
Interest-Bearing Investments:					
U.S. Government Securities	Aaa	\$ 12,091,631	\$ -	\$ 12,091,631	\$ -
U.S. Government Agencies	Aaa	12,177,009	2,632,578	9,544,431	-
Corporate Bonds	Aaa	1,556,166	1,179,306	376,860	-
<b>Total</b>		<b>25,824,806</b>	<b>\$ 3,811,884</b>	<b>\$ 22,012,922</b>	<b>\$ -</b>
Other Investments:					
Common Stock		36,207			
Real Estate - Public REITs					
Mutual Funds		36,494,057			
Exchange Traded Funds		9,386,133			
Tangible Assets					
<b>Total Investments</b>		<b>\$ 71,741,203</b>			

**Interest Rate Risk**

Approximately 36% of the Town's investments are in long-term corporate bonds, government bonds, asset-backed securities and certificate of deposits that have interest rates that are fixed for long periods and are subject to more variability in their fair value as a result of future changes in interest rates. The remaining approximately 64% of the investments are held in common stock, mutual funds and alternative investments. These investments do not specify year an interest rate; rather, the rate of return is dependent on operating results and economic conditions.

**Credit Risk**

State law limits investments in U.S. Treasury bills, U.S. Treasury notes and bonds, U.S. Agency obligations, certificate of deposits, repurchase agreements, commercial paper, money market mutual funds and money market mutual funds. It is the government's policy to limit its investments in these investment types.

**Concentration of Credit Risk**

At June 30, 2023, the Town had a diversified portfolio and was not deemed to be concentrated in any one investment category. Although approximately 64% of the investments were held in common stock and mutual funds, these investments were in a wide range of companies and various industries enabling the Town to minimize its risk.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4 INVESTMENTS (CONTINUED)**

**Concentration of Credit Risk (Continued)**

The Town has adopted a “statement of investment objectives, goals and policy guidelines” for investments held in the School Trust Fund, which is where approximately 30% of the Town’s investments are maintained. The Town has an investment policy that provides for future opportunities for longer term investment durations in U.S. Treasury and Federal Agency Obligations for the Town’s pooled cash, “core” funds and the Town’s pooled cash liquidity “cushion” funds which are short term or FDIC insured.

**Custodial Credit Risk**

For an investment, this is the risk that, in the event of the failure of the counterparty, the government 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 a significant custodial credit risk as substantially all investment securities are registered and held in the name of the Town.

The Town categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements); followed by quoted prices in inactive markets or for similar assets or with observable inputs (Level 2 measurements); and the lowest priority to unobservable inputs (Level 3 measurements). The Town has the following recurring fair value measurements as of June 30, 2023:

	June 30, 2023	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Government Securities	\$ 12,091,631	\$ 12,091,631	\$ -	\$ -
U.S. Government Agencies	12,177,009	12,177,009	-	-
Corporate Bonds	1,556,166	-	1,556,166	-
Common Stock	36,207	36,207	-	-
Mutual Funds	36,494,057	36,494,057	-	-
Exchange Traded Funds	9,386,133	9,386,133	-	-
Total Investments by Fair Value Level	<u>\$ 71,741,203</u>	<u>\$ 70,185,037</u>	<u>\$ 1,556,166</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 RECEIVABLES**

Amounts are aggregated into one accounts receivable line (net of allowance for uncollectible accounts) and for certain funds and aggregated columns. Below is the detail of receivables for each major governmental fund and the aggregate remaining funds, including the applicable allowances for uncollectible accounts:

	General	School Trust Fund	Wastewater	Solid Waste	Water	Nonmajor Funds	Total
Receivables:							
Accounts	\$ 493,528	\$ -	\$ 756,068	\$ 64,616	\$ 295,186	\$ 251,434	\$ 1,860,832
Property Taxes	1,173,071	-	-	-	-	-	1,173,071
Tax Liens	372,926	-	-	-	-	-	372,926
Other Governments	49,345	-	-	-	-	2,528,398	2,577,743
Special Assessments	-	-	56,915	-	-	-	56,915
Lease Receivable	4,308,050	-	-	-	975,115	110,595	5,393,760
Gross Receivables	6,396,920	-	812,983	64,616	1,270,301	2,890,427	11,435,247
Less: Allowance for Uncollectibles	(673,474)	-	(17,500)	-	(1,000)	-	(691,974)
Net Total Receivables	<u>\$ 5,723,446</u>	<u>\$ -</u>	<u>\$ 795,483</u>	<u>\$ 64,616</u>	<u>\$ 1,269,301</u>	<u>\$ 2,890,427</u>	<u>\$ 10,743,273</u>

**NOTE 6 LEASE RECEIVABLES**

The Town, acting as lessor, leases real property under long-term, noncancelable lease agreements. The leases expire at various dates through 2051 if all renewal options are exercised. During the year ended June 30, 2023, the Town recognized \$591,912 and \$177,425 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 285,741	\$ 134,760	\$ 150,288	\$ 28,191
2025	206,280	127,232	99,473	23,929
2026	189,613	120,840	19,256	22,620
2027	175,212	115,236	20,728	21,986
2028	163,848	109,887	22,264	21,304
2029-2033	991,340	461,680	136,787	94,475
2034 and Thereafter	2,406,611	595,122	526,319	106,020
Total	<u>\$ 4,418,645</u>	<u>\$ 1,664,757</u>	<u>\$ 975,115</u>	<u>\$ 318,525</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 7 INTERFUND RECEIVABLES AND PAYABLES AND TRANSFERS**

**A. Interfund Receivables and Payables**

The composition of interfund balances as of June 30, 2023 is as follows:

Receivable Fund	Payable Fund	Amount
Debt Service Fund	General Fund	\$ 2,504,066
Wastewater Fund	General Fund	1,372
Solid Waste Fund	General Fund	4
Water Fund	General Fund	4,678
School Cafeteria	General Fund	79,347
Internal Service Fund	General Fund	890,934
ARPA Fund	General Fund	8,174,082
Nonmajor Governmental Funds	General Fund	16,465,541
School Improvement Fund	General Fund	213,207
General Fund	School Trust Fund	20
General Fund	Nonmajor Governmental Funds	1,827,215
Total		<u>\$ 30,160,466</u>

The outstanding balances between funds result mainly from advances from one fund (primarily the General Fund) to another fund. The advances may represent balances resulting from operating advances or reimbursement for expenditures paid by one fund on behalf of another fund.

**B. Interfund Transfers**

The composition of interfund transfers for the year ended June 30, 2023 is as follows:

	Transfers In					Total Transfers Out
	General Fund	Debt Service Fund	Wastewater Fund	Internal Service Funds	Nonmajor Governmental Funds	
Transfers Out:						
General Fund	\$ -	\$ 1,241,719	\$ 4,000	\$ 205,000	\$ 4,554,286	\$ 6,005,005
School Trust Fund	63,150	-	-	-	456,500	519,650
Wastewater Fund	2,236	-	-	-	-	2,236
Water Fund	745	-	-	-	-	745
Nonmajor Governmental Funds	1,351,092	335,952	-	-	-	1,687,044
Transfers In	<u>\$ 1,417,223</u>	<u>\$ 1,577,671</u>	<u>\$ 4,000</u>	<u>\$ 205,000</u>	<u>\$ 5,010,786</u>	<u>\$ 8,214,680</u>

During the year, transfers are used to provide a financing source to various funds that may not have the ability to cover all operating costs with revenue generated by the fund.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 CAPITAL ASSETS**

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

	Beginning Balance	Adjustments/ Increases*	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated and Amortized:				
Land	\$ 14,170,066	\$ -	\$ -	\$ 14,170,066
Construction in Progress	5,072,141	4,746,031	2,093,192	7,724,980
Total Capital Assets Not Being Depreciated	19,242,207	4,746,031	2,093,192	21,895,046
Capital Assets Being Depreciated and Amortized:				
Land Improvements	12,449,965	44,982	580	12,494,367
Buildings	37,826,872	-	-	37,826,872
Building Improvements	47,129,232	8,715	-	47,137,947
Equipment	7,495,521	477,595	286,381	7,686,735
Vehicles	7,579,422	831,818	424,388	7,986,852
Infrastructure	47,077,562	720,862	110,171	47,688,253
Right-to-Use Lease Equipment	291,763	15,097	-	306,860
Right-to-Use Software	-	453,104	-	453,104
Intangibles	546,748	9,220	-	555,968
Total Capital Assets Being Depreciated	160,397,085	2,561,393	821,520	162,136,958
Less: Accumulated Depreciation and Amortization for:				
Land Improvements	4,029,036	199,527	580	4,227,983
Buildings	21,040,931	739,931	-	21,780,862
Building Improvements	29,920,043	1,435,603	-	31,355,646
Equipment	5,345,584	357,923	250,974	5,452,533
Vehicles	4,849,265	715,889	374,069	5,191,085
Infrastructure	30,137,671	1,231,478	39,478	31,329,671
Right-to-Use Lease Equipment	87,423	94,390	-	181,813
Subscription Asset	-	93,179	-	93,179
Intangibles	364,545	54,125	-	418,670
Total Accumulated Depreciation and Amortization	95,774,498	4,922,045	665,101	100,031,442
Total Capital Assets Being Depreciated and Amortized, Net	64,622,587	(2,360,652)	156,419	62,105,516
Governmental Activities Capital Assets, Net	<u>\$ 83,864,794</u>	<u>\$ 2,385,379</u>	<u>\$ 2,249,611</u>	<u>\$ 84,000,562</u>

\*Adjustments/Increases during the year ended June 30, 2023 include amounts related to the implementation of GASB Statements No. 96.

Depreciation and amortization expense was charged to the functions of the governmental activities of the primary government as follows:

Governmental Activities:	
General Government	\$ 410,295
Public Safety	522,051
Public Works	1,551,121
Public Libraries	117,221
Education	1,664,941
Recreation	656,416
Total	<u>\$ 4,922,045</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 CAPITAL ASSETS (CONTINUED)**

Capital assets activity for the year ended June 30, 2023 for business-type activity was as follows:

	Beginning Balance	Adjustments/ Increases*	Adjustments/ Decreases	Ending Balance
<b>Business-Type Activities:</b>				
<b>Capital Assets Not Being Depreciated:</b>				
Land	\$ 1,586,530	\$ -	\$ -	\$ 1,586,530
Construction in Progress	3,613,957	462,513	6,484	4,069,986
Total Capital Assets Not Being Depreciated	5,200,487	462,513	6,484	5,656,516
<b>Capital Assets Being Depreciated and Amortized:</b>				
Land Improvements	2,682,148	-	-	2,682,148
Buildings	10,563,287	-	-	10,563,287
Building Improvements	5,628,502	-	-	5,628,502
Equipment	7,217,188	6,484	-	7,223,672
Vehicles	501,170	-	-	501,170
Infrastructure	20,843,425	-	-	20,843,425
Subscription Asset	-	60,060	-	60,060
Intangibles	254,692	-	-	254,692
Total Capital Assets Being Depreciated	47,690,412	66,544	-	47,756,956
<b>Less Accumulated Depreciation and Amortization for:</b>				
Land Improvements	1,039,267	45,496	-	1,084,763
Buildings	8,586,639	176,260	-	8,762,899
Building Improvements	1,929,170	173,500	-	2,102,670
Equipment	5,651,803	250,483	-	5,902,286
Vehicles	372,355	38,683	-	411,038
Infrastructure	10,465,426	264,654	-	10,730,080
Right-to-Use Software	-	12,012	-	12,012
Intangibles	129,841	25,469	-	155,310
Total Accumulated Depreciation and Amortization	28,174,501	986,557	-	29,161,058
Total Capital Assets Being Depreciated and Amortized, Net	19,515,911	(920,013)	-	18,595,898
Business-Type Activities Capital Assets, Net	<u>\$ 24,716,398</u>	<u>\$ (457,500)</u>	<u>\$ 6,484</u>	<u>\$ 24,252,414</u>

Depreciation and amortization was charged to the following business-type activities of the primary government as follows:

<b>Business-Type Activities:</b>	
Wastewater	\$ 744,224
Solid Waste	44,746
Water	195,601
Cafeteria	1,986
Total	<u>\$ 986,557</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 9 FUND BALANCE**

The components of fund balance for the governmental funds at June 30, 2023 are as follows:

	General Fund	School Trust Fund	Debt Service Fund	School Improvement Fund	Nonmajor Governmental Funds	Total
Fund Balances:						
Nonspendable for:						
Prepays	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ 200
Endowment for Recreation and Education	-	413,233	-	-	-	413,233
Permanent Funds	-	-	-	-	492,020	492,020
Restricted for:						
Recreational and Educational	-	21,482,827	-	-	838,391	22,321,218
Asset forfeiture	-	-	-	-	259,793	259,793
Libraries Operations	-	-	-	-	1,758,265	1,758,265
K-9 Grant	-	-	-	-	8,982	8,982
Recycling Program	-	-	-	-	55,896	55,896
Miscellaneous Donations Fund	-	-	-	-	35,836	35,836
Student Activity	-	-	-	-	269,151	269,151
Human Services	-	-	-	-	266,693	266,693
Grant Match Reserve Fund	-	-	-	-	1,000,000	1,000,000
Committed to:						
Debt Service	-	-	2,428,314	-	-	2,428,314
Open Space Acquisition	-	-	-	-	1,260,584	1,260,584
General Government - Encumbrances	17,650	-	-	-	-	17,650
Public Safety Department - Encumbrances	44,626	-	-	-	-	44,626
Public Works - Encumbrances	111,566	-	-	-	-	111,566
Libraries - Encumbrances	13	-	-	-	-	13
Recreation - Encumbrances	7,161	-	-	-	-	7,161
Municipal Planning	32,935	-	-	-	-	32,935
To Balance Future Budgets - Town	1,043,608	-	-	-	-	1,043,608
To Balance Future Budgets - Schools	270,400	-	-	-	-	270,400
School Surplus Committed for Town	-	-	-	-	-	-
Education Encumbrances	580,729	-	-	-	-	580,729
Education	2,091,590	-	-	-	-	2,091,590
Affordable Housing	-	-	-	-	146,391	146,391
Animal Shelter Renovations	-	-	-	-	498,307	498,307
Elderly Services	-	-	-	-	374,090	374,090
Public Safety Support	-	-	-	-	1,905,820	1,905,820
Operation of Peacedale Office Building	-	-	-	-	190,147	190,147
Property Revaluation	-	-	-	-	223,216	223,216
Maintenance of South Road School	-	-	-	-	337,436	337,436
Municipal Planning Services Grant	-	-	-	-	95,346	95,346
School Restricted	-	-	-	-	48,136	48,136
Community Development	-	-	-	-	35,884	35,884
Capital Equipment Acquisitions	-	-	-	-	3,168,977	3,168,977
Data Processing Improvements	-	-	-	-	124,516	124,516
Neighborhood Guild	-	-	-	-	1,119,243	1,119,243
Park Construction and Maintenance	-	-	-	-	37,001	37,001
Library Improvements	-	-	-	-	180,120	180,120
Public Safety Building Improvement	-	-	-	-	436,365	436,365
Public Service Office Building Improvements	-	-	-	-	46,282	46,282
Infrastructure Improvements	-	-	-	-	3,720,072	3,720,072
Recreation Facility Improvement	-	-	-	-	1,387,695	1,387,695
Maintenance of Historical Records	-	-	-	-	130,745	130,745
School Improvement	-	-	-	213,207	-	213,207
Library	-	-	-	-	101,346	101,346
Kingstown Recreation Fund	-	-	-	-	203,790	203,790
Senior Services Center Construction	-	-	-	-	72,462	72,462
Village Infrastructure	-	-	-	-	30,000	30,000
Wastewater Construction	-	-	-	-	5,584,116	5,584,116
Town Hall Improvements	-	-	-	-	240,936	240,936
300th Anniversary	-	-	-	-	(10,640)	(10,640)
Opioid Settlement	-	-	-	-	246,030	246,030
School Capital	-	-	-	-	558,582	558,582
Unassigned	16,050,489	-	-	-	(14,054)	16,036,435
<b>Total Fund Balances</b>	<b>\$ 20,250,967</b>	<b>\$ 21,896,060</b>	<b>\$ 2,428,314</b>	<b>\$ 213,207</b>	<b>\$ 27,463,968</b>	<b>\$ 72,252,516</b>



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 FUND BALANCE (CONTINUED)**

Major encumbrances of \$844,000 are reported in the committed fund balance of the General Fund and represent action taken by the governing body, Town Council, to commit future resources for the settlement of these commitments.

**Endowments Received**

	School Trust Fund
Original Principal Received	\$ 413,233
Net Appreciation on Investments	21,482,827
Total Value	\$ 21,896,060

The original principal remains in the net position on the Statement of Activities and is restricted for the trust principal on the balance sheet – governmental funds. The net appreciation of \$21,482,827 can be authorized for expenditure by the Trustees of South Kingstown School Funds. Income is distributed in keeping with the provisions of the appropriate deed of gift.

The Trustees of the South Kingstown School Funds is a corporation which was created by an Act of the General Assembly at its January Session in 1911. Section 2 of the Act established that the Corporation is authorized to receive and manage all school and educational funds which are placed in its care.

The policy for authorizing and spending investment income is outlined in section III of the Statement of Investment Objectives, Goals and Policy Guidelines for The Trustees. A target spend rate of up to 5% of the portfolio using a trailing 20-quarter average of the market value and to preserve and enhance the future purchasing power of the assets after considering the spending policy.

**NOTE 10 LONG-TERM LIABILITIES**

**A. General Obligation Bonds**

The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 15 to 20 years.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**A. General Obligation Bonds (Continued)**

General obligation bonds outstanding at June 30, 2023 are as follows:

Description	Date of Issue	Date of Maturity	Interest Rate (%)	Amount of Original Issue	Balance Outstanding June 30, 2023
Governmental Activities:					
General Obligation Bonds:					
School Improvement Series 2009 A	11/12/09	11/01/29	2.55% - 5.00%	\$ 1,200,000	\$ 420,000
Advance Refunding	11/13/12	06/15/24	1.90%	4,263,000	143,000
Advance Refunding	04/08/15	06/15/27	2.00% - 4.00%	6,935,000	1,175,000
Community Gymnasium / School Imp. Series 2017	08/16/17	08/15/37	2.00% - 4.00%	5,420,000	3,950,000
School Improvement Series 2020 A	05/12/20	05/15/40	2.75% - 4.00%	3,875,000	3,295,000
Series 2022 General Obligation Bonds	03/03/22	03/01/42	3.00%-4.00%	7,015,000	6,660,000
Total Governmental Activities				<u>28,708,000</u>	<u>15,643,000</u>
Business Type Activities:					
General Obligation Bonds:					
Wastewater Fund - GO Bond	11/13/02	09/01/23	1.38%	500,000	30,001
Solid Waste Fund - GO Bond	11/22/05	09/01/25	1.34%	950,000	168,000
Total Business-Type Activities				<u>1,450,000</u>	<u>198,001</u>
Total Outstanding				<u>\$ 30,158,000</u>	<u>\$ 15,841,001</u>

The Wastewater bonds payable presented in the financial statements as direct liabilities of the Wastewater and Solid Waste funds are general obligations of the Town backed ultimately by its taxing power. Because the proceeds of the bonds are used entirely for the benefits of the Wastewater and Solid Waste Funds, the liabilities and the related debt service of these bonds are accounted for in these funds. The Wastewater bonds are considered direct placement debt held by the Rhode Island Infrastructure Bank. The agreements do not contain any financial covenants or specify any significant events of default or termination events with finance-related consequences or acceleration clauses.

**B. Legal Debt Margin**

Of the Town's \$15,841,001 total bonds payable (including bonds payable for the wastewater and solid-waste enterprise funds), approximately \$1,769,176 is subject to its legal debt limits. The \$1,769,176 outstanding does not exceed the Town's legal debt limit of \$210,606,803 which is 3% of the assessed value (\$7,020,226,779) of taxable property of the Town as of December 31, 2021. The total long-term debt bond obligations of the Town of \$15,841,002 represent approximately 0.23% of the assessed value of the taxable property of the Town at June 30, 2023 (assessment date December 31, 2021).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**C. Authorized But Unissued Bond Authority**

The Town has the following remaining authorized but unissued bond authority as of June 30, 2023:

Purpose	Authorized Amount	Issued	Authorized and Unissued
School Capital Improvements	\$ 4,000,000	\$ 3,980,000	\$ 20,000
Town Hall Improvements	300,000	-	300,000
Municipal Land Bank Reserve	750,000	-	750,000
School/Community Gymnasium	4,150,000	4,055,000	95,000
Capital Transportation Improvement	400,000	385,000	15,000
Open Space	3,000,000	700,000	2,300,000
Neighborhood Guild	1,000,000	940,000	60,000
School Improvements	4,000,000	3,875,000	125,000
Town Infrastructure	6,500,000	6,075,000	425,000
Total	<u>\$ 24,100,000</u>	<u>\$ 20,010,000</u>	<u>\$ 4,090,000</u>

**D. Changes in Long-Term Liabilities**

Changes in the government's long-term liabilities for the year ended June 30, 2023 are as follows:

	Beginning Balance	Adjustments/ Additions*	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 17,126,000	\$ -	\$ 1,483,000	\$ 15,643,000	\$ 1,358,000
Issuance Premium on Bonds	886,981	-	112,422	774,559	100,929
Total Bonds Payable	<u>18,012,981</u>	<u>-</u>	<u>1,595,422</u>	<u>16,417,559</u>	<u>1,458,929</u>
Compensated Absences	4,971,277	1,377,063	1,801,297	4,547,043	1,339,343
Net Pension Liability	41,048,263	13,947,038	-	54,995,301	-
Lease Liability	207,459	15,097	93,856	128,700	96,679
Subscription Liability	-	453,104	82,769	370,335	85,575
Claims and Judgments	1,006,469	-	67,097	939,372	67,098
Total Governmental Activities Long-Term Liabilities	<u>\$ 65,246,449</u>	<u>\$ 15,792,302</u>	<u>\$ 3,640,441</u>	<u>\$ 77,398,310</u>	<u>\$ 3,047,624</u>
<b>Business-Type Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 408,321	\$ -	\$ 210,320	\$ 198,001	\$ 84,000
Compensated Absences	253,056	51,641	89,808	214,889	89,808
Subscription Liability	-	60,060	10,546	49,514	10,907
Total Business-Type Activities Long-Term Liabilities	<u>\$ 661,377</u>	<u>\$ 111,701</u>	<u>\$ 310,674</u>	<u>\$ 462,404</u>	<u>\$ 184,715</u>

\*Adjustments/Additions during the year ended June 30, 2023 include amounts related to the implementation of GASB Statements No. 96.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**D. Changes in Long-Term Liabilities (Continued)**

Compensated absences are normally liquidated by the General Fund inclusive of the School Department. Claims and judgments are liquidated by Solid Waste Fund. The net pension liability and net OPEB liability are generally liquidated by the General Fund inclusive of the School Department.

The debt service requirements for the government's bonds are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,358,000	\$ 494,886	\$ 84,000	\$ 3,112
2025	1,330,000	447,069	55,000	1,722
2026	1,175,000	402,069	59,001	589
2027	930,000	363,991	-	-
2028	830,000	331,006	-	-
2029-2033	4,275,000	1,223,551	-	-
2034-2038	3,965,000	601,288	-	-
2039-2042	1,780,000	122,100	-	-
Total	<u>\$ 15,643,000</u>	<u>\$ 3,985,960</u>	<u>\$ 198,001</u>	<u>\$ 5,423</u>

**E. Lease Liability**

The Town leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2025.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 96,679	\$ 1,104
2025	32,021	2
Total	<u>\$ 128,700</u>	<u>\$ 1,106</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 10 LONG-TERM LIABILITIES (CONTINUED)**

**F. Subscription-Based Information Technology Arrangements**

The Town has entered into subscription-based information technology arrangements (SBITAs) for general ledger and land evidence software. The SBITA arrangements expire at various dates through 2027 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$513,164 and \$105,191, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 85,575	\$ 8,878	\$ 10,907	\$ 1,204
2025	95,513	5,900	12,331	819
2026	99,934	2,785	12,930	416
2027	89,313	-	13,346	-
Total	<u>\$ 370,335</u>	<u>\$ 17,563</u>	<u>\$ 49,514</u>	<u>\$ 2,439</u>

**NOTE 11 DEFINED BENEFIT PENSION PLANS**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT**

General Information about the Pension Plan

Plan Description

All full-time town, noncertified school department general employees, police and emergency medical technicians participate in 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).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

General Information about the Pension Plan (Continued)

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 Internal Revenue Code 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 1/12 of this amount.

*General Employees:*

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

*General Employees (Continued):*

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

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

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

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

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

The annual benefit is equal to 2.00% of the member's monthly FAC for each year of service prior to July 1, 2012 and 1.00% of the member's monthly FAC for each year of service from July 1, 2012 through June 30, 2015. For all service after June 30, 2015, the annual benefit is equal to 1.0% 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.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

*Police and EMT Employees:*

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

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

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

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

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

A monthly benefit is paid equal to 2.00% 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.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

*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.

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

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

Special Provisions-Rhode Island General Law § 45-21.2-6.1, § 45-21.2-5(5) and § 45-21.2-14(d)

Under these special provisions, the member receives a retirement allowance which is a life annuity terminable at the death of the annuitant, and is an amount equal to the sum of 2.5% of final compensation multiplied by the years of service accrued after July 1, 1993 and 2% of final compensation multiplied by the years of service accrued prior to July 1, 1993. The annual retirement allowance in no event shall exceed 75% of final compensation. The member contribution rate between July 1, 1985 and June 30, 2012 was 8.00%, plus 1.00% for the adoption of the optional COLA, for a total of 9.00%. For service after July 1, 2012, the member contribution rate is 9% plus 1.00% for the adoption of the optional COLA, for a total of 10.00%.

Employees Covered by Benefit Terms

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

	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
Retirees and Beneficiaries	246	51	5
Inactive, Nonretired Members	178	13	18
Active Members	280	54	18
Total	<u>704</u>	<u>118</u>	<u>41</u>

Contributions

The amount of employee and employer contributions have been established under Rhode Island General Law Chapter 45-21. General employees with less than 20 years of service as of June 30, 2012 are required to contribute 2% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Public safety employees are required to contribute 10% 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 \$2,743,450 in the year ended June 30, 2023 which was 15.13% of annual covered payroll.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

Net Pension Liability (Asset)

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

Summary of Actuarial Assumptions Used in the Valuations to determine the Net Pension Liability (Asset) at the June 30, 2022 measurement date (June 30, 2021 valuation rolled forward to June 30, 2022):

Actuarial Cost Method	Entry Age Normal - the Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll - Closed
Actuarial Assumptions:	
Investment Rate of Return	7.00%
Projected Salary Increases	General Employees - 3.50% to 7.25% ; Police and Fire Employees - 4.00% to 14.00%
Inflation	2.50%
Mortality	Mortality - variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	All future COLAs were assumed to be 2.1% per annum for all MERS units with the COLA provision.

The actuarial assumptions used in the June 30, 2021 valuation rolled forward to June 30, 2022 and the calculation of the total pension liability at June 30, 2022 were consistent with the results of an actuarial experience study performed as of June 30, 2016.

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

Net Pension Liability (Asset) (Continued)

Type of Investments	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity:		
U.S. Equity	24.30 %	5.52 %
International Developed Equity	11.10	6.04
Emerging Markets Equity	4.60	7.83
Private Growth:		
Private Equity	12.50	9.42
Non-Core Real Estate	2.50	4.80
Income:		
Equity Options	2.00	5.25
EMD (50/50 Blend)	2.00	1.82
Liquid Credit	3.00	2.95
Private Credit	3.00	2.95
Collateralized Loan Obligations (CLO)	2.00	2.95
Crisis Protection Class:		
Treasury Duration	5.00	(0.44)
Systematic Trend	5.00	3.33
Inflation Protection Class:		
Core Real Estate	4.00	4.80
Private Infrastructure	4.00	5.65
Volatility Protection:		
IG Fixed Income	3.25	1.18
Securitized Credit	3.25	1.18
Absolute Return	6.50	3.33
Cash	2.00	(0.44)
Total	100.00 %	

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

Discount Rate

The discount rate used to measure the total pension liability of the plans was 7.0%. 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.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

Changes in Net Pension Liabilities (Assets)

Municipal Employee's Retirement System - General Employees			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2022	\$ 73,976,658	\$ 72,011,820	\$ 1,964,838
Changes for the Year			
Service Cost	1,050,354	-	1,050,354
Interest on the Total Pension Liability	5,054,555	-	5,054,555
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	387,791	-	387,791
Changes in Assumptions	-	-	-
Employer Contributions	-	1,588,324	(1,588,324)
Employee Contributions	-	336,589	(336,589)
Net Investment Income	-	(1,880,471)	1,880,471
Benefit Payments, Including Employee Refunds	(4,587,821)	(4,587,821)	-
Administrative Expense	-	(64,105)	64,105
Other Changes	-	(247,253)	247,253
Net Changes	<u>1,904,879</u>	<u>(4,854,737)</u>	<u>6,759,616</u>
Balances as of June 30, 2023	<u>\$ 75,881,537</u>	<u>\$ 67,157,083</u>	<u>\$ 8,724,454</u>

Municipal Employee's Retirement System - Police			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of July 1, 2022	\$ 36,816,137	\$ 32,324,624	\$ 4,491,513
Changes for the Year			
Service Cost	826,529	-	826,529
Interest on the Total Pension Liability	2,536,097	-	2,536,097
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	(282,209)	-	(282,209)
Changes in Assumptions	-	-	-
Employer Contributions	-	1,112,644	(1,112,644)
Employee Contributions	-	426,854	(426,854)
Net Investment Income	-	(867,692)	867,692
Benefit Payments, Including Employee Refunds	(1,998,876)	(1,998,876)	-
Administrative Expense	-	(29,580)	29,580
Other Changes	-	19,829	(19,829)
Net Changes	<u>1,081,541</u>	<u>(1,336,821)</u>	<u>2,418,362</u>
Balances as of June 30, 2023	<u>\$ 37,897,678</u>	<u>\$ 30,987,803</u>	<u>\$ 6,909,875</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

Changes in Net Pension Liabilities (Assets) (Continued)

Municipal Employee's Retirement System - EMT			
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances as of July 1, 2022	\$ 4,645,626	\$ 6,169,111	\$ (1,523,485)
Changes for the Year			
Service Cost	216,864	-	216,864
Interest on the Total Pension Liability	326,791	-	326,791
Changes in Benefits	-	-	-
Difference Between Expected and Actual Experience	(85,266)	-	(85,266)
Changes in Assumptions	-	-	-
Employer Contributions	-	42,482	(42,482)
Employee Contributions	-	105,942	(105,942)
Net Investment Income	-	(167,260)	167,260
Benefit Payments, Including Employee Refunds	(171,239)	(171,239)	-
Administrative Expense	-	(5,702)	5,702
Other Changes	-	-	-
Net Changes	<u>287,150</u>	<u>(195,777)</u>	<u>482,927</u>
Balances as of June 30, 2023	<u>\$ 4,932,776</u>	<u>\$ 5,973,334</u>	<u>\$ (1,040,558)</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the employers calculated using the current discount rate, as well as what the employers' net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
General Employees	\$ 15,986,879	\$ 8,724,454	\$ 2,126,086
Police	10,509,899	6,909,875	3,639,282
EMT	(580,120)	(1,040,558)	(1,458,788)

Pension Plan Fiduciary Net Position

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**A. Municipal Employees' Retirement System of the State of Rhode Island – General, Police and EMT (Continued)**

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

For the year ended June 30, 2023, the employer recognized pension expense of \$751,316. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>	<u>Total</u>
Deferred Outflows of Resources:				
Difference Between Expected and Actual Experience	\$ 341,928	\$ 232,017	\$ 36,808	\$ 610,753
Changes of Assumptions	-	388,543	57,073	445,616
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	6,269,984	2,839,003	540,609	9,649,596
Town Contributions Subsequent to the Measurement Date	<u>1,709,308</u>	<u>1,225,812</u>	<u>55,736</u>	<u>2,990,856</u>
Total Deferred Outflows of Resources	<u>\$ 8,321,220</u>	<u>\$ 4,685,375</u>	<u>\$ 690,226</u>	<u>\$ 13,696,821</u>
Deferred Inflows of Resources:				
Difference Between Expected and Actual Experience	\$ 367,222	\$ 940,760	\$ 372,681	\$ 1,680,663
Changes of Assumptions	205,919	-	22,151	228,070
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	<u>6,914,908</u>	<u>3,121,284</u>	<u>597,617</u>	<u>10,633,809</u>
Total Deferred Inflows of Resources	<u>\$ 7,488,049</u>	<u>\$ 4,062,044</u>	<u>\$ 992,449</u>	<u>\$ 12,542,542</u>

Total of the Town contributions subsequent to measurement date of \$2,990,856 reported as deferred outflows of resources related to pensions above will be recognized as a reduction of the net pension liability in the subsequent period.

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

<u>Year Ending June 30,</u>	<u>Municipal</u>	<u>Police</u>	<u>EMT</u>
2024	\$ (733,235)	\$ (171,207)	\$ (150,104)
2025	(680,670)	(428,238)	(147,704)
2026	(864,338)	(542,199)	(133,741)
2027	1,402,106	593,242	92,850
2028	-	(45,626)	(11,371)
Thereafter	-	(8,453)	(7,889)
Total	<u>\$ (876,137)</u>	<u>\$ (602,481)</u>	<u>\$ (357,959)</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Employees' Retirement System of the State of Rhode Island – Teachers**

Plan Description

All full-time teachers, principals, school nurses and certain other school officials (including the superintendent) in the town's school system must 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 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 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 five years of service as of July 1, 2012. Members are vested after five 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 are provided at four-year intervals commencing with the plan year ended 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.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Employees' Retirement System of the State of Rhode Island – Teachers  
(Continued)**

Contributions

The funding policy, as set forth in the General Laws, Section 16-16-22, provides for actuarially determined periodic contributions to the plan. For fiscal 2019, full-time teachers, principals, school nurses and certain other school officials were required to contribute 3.75% of their annual covered salary, except for teachers with 20 or more years of service as of June 30, 2012 must contribute 11% of their annual covered salary. The State and the School are required to contribute at an actuarially determined rate, 40% of which is to be paid by the state and the remaining 60% is to be paid by the School; the rates were 10.94% and 14.78% of annual covered payroll for the fiscal year ended June 30, 2023 for the state and School, respectively. The School contributed \$3,916,956, \$4,049,647, and \$3,976,714 for the fiscal years ended June 30, 2023, 2022, and 2021, respectively, equal to 100% of the required contributions for each year.

For the year ended June 30, 2023, the amount of "on-behalf" contributions made by the State was \$2,910,686 and is recognized in the General Fund as intergovernmental revenues and education expenditures.

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

At June 30, 2023, the School reported a liability of \$39,360,972 for its proportionate share of the net pension liability that reflected a reduction for contributions made by the state. The amount recognized by the School 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 School were as follows:

School's Proportionate Share of the Net Pension Liability	\$ 39,360,972
State's Proportionate Share of the Net Pension Liability Associated with the School	29,110,204
Total Net Pension Liability	\$ 68,471,176

The net pension liability was measured as of June 30, 2022, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022. The School's proportion of the net pension liability was based on a projection of the School's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers and the state, actuarially determined. At June 30, 2022, the School's proportion was 1.46%.

For the year ended June 30, 2023, the School recognized gross pension expense of \$3,217,994 and revenue of \$1,489,485 for support provided by the State in Exhibit II. At June 30, 2023, the School reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Employees' Retirement System of the State of Rhode Island – Teachers  
(Continued)**

Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred  
Inflows of Resources (Continued)

Deferred Outflows of Resources:	
Difference Between Expected and Actual Experience	\$ 582,979
Changes of Assumption	793,858
Changes in Proportionate Share of Employer Contributions	1,348,801
Contributions Subsequent to the Measurement Date	<u>3,916,956</u>
Total Deferred Outflows of Resources	<u><u>\$ 6,642,594</u></u>
Deferred Inflows of Resources:	
Difference Between Expected and Actual Experience	\$ 765,572
Change of Assumptions	590,126
Net Difference Between Projected and Actual Earning on Pension Plan Investments	823,584
Changes in Proportionate Share of Employer Contributions	3,374,281
Total Deferred Inflows of Resources	<u><u>\$ 5,553,563</u></u>

The \$3,916,956 reported as deferred outflows of resources related to pensions resulting from the School 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:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ (960,929)
2025	(1,174,438)
2026	(1,424,923)
2027	769,083
2028	(1,493)
Thereafter	<u>(35,225)</u>
Total	<u><u>\$ (2,827,925)</u></u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Employees' Retirement System of the State of Rhode Island – Teachers  
(Continued)**

Actuarial Assumptions

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

Inflation	2.5%
Salary Increases	3.0% to 13.0%
Investment Rate of Return	7.0%

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

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2022 expected arithmetic returns over the long-term (20 years) by asset class are summarized in the following table:

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Employees' Retirement System of the State of Rhode Island – Teachers  
(Continued)**

Actuarial Assumptions (Continued)

Type of Investments	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity:		
U.S. Equity	24.30 %	5.52 %
International Developed Equity	11.10	6.04
Emerging Markets Equity	4.60	7.83
Private Growth:		
Private Equity	12.50	9.42
Non-Core Real Estate	2.50	4.80
Income:		
Equity Options	2.00	5.25
EMD (50/50 Blend)	2.00	1.82
Liquid Credit	3.00	2.95
Private Credit	3.00	2.95
Collateralized Loan Obligations (CLO)	2.00	2.95
Crisis Protection Class:		
Treasury Duration	5.00	(0.44)
Systematic Trend	5.00	3.33
Inflation Protection Class:		
Core Real Estate	4.00	4.80
Private Infrastructure	4.00	5.65
Volatility Protection:		
IG Fixed Income	3.25	1.18
Securitized Credit	3.25	1.18
Absolute Return	6.50	3.33
Cash	2.00	(0.44)
Total	100.00 %	

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

Discount Rate

The discount rate used to measure the total pension liability was 7.0%. 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.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**B. Employees' Retirement System of the State of Rhode Island – Teachers  
(Continued)**

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease (6.0%)	Current Discount Rate (7.0%)	1% Increase (8.0%)
Teachers	\$ 49,381,574	\$ 39,360,972	\$ 30,256,128

Pension Plan Fiduciary Net Position

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

**C. Aggregated Pension Information**

The Town recognized the following amounts related to pension plans as of and for the year ended June 30, 2023:

	MERS Municipal	MERS Police	MERS EMT	ERS	Total
Net Pension Asset	\$ -	\$ -	\$ 1,040,558	\$ -	\$ 1,040,558
Deferred Outflows of Resources					
Related to Pensions	8,321,220	4,685,375	690,226	6,642,594	20,339,415
Net Pension Liability	8,724,454	6,909,875	-	39,360,972	54,995,301
Deferred Inflows of Resources					
Related to Pensions	7,488,049	4,062,044	992,449	5,553,563	18,096,105
Pension Expense	372,643	524,056	(145,383)	1,728,509	2,479,825

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. State and TIAA-CREF Administered Defined Contribution Benefit Plan Covering Teachers in ERS and Certain Municipal Employees Participating in MERS**

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 (IRS) guidelines for such plans.

Teachers that Contribute to Social Security

Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). Contribution rates are:

	Employee Contribution	Employer Contribution
ERS - teachers - contribute to Social Security - less than 20 years of service at July 1, 2012	5%	1% to 1.5% depending on years of service
ERS - teachers - more than 20 years of service on July 1, 2012	No DC plan contributions (employee and employer) after July 1, 2015	

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at [www.ersri.org](http://www.ersri.org).

The plan members and town contributed \$1,500,079 and \$344,919, respectively, during the fiscal year ended June 30, 2023 for teacher plan members.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**D. State and TIAA-CREF Administered Defined Contribution Benefit Plan Covering Teachers in ERS and Certain Municipal Employees Participating in MERS (Continued)**

General Employees in MERS that Contribute to Social Security

Plan Funding Policy

The funding policy is outlined in RIGL chapter 36-10.3 (which can be amended by the Rhode Island General Assembly). The contribution rates are:

	Employee Contribution	Employer Contribution
MERS - general employees who contribute to Social Security - and had less than 20 years of service on July 1, 2012	5%	1% to 1.5% depending on years of service
MERS - general employees - more than 20 years of service on July 1, 2012	No DC plan contributions (employee and employer) after July 1, 2015	

The plan members and town contributed \$414,545 and \$90,875, respectively, during the fiscal year ended June 30, 2023 for town plan members.

The System issues an annual financial report that includes financial statements and required supplementary information for all of the plans it administers. The reports can be obtained at [www.ersri.org](http://www.ersri.org).

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN**

**A. The Town of South Kingstown OPEB Trust (the Trust)**

Plan Description

The Trust is a single-employer defined benefit healthcare plan administered by the Town. Most full-time employees of the Town and School Department are eligible to participate in the plan. Benefit provisions are established through negotiations between the Town and the various unions representing the employees. The plan is considered to be part of the Town's financial reporting entity and is included in the Town's financial report as the Other Postemployment Benefits Trust Fund. The plan does not issue a stand-alone financial report.

The Trust Fund investments are managed by Vanguard Institutional Advisory Services (VIAS) and services are administered by Public Agency Retirement Services. All costs for management and administration are paid by the assets in the Trust Fund.

Benefits Provided

The Trust provides medical, dental and life insurance benefits to eligible retirees and their spouses.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Eligibility

General Employees

Members who have retired under the Municipal Employee Retirement System, shall be eligible to receive medical benefits for self and spouse. Eligibility for retirement is the earlier of completion of 30 years of service regardless of age, or age 58 with 10 years of service.

Police and EMT

Members who have retired under the Municipal Employees Retirement System for police and emergency management technicians shall be eligible to receive medical benefits for self and spouse. Minimum eligibility for retirement is completion of 20 years of service regardless of age. A member of the police department may retire provided they have earned a retirement allowance of at least 50%.

Teachers and Administrators

Members who have retired under the Employees' Retirement System of Rhode Island, with a minimum of 10 years of service with the South Kingstown School Department, shall be eligible to receive medical and dental benefits for self and spouse. If vested by July 1, 2005 (Schedule A), eligibility is the earlier of 28 years of service, or age 60 with 10 years of service. If vested after July 1, 2005 (Schedule B) normal retirement age is the earlier of age 65 with 10 years of service, or age 59 with 29 years of service. Early retirement is age 55 with 20 years of service.

Employees Covered by Benefit Terms

At June 30, 2023, the following employees were covered by the benefit terms:

	<u>Participants</u>
Active Employees	601
Retirees	60
Total	<u>661</u>



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Contributions

Town Employees hired before July 1, 2006

30 years of service: For four years, the Town shall pay \$5,500 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

25 years of service: For three years, the Town shall pay \$4,500 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

20 years of service: For three years, the Town shall pay \$2,500 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible.

Town Employees hired after July 1, 2006

30 years of service: For three years, the Town shall pay \$4,000 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

25 years of service: For three years, the Town shall pay \$2,666 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

20 years of service: For three years, the Town shall pay \$1,333 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible.

Police Employees

The Town is obligated to provide health insurance coverage until the retiree reaches age 65, or until the retiree or spouse obtains an alternative health insurance plan. Employees retiring on or after July 1, 2007 shall contribute 70% of the health care premium co-share that they were paying as an active employee at the time of their retirement.

EMT Employees

The Town pays \$4,000 per year towards health insurance for employees who have 30 years or more of service or until Medicare eligible; \$2,666 per year for 25 years of service and \$1,333 for 20 years of service. The benefit is paid for three years for eligible employees.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Contributions (Continued)

Public Works Employees Hired Before July 1, 2005

These employees will receive the same medical insurance plan and shall be subject to the same premium co-payment as active employees covered under the collective bargaining agreement until age 65. Further, members who retire due to disability after July 1, 2005 will be eligible to receive health care for a 60-month period from the date of retirement or until age 65, whichever comes first. If any such retired employee or his or her spouse has an alternative medical plan available for said retiree, then this provision shall not apply.

Public Works Employees Hired After July 1, 2005

30 years of service: For three years, the Town shall pay \$4,000 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

25 years of service: For three years, the Town shall pay \$2,666 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible;

20 years of service: For three years, the Town shall pay \$1,333 per year toward the annual cost, and the retiree shall pay the difference, payable on a monthly basis, until Medicare eligible.

School Employees

The Town of South Kingstown School Department pays 100% of the cost of life, dental and health insurance benefits for teachers and administrator retirees who retired prior to September 1, 2008 for a period of up to five years after retirement or until the retiree reaches the age of 70. Teacher and administrator retirees who retired after September 1, 2008 pay the amount of their employee cost-share at the time of their retirement, for health insurance only, for the five-year period.

To be eligible for postemployment benefits, the employee must be eligible to retire under the MERS.

For the year ended June 30, 2023, town and school plan members contributed \$301,244 of premium payments. The Town is required to contribute the balance of the current premium cost and may contribute an additional amount as determined by the Town in order to prefund benefits.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Investments

Investment Policy

The Trust's policy in regard to the allocation of invested assets is established and may be amended by the VIAS discretionary investment management agreement approved and signed by the Town's plan administrator and any other investment policy established by the Town. 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 Town's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over a short-term span.

Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 7.97%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Asset of the Town

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

Total OPEB Liability	\$ 17,463,549
Plan Fiduciary Net Position	<u>22,535,769</u>
Town's Net OPEB Asset	<u><u>\$ (5,072,220)</u></u>

Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	129.0%
--	--------

The Town's net OPEB asset was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of that date.

Actuarial Assumptions

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

Inflation	2.20% per year
Projected Salary Increases	3.00%
Investment Rate of Return	6.60%
Healthcare Cost Trend Rate	Initial rate of 7.00% decreasing by 0.50% annually to an ultimate rate of 4.50%

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Actuarial Assumptions (Continued)

Mortality rates were based on the following:

- Healthy School NEA (Teachers) Participants: SOA Pub-2010 Teachers Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- Healthy IBPO/EMT Participants: SOA Pub-2010 Public Safety Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- All Other Healthy Participants: SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- Surviving Spouses: SOA Pub-2010 Continuing Survivor Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- Disabled IBPO/EMT Participants: SOA Pub-2010 Public Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2019.
- All Other Disabled Participants: SOA Pub-2010 Non-Safety Disabled Headcount Weighted Mortality Table fully generational using Scale MP-2019.

The long-term expected rate of return on OPEB plan investments is assumed to be 6.50%. This was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These expected real future rates are then combined to produce the long-term expected rate of return by weighting them based on the target asset allocation percentage and by adding in expected inflation (2.20%). The best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Equity	33.00 %	6.20 %
Non-U.S. Equity	21.00	8.30
U.S. Aggregate Bonds	15.00	4.50
Intermediate-Term Credit	10.00	4.90
Short-Term Credit	5.00	4.50
Intermediate-Term TIPS	10.00	4.20
REITs	6.00	6.60
Total	100.00 %	

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Discount Rate

The discount rate used to measure the total OPEB liability at June 30, 2023 and 2022 was 6.60% and 6.50%, respectively. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances as of July 1, 2022	\$ 17,310,109	\$ 20,621,190	\$ (3,311,081)
Changes for the Year			
Service Cost	622,469	-	622,469
Interest on the Total Pension Liability	1,121,717	-	1,121,717
Changes in Benefits	(9,164)	-	(9,164)
Changes in Assumptions	(112,074)	-	(112,074)
Difference Between Expected and Actual Experience	(97,132)	-	(97,132)
Employer Contributions	-	1,566,348	(1,566,348)
Retired Members Contributions	-	-	-
Net Investment Income	-	1,778,869	(1,778,869)
Benefit Payments	(1,372,376)	(1,372,376)	-
Administrative Expense	-	(58,262)	58,262
Other Changes	-	-	-
Net Changes	<u>153,440</u>	<u>1,914,579</u>	<u>(1,761,139)</u>
Balances as of June 30, 2023	<u>\$ 17,463,549</u>	<u>\$ 22,535,769</u>	<u>\$ (5,072,220)</u>

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Discount Rate

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

	1% Decrease (5.60%)	Current Discount (6.60%)	1% Increase (7.60%)
Net OPEB Asset (Liability)	\$ (3,912,685)	\$ (5,072,220)	\$ (6,146,347)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

Sensitivity of the Net OPEB Asset (Liability) to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB asset (liability) of the Town, as well as what the Town's net OPEB asset (liability) would be if it were calculated using healthcare cost trend rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.00% Decreasing to 3.50%)	Healthcare Cost Trend Rates (7.00% Decreasing to 4.50%)	1% Increase (8.00% Decreasing to 5.50%)
Net OPEB Asset (Liability)	\$ (6,587,193)	\$ (5,072,220)	\$ (3,332,486)

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

For the year ended June 30, 2023, the Town recognized OPEB revenue of \$66,045. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ (6,031,707)
Changes of Assumptions	1,769,728	(174,592)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	1,175,742	-
Total	\$ 2,945,470	\$ (6,206,299)

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 OTHER POSTEMPLOYMENT BENEFIT (OPEB) PLAN (CONTINUED)**

**A. The Town of South Kingstown OPEB Trust (the Trust) (Continued)**

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

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

<u>Year Ending June 30,</u>	<u>Net Deferred Outflow (Inflow) of Resources</u>
2024	\$ (492,553)
2025	(525,333)
2026	101,214
2027	(813,246)
2028	(726,418)
Thereafter	(804,493)
Total	<u>\$ (3,260,829)</u>

**NOTE 13 TAX ABATEMENTS**

As of June 30, 2023, the Town provides tax abatements through multiple programs:

- Welcome House of South County
- The Jewish Children’s Home of Rhode Island
- South Kingstown Land Trust
- South County Hospital
- Tri-County Community Action Agency

The Welcome House of South County Program (Welcome House Program) provides real property tax abatements to encourage emergency shelter, transitional and permanent supportive housing to homeless men, women and families in Washington County. Authority for the Welcome House Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Welcome House Program are that guests are required to complete community service weekly, refrain from any drug or alcohol use, actively seek employment, meet weekly with a case manager, save income and look to better their lives. The abatement is granted on 75% of the taxes and are assessed at the 25% remaining value excluding the administrative building and homeless shelter which are tax exempt. For the fiscal year ended June 30, 2023, taxes abated through this program total \$41,547. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 13 TAX ABATEMENTS (CONTINUED)**

The Jewish Children's Home of Rhode Island Program (Camp JORI) provides real property tax abatements for the provision of a summer camp for disadvantaged Jewish children including full-pay tuition. Authority for the Camp JORI abatement program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements for the Camp JORI are that the program provide disadvantaged children with opportunities and allows the children cultural enrichment. The abatement is granted on the excess land value generally assessed as "open space" and carrying a value of \$500 to \$5,000 per acre. A payment in lieu of taxes is made annually and is based on the current year tax rate. For the fiscal year ended June 30, 2023, taxes abated through this program total \$60,071. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South Kingstown Land Trust Abatement Program (SK Land Trust) provides real property tax abatements to encourage the conservation of natural resources of the Town through preservation and stewardship of open spaces. Authority for the SK Land Trust Program is granted under Rhode Island General Assembly (Public Laws of 2003, Chapter 220). Eligibility requirements are that the recipient provides lasting protection of the Town's open spaces, wildlife habitats, farm and forest lands, aquifers and recharge areas and coastal ecosystems. The abatement is granted on 50% of the property value. For the fiscal year ended June 30, 2023, taxes abated through this program total \$5,034. There are no provisions to recapture abated taxes under this program, however any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The South County Hospital Abatement Program (So Co Hospital) provides real property tax abatements to property owned by So Co Hospital and leased to for-profit business corporations in order to encourage the construction of such facilities. Authority for the So Co Hospital Abatement Program is granted under Rhode Island General Assembly (Public Laws of 1997, Chapter 245). Eligibility requirements are that the property being leased in the aforementioned manner is not to exceed 85% of the space. The abatement is granted on 100% of the property value being leased to the commercial entities with a payment in lieu of taxes made instead that is based on an agreed-upon value modified by the current tax rate. For the fiscal year ended June 30, 2023, taxes abated through this program total \$446,610. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

The Tri-County Community Action Agency (Tri-County) provides real property tax abatements to property owned by Tri-County in order to benefit the quality of life of the Town by providing services such as family care and financial assistance. Authority for the Tri-County Community Action Agency Abatement Program is granted under Rhode Island General Assembly (Public Laws of 1997, Chapter 245).



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 13 TAX ABATEMENTS (CONTINUED)**

Eligibility requirements are that the recipient perform qualifying use of the premises as described in the PILOT Agreement. The PILOT is an amount equal to 33% of what the tax on the premises would have been had the property been on the taxable property roll for the 2020-2021 fiscal year. For the fiscal year ended June 30, 2023, taxes abated through this program total \$10,047. There are no provisions to recapture abated taxes under this program; however, any sale or transfer of the premises to any other entity will terminate the agreement effective upon the date in which the sale or transfer occurs. No other commitments have been made by the Town to the abatement recipient under this program.

**NOTE 14 SIGNIFICANT COMMITMENTS**

**Community Septic System Loan Program**

On August 30, 2002, the Town entered into an agreement with the Rhode Island Clean Water Finance Agency to finance the Town's Community Septic System Loan Program. The loan agreement provides the Town with a \$300,000 nonrestoring line of credit. The proceeds of the loan shall be used by the Town for the establishment of an operation of a Community Septic System Loan Program. The Program provides for the Town to make loans to property owners of the Town for the repair or replacement of failed or failing septic systems. The individual loans to be made to property owners shall be underwritten by the Town with the assistance of the Rhode Island Housing Mortgage Finance Corporation (RIHMFC). RIHMFC, on behalf of the Town, shall perform all administrative functions related to servicing the individual loans, including disbursing loans to property owners and collecting and remitting borrower loan payments. The loan has a zero interest rate to the Town and 4% to property owners. The Town is only required to make principal repayments in the event that individual property owners default on their loans. Accordingly, the potential liability has not been accrued (reported) in the Town's financial statements. As of June 30, 2023, there are \$300,000 in loans issued and an available (nonrestoring) line-of-credit balance of \$-0-.

In June 2005, the Town Council authorized and entered into a second agreement with Rhode Island Clean Water Finance Agency to finance the Town's Community Septic System Loan Program. The loan agreement provides the Town with an additional \$1,000,000 nonrestoring line of credit that will be funded in three increments of \$300,000 and a final increment of \$100,000. Each increment will be funded only upon the complete drawdown of all prior increments. The proceeds of the loan shall be used by the Town towards the operation of the community Septic System Loan Program. The terms of the loan program are consistent with the terms described in the above-noted paragraph except that the new agreement has a 2% (versus 4%) interest rate to property owners. As of June 30, 2023, there are \$1,000,000 in loans issued and an available (nonrestoring) line-of-credit balance of \$-0-.

In August 2010, the Board of Directors of the Rhode Island Clean Water Finance Agency, pursuant to policies and procedures adopted in accordance with Title VI of the Federal Clean Water Act and Chapter 12.2 of the Rhode Island General Laws, notified the Town that it has been approved for an additional \$1,000,000 of funding for the Community Septic System Loan Program. The loan total will be funded in three increments of \$300,000 and a final increment of \$100,000. As of June 30, 2023, there is an available line-of-credit balance of \$98,017.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 15 RISK MANAGEMENT**

**A. Rhode Island Inter-Local Risk Management Trust**

The Town is a member of the Rhode Island Inter-Local Risk Management Trust. This cooperative pool with other Rhode Island cities and towns provides insurance coverage for the Town's risks of loss.

The Town became a member on July 1, 1988. The Trust provides all property, liability and workers' compensation insurance coverage for the Town. Property and liability claims are subject to a \$2,500 deductible with the exception of public officials' liability claims, which are subject to a \$5,000 deductible. The Trust's self-insured retention levels range from \$10,000 to \$1,000,000 depending on the type of coverage provided. In addition to the self-insurance provided by the Trust, there is also reinsurance through third-party sources for claims up to \$5,000,000.

The Trust is a nonprofit organization that is governed by a Board of Trustees composed of officials of member organizations or their representatives. In addition to insurance coverage, the Trust provides risk management services with emphasis on loss control, risk management, education and training, claims administration and other services to its members.

Upon joining the trust, members sign a participation agreement that outlines the rights and responsibilities of both the members and the Trust. The agreement states that for premiums paid by members, the Trust will assume financial responsibility for members' losses up to the maximum amount of insurance purchased, minus members' deductible amounts. Additionally, should a member decide to withdraw from the Trust, the participation agreement requires three months' notice and the payment of a severance penalty.

There have been no reductions in insurance coverage from coverage in the previous year. Settlements have not exceeded insurance coverage since becoming a member of the Trust on July 1, 1988.

**NOTE 16 CONTINGENCIES**

Liabilities for legal cases and other claims against governmental funds are recorded in the governmental funds when the ultimate liability can be estimated, and such cases are expected to be settled with available expendable financial resources.

The Town has been notified by the Environmental Protection Agency (EPA) that two former landfills have been placed on the Superfund list. The Rose Hill Regional Landfill was previously operated by the towns of South Kingstown and Narragansett, Rhode Island. A Record of Decision (ROD) was issued in December 1999, which delineates EPA's approved remediation strategy for the site. Consent Decree negotiations with EPA began in November 2000 and were completed in January 2003. The towns have paid \$4,125,000 to settle all past and future federal liabilities associated with the Rose Hill site.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 16 CONTINGENCIES (CONTINUED)**

South Kingstown's \$2,000,000 payment to the federal government was funded with a 20-year general obligation bond sold in September 2002 at an interest rate of 1.648%. Repayment of the debt service associated with this bond will be provided from funds held in reserve within the Solid Waste Fund and from property taxes. The Town also paid \$504,932 for state natural resource damages and \$62,500 for its share of federal natural resource damages. The Consent Decree also requires reimbursement of 30% of the state of Rhode Island costs associated with the remediation of this landfill site and ongoing operation and maintenance costs. This cost of \$3,941,566 will also be shared equally between the two towns. The remaining balance of the Town's share of the estimated cost of reimbursing the State is \$939,370 at June 30, 2023. Accordingly, this amount has been reported as a liability in the government-wide financial statements. This balance will be paid off during fiscal year ending 2037.

In addition to the above, the government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, management does not anticipate that the resolution of these matters will not have a material adverse effect on the financial condition of the government.

The Town has received grants from various federal and state agencies for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agencies for expenditures disallowed under the terms of the grant. Town officials are of the opinion that such disallowances, if any, would be immaterial to the financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 2023  
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property Tax Revenues	\$ 77,636,183	\$ 75,424,831	\$ 75,772,896	\$ 348,065
Intergovernmental Revenues	8,476,192	10,883,893	11,320,228	436,335
Licenses, Fees, Tuition, and Rent	1,837,340	1,801,897	1,776,770	(25,127)
Other Local Revenues	2,516,097	2,516,097	2,874,878	358,781
Use of Fund Balance	1,511,535	1,511,535	1,263,608	(247,927)
Total Revenues	<u>91,977,347</u>	<u>92,138,253</u>	<u>93,008,380</u>	<u>870,127</u>
<b>EXPENDITURES</b>				
Current:				
General Government	5,710,244	5,644,789	5,485,090	159,699
Public Safety	13,961,640	14,139,430	13,525,143	614,287
Public Works	3,423,799	3,281,004	2,810,212	470,792
Human Service Agency Contribution	-	79,000	79,000	-
Recreation	2,160,472	2,160,907	2,087,581	73,326
Public Libraries	1,381,181	1,381,181	1,322,934	58,247
Education	61,814,434	62,139,409	60,869,212	1,270,197
Pension and Other Employee Benefits	809,394	1,019,394	861,581	157,813
Total Expenditures	<u>89,261,164</u>	<u>89,845,114</u>	<u>87,040,753</u>	<u>2,804,361</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	2,716,183	2,293,139	5,967,627	3,674,488
<b>OTHER FINANCING USES</b>				
Transfers In	1,225,387	1,217,344	1,272,791	55,447
Transfers Out	(4,603,635)	(4,603,635)	(4,873,468)	(269,833)
Total Other Financing Uses	<u>(3,378,248)</u>	<u>(3,386,291)</u>	<u>(3,600,677)</u>	<u>(214,386)</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES</b>	<u>\$ (662,065)</u>	<u>\$ (1,093,152)</u>	2,366,950	<u>\$ 3,460,102</u>

Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:

Use of Fund Balance is Not a GAAP Revenue	(1,263,608)
Cancellation of Prior Year Encumbrances is Not a GAAP Revenue	(19,246)
Reimbursement of Fund Balance from School Dept to Town-Prior Year	(621,586)
Recognition of Fair Value of Investments	(140,525)
Change in Encumbrances	(59,069)
Lease interest recognized in accordance with GASB 87	100,941

Total Net Change in Fund Balance - GAAP Basis \$ 363,857

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS**  
**GENERAL EMPLOYEES**  
**LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability									
Service Cost	\$ 1,050,354	\$ 1,117,484	\$ 1,152,324	\$ 1,203,577	\$ 1,218,311	\$ 1,188,057	\$ 1,177,994	\$ 1,178,841	\$ 1,187,868
Interest on the Total Pension Liability	5,054,555	4,948,741	4,917,590	4,749,160	4,576,056	4,486,906	4,294,016	4,112,669	3,904,997
Changes of Benefit Terms		-	-	-	-	-	-	1,025,090	
Difference Between Expected and Actual Experience	387,791	(101,089)	(916,985)	315,654	308,036	213,561	388,521	(897,943)	
Changes of Assumptions		-	(605,921)	-	-	3,074,881	-	-	431,607
Benefit Payments, Including Refunds of Employee Contributions	(4,587,821)	(4,252,067)	(3,917,097)	(3,756,129)	(3,488,130)	(3,375,303)	(3,212,066)	(2,788,503)	(2,713,486)
Net Change in Total Pension Liability	1,904,879	1,713,069	629,911	2,512,262	2,614,273	5,588,102	2,648,465	2,630,154	2,810,986
Total Pension Liability - Beginning	73,976,658	72,263,589	71,633,678	69,121,416	66,507,143	60,919,041	58,270,576	55,640,422	52,829,436
Total Pension Liability - Ending (a)	<u>\$ 75,881,537</u>	<u>\$ 73,976,658</u>	<u>\$ 72,263,589</u>	<u>\$ 71,633,678</u>	<u>\$ 69,121,416</u>	<u>\$ 66,507,143</u>	<u>\$ 60,919,041</u>	<u>\$ 58,270,576</u>	<u>\$ 55,640,422</u>
Plan Fiduciary Net Position									
Contributions - Employer	\$ 1,588,324	\$ 1,655,036	\$ 1,616,178	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328	\$ 1,420,102	\$ 1,298,368
Contributions - Employee	336,589	370,253	388,409	398,154	416,695	431,900	420,375	246,747	247,508
Net Investment Income (Loss)	(1,880,471)	15,575,156	2,164,425	3,642,487	4,285,588	5,792,423	(6,478)	1,213,363	6,851,087
Benefit Payments, Including Refunds of Employee Contributions	(4,587,821)	(4,252,067)	(3,917,097)	(3,756,129)	(3,488,130)	(3,375,303)	(3,212,066)	(2,788,503)	(2,713,486)
Pension Plan Administrative Expense	(64,105)	(59,345)	(59,635)	(56,923)	(57,052)	(54,725)	(57,861)	(48,275)	(42,901)
Other	(247,253)	(563,682)	266,883	(246,782)	116,920	36,837	(79,911)	293,093	4,317
Net Change in Plan Fiduciary Net Position	(4,854,737)	12,725,351	459,163	1,554,816	2,728,131	4,312,549	(1,543,613)	336,527	5,644,893
Plan Fiduciary Net Position - Beginning	72,011,820	59,286,469	58,827,306	57,272,490	54,544,359	50,231,810	51,775,423	51,438,896	45,794,003
Plan Fiduciary Net Position - Ending (b)	67,157,083	72,011,820	59,286,469	58,827,306	57,272,490	54,544,359	50,231,810	51,775,423	51,438,896
Net Pension Liability - Ending (a) - (b)	<u>\$ 8,724,454</u>	<u>\$ 1,964,838</u>	<u>\$ 12,977,120</u>	<u>\$ 12,806,372</u>	<u>\$ 11,848,926</u>	<u>\$ 11,962,784</u>	<u>\$ 10,687,231</u>	<u>\$ 6,495,153</u>	<u>\$ 4,201,526</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.50%	97.34%	82.04%	82.12%	82.86%	82.01%	82.46%	88.85%	92.45%
Covered Payroll	\$ 12,840,511	\$ 13,271,777	\$ 13,290,936	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012	\$ 12,266,819	\$ 11,878,682
Net Pension Liability as a Percentage of Covered Payroll	67.94%	14.80%	97.64%	95.76%	91.52%	93.74%	86.64%	52.95%	35.37%

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN  
SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS  
POLICE  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:									
Service Cost	\$ 826,529	\$ 766,679	\$ 778,731	\$ 753,057	\$ 712,220	\$ 611,529	\$ 600,941	\$ 553,069	\$ 550,738
Interest on the Total Pension Liability	2,536,097	2,439,151	2,390,723	2,320,873	2,169,463	2,164,555	2,186,552	2,031,908	1,977,138
Changes of Benefit Terms		-	-	-	-	-	-	948,578	
Difference Between Expected and Actual Experience of the Total Pension Liability	(282,209)	97,398	(1,151,920)	(265,606)	1,045,056	(687,204)	(1,391,195)	163,450	
Changes of Assumptions		-	558,650	-	-	1,737,944	-	-	(164,150)
Benefit Payments, Including Refunds of Employee Contributions	(1,998,876)	(1,897,520)	(1,859,146)	(1,787,461)	(1,780,867)	(1,710,279)	(1,679,490)	(1,638,543)	(1,630,699)
Net Change in Total Pension Liability	1,081,541	1,405,708	717,038	1,020,863	2,145,872	2,116,545	(283,192)	2,058,462	733,027
Total Pension Liability - Beginning	36,816,137	35,410,429	34,693,391	33,672,528	31,526,656	29,410,111	29,693,303	27,634,841	26,901,814
Total Pension Liability - Ending (a)	<u>\$ 37,897,678</u>	<u>\$ 36,816,137</u>	<u>\$ 35,410,429</u>	<u>\$ 34,693,391</u>	<u>\$ 33,672,528</u>	<u>\$ 31,526,656</u>	<u>\$ 29,410,111</u>	<u>\$ 29,693,303</u>	<u>\$ 27,634,841</u>
Plan Fiduciary Net Position:									
Contributions - Employer	\$ 1,112,644	\$ 1,080,517	\$ 1,045,441	\$ 819,275	\$ 786,772	\$ 825,285	\$ 794,657	\$ 712,921	\$ 468,675
Contributions - Employee	426,854	389,375	382,105	367,885	346,748	328,146	319,163	251,692	257,164
Net Investment Income (Loss)	(867,692)	6,991,367	941,449	1,565,078	1,814,095	2,453,239	(7,368)	511,433	2,930,811
Benefit Payments, Including Refunds of Employee Contributions	(1,998,876)	(1,897,520)	(1,859,146)	(1,787,461)	(1,780,867)	(1,710,279)	(1,679,490)	(1,638,543)	(1,630,699)
Pension Plan Administrative Expense	(29,580)	(26,639)	(25,939)	(24,458)	(24,150)	(23,177)	(19,819)	(19,499)	(18,353)
Other	19,829	-	27,120	92,649	-	2,262	(5,036)	416	801
Net Change in Plan Fiduciary Net Position	(1,336,821)	6,537,100	511,030	1,032,968	1,142,598	1,875,476	(597,893)	(181,580)	2,008,399
Plan Fiduciary Net Position - Beginning	32,324,624	25,787,524	25,276,494	24,243,526	23,100,928	21,225,452	21,823,345	22,004,925	19,996,526
Plan Fiduciary Net Position - Ending (b)	<u>30,987,803</u>	<u>32,324,624</u>	<u>25,787,524</u>	<u>25,276,494</u>	<u>24,243,526</u>	<u>23,100,928</u>	<u>21,225,452</u>	<u>21,823,345</u>	<u>22,004,925</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 6,909,875</u>	<u>\$ 4,491,513</u>	<u>\$ 9,622,905</u>	<u>\$ 9,416,897</u>	<u>\$ 9,429,002</u>	<u>\$ 8,425,728</u>	<u>\$ 8,184,659</u>	<u>\$ 7,869,958</u>	<u>\$ 5,629,916</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	81.77%	87.80%	72.82%	72.86%	72.00%	73.27%	72.17%	73.50%	79.63%
Covered Payroll	\$ 4,232,098	\$ 3,893,748	\$ 3,821,056	\$ 3,678,831	\$ 3,467,480	\$ 3,284,260	\$ 3,213,589	\$ 3,128,217	\$ 3,120,331
Net Pension Liability as a Percentage of Covered Payroll	163.27%	115.35%	251.84%	255.98%	271.93%	256.55%	254.69%	251.58%	180.43%

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET PENSION LIABILITY AND RELATED RATIOS**  
**EMT**  
**LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability:									
Service Cost	\$ 216,864	\$ 220,708	\$ 210,513	\$ 177,617	\$ 157,663	\$ 152,115	\$ 144,725	\$ 144,842	\$ 135,144
Interest on the Total Pension Liability	326,791	300,383	284,831	290,630	278,283	257,163	245,078	219,726	204,900
Changes of Benefit Terms	-	-	-	-	-	-	-	180,010	
Difference Between Expected and Actual Experience of the Total Pension Liability	(85,266)	10,548	(102,946)	(435,897)	(111,537)	97,946	(119,389)	(85,523)	
Changes of Assumptions	-	-	(39,995)	-	-	192,403	-	-	(41,805)
Benefit Payments, Including Refunds of Employee Contributions	(171,239)	(133,691)	(136,960)	(126,334)	(189,661)	(121,882)	(104,062)	(137,877)	(72,944)
Net Change in Total Pension Liability	287,150	397,948	215,443	(93,984)	134,748	577,745	166,352	321,178	225,295
Total Pension Liability - Beginning	4,645,626	4,247,678	4,032,235	4,126,219	3,991,471	3,413,726	3,247,374	2,926,196	2,700,901
Total Pension Liability - Ending (a)	<u>\$ 4,932,776</u>	<u>\$ 4,645,626</u>	<u>\$ 4,247,678</u>	<u>\$ 4,032,235</u>	<u>\$ 4,126,219</u>	<u>\$ 3,991,471</u>	<u>\$ 3,413,726</u>	<u>\$ 3,247,374</u>	<u>\$ 2,926,196</u>
Plan Fiduciary Net Position:									
Contributions - Employer	\$ 42,482	\$ 37,579	\$ 68,210	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920	\$ 49,050	\$ 33,018
Contributions - Employee	105,942	108,297	99,722	83,742	74,194	80,103	77,657	65,837	63,498
Net Investment Income (Loss)	(167,260)	1,334,293	176,331	283,247	321,512	434,255	(1,271)	85,550	478,328
Benefit Payments, Including Refunds of Employee Contributions	(171,239)	(133,691)	(136,960)	(126,334)	(189,661)	(121,882)	(104,062)	(137,877)	(72,944)
Pension Plan Administrative Expense	(5,702)	(5,084)	(4,858)	(4,426)	(4,280)	(4,103)	(3,419)	(3,431)	(2,995)
Other	-	(2,221)	52,965	(1)	(20,290)	(9)	(1)	1	155
Net Change in Plan Fiduciary Net Position	(195,777)	1,339,173	255,410	277,848	207,517	427,855	10,824	59,130	499,060
Plan Fiduciary Net Position - Beginning	6,169,111	4,829,938	4,574,528	4,296,680	4,089,163	3,661,308	3,650,484	3,591,354	3,092,294
Plan Fiduciary Net Position - Ending (b)	5,973,334	6,169,111	4,829,938	4,574,528	4,296,680	4,089,163	3,661,308	3,650,484	3,591,354
Net Pension Liability (Asset) - Ending (a) - (b)	<u>\$ (1,040,558)</u>	<u>\$ (1,523,485)</u>	<u>\$ (582,260)</u>	<u>\$ (542,293)</u>	<u>\$ (170,461)</u>	<u>\$ (97,692)</u>	<u>\$ (247,582)</u>	<u>\$ (403,110)</u>	<u>\$ (665,158)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	121.09%	132.79%	113.71%	113.45%	104.13%	102.45%	107.25%	112.41%	122.73%
Covered Payroll	\$ 1,059,422	\$ 1,082,963	\$ 997,221	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090	\$ 822,966	\$ 790,777
Net Pension Asset as a Percentage of Covered Payroll	98.22%	140.68%	58.39%	64.76%	22.97%	12.20%	31.82%	48.98%	84.11%

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



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN  
SCHEDULE OF TOWN CONTRIBUTIONS  
GENERAL EMPLOYEES  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,709,308	\$ 1,588,324	\$ 1,655,036	\$ 1,616,178	\$ 1,574,009	\$ 1,454,110	\$ 1,481,417	\$ 1,392,328	\$ 1,420,102
Contributions in Relation to the Actuarially Determined Contribution	<u>1,709,308</u>	<u>1,588,324</u>	<u>1,655,036</u>	<u>1,616,178</u>	<u>1,574,009</u>	<u>1,454,110</u>	<u>1,481,417</u>	<u>1,392,328</u>	<u>1,420,102</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 12,840,511	\$ 13,271,777	\$ 13,290,936	\$ 13,373,078	\$ 12,946,981	\$ 12,761,089	\$ 12,335,012	\$ 12,266,819	\$ 11,878,682
Contributions as a Percentage of Covered Payroll	13.31%	11.97%	12.45%	12.09%	12.16%	11.39%	12.01%	11.35%	11.96%

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

Notes to Schedule:

Valuation Date: June 30, 2021

Measurement Date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective two years after the actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	16 years
Asset Valuation Method	Five-year smoothed fair value
Inflation	2.50%
Salary Increases	3.00% to 14.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.
Mortality	Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019). Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN  
SCHEDULE OF TOWN CONTRIBUTIONS  
POLICE  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,225,812	\$ 1,112,644	\$ 1,080,517	\$ 1,045,441	\$ 819,275	\$ 786,772	\$ 825,285	\$ 794,657	\$ 712,921
Contributions in Relation to the Actuarially Determined Contribution	<u>1,225,812</u>	<u>1,112,644</u>	<u>1,080,517</u>	<u>1,045,441</u>	<u>819,275</u>	<u>786,772</u>	<u>825,285</u>	<u>794,657</u>	<u>712,921</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 4,232,098	\$ 3,893,748	\$ 3,821,056	\$ 3,678,831	\$ 3,467,480	\$ 3,284,260	\$ 3,213,589	\$ 3,128,217	\$ 3,120,331
Contributions as a Percentage of Covered Payroll	28.96%	28.58%	28.28%	28.42%	23.63%	23.96%	25.68%	25.40%	22.85%

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

Notes to Schedule:

Valuation Date: June 30, 2021

Measurement Date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30 of each plan year and effective two years after the actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry age normal

Amortization Method Level percentage of payroll, closed

Remaining Amortization Period 16 years

Asset Valuation Method Five-year smoothed fair value

Inflation 2.50%

Salary Increases 3.00% to 14.00% including inflation

Investment Rate of Return 7.00%

Retirement Age Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.

Mortality Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).

Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM AGENT PLAN  
SCHEDULE OF TOWN CONTRIBUTIONS  
EMT  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 55,736	\$ 42,482	\$ 37,579	\$ 68,210	\$ 41,620	\$ 26,042	\$ 39,491	\$ 41,920	\$ 49,050
Contributions in Relation to the Actuarially Determined Contribution	<u>55,736</u>	<u>42,482</u>	<u>37,579</u>	<u>68,210</u>	<u>41,620</u>	<u>26,042</u>	<u>39,491</u>	<u>41,920</u>	<u>49,050</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 1,059,422	\$ 1,082,963	\$ 997,221	\$ 837,419	\$ 741,945	\$ 801,028	\$ 778,090	\$ 822,966	\$ 790,777
Contributions as a Percentage of Covered Payroll	5.26%	3.92%	3.77%	8.15%	5.61%	3.25%	5.08%	5.09%	6.20%

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

Notes to Schedule:

Valuation Date: June 30, 2021

Measurement Date: June 30, 2022

Actuarially determined contribution rates are calculated as of June 30th of each plan year and effective two years after the actuarial valuation.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry age normal

Amortization Method Level percentage of payroll, closed

Remaining Amortization Period 20 years

Asset Valuation Method Five-year smoothed fair value

Inflation 2.50%

Salary Increases 3.00% to 14.00% including inflation

Investment Rate of Return 7.00%

Retirement Age Experience-based table of rates that are specific to the type of eligibility conditions. Last updated for 2017 valuation.

Mortality Male: RP-2014 Combined Healthy for Males with Blue Collar adjustments, projected with the ultimate values of the MP Scale (through 2019).

Female: RP-2014 Combined Healthy for Females, projected with the ultimate values of the MP Scale (through 2019).

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
TEACHERS  
LAST NINE FISCAL 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>
Town's Proportion of the Net Pension Liability	1.46%	1.47%	1.44%	1.54%	1.49%	1.56%	1.66%	1.62%	1.64%
Town's Proportionate Share of the Net Pension Liability	\$ 39,360,972	\$ 34,591,912	\$ 45,952,223	\$ 49,057,890	\$ 47,392,970	\$ 49,047,536	\$ 49,461,027	\$ 44,674,781	\$ 39,917,633
State's Proportionate Share of the Net Pension Liability Associated with the School District	<u>29,110,204</u>	<u>25,653,004</u>	<u>34,143,627</u>	<u>36,749,440</u>	<u>35,351,752</u>	<u>37,068,153</u>	<u>33,873,541</u>	<u>30,520,408</u>	<u>27,373,360</u>
Total	<u>\$ 68,471,176</u>	<u>\$ 60,244,916</u>	<u>\$ 80,095,850</u>	<u>\$ 85,807,330</u>	<u>\$ 82,744,722</u>	<u>\$ 86,115,689</u>	<u>\$ 83,334,568</u>	<u>\$ 75,195,189</u>	<u>\$ 67,290,993</u>
Town's Covered Payroll	\$ 29,790,548	\$ 29,498,488	\$ 29,195,257	\$ 27,832,994	\$ 28,005,990	\$ 26,970,899	\$ 26,698,936	\$ 25,552,372	\$ 31,370,787
Town's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	132.13%	117.27%	157.40%	176.26%	169.22%	181.85%	185.25%	174.84%	127.24%
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%

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

Note:

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
EMPLOYEES' RETIREMENT SYSTEM  
SCHEDULE OF TOWN CONTRIBUTIONS  
TEACHERS  
LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 3,916,956	\$ 4,049,647	\$ 3,976,714	\$ 3,760,382	\$ 3,838,124	\$ 3,629,676	\$ 3,636,144	\$ 3,739,438	\$ 3,584,110
Contributions in Relation to the Actuarially Determined Contribution	<u>3,916,956</u>	<u>4,049,647</u>	<u>3,976,714</u>	<u>3,760,382</u>	<u>3,838,124</u>	<u>3,629,676</u>	<u>3,636,144</u>	<u>3,739,438</u>	<u>3,584,110</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 29,790,548	\$ 29,498,488	\$ 29,195,257	\$ 27,832,994	\$ 28,005,990	\$ 26,970,899	\$ 26,698,936	\$ 25,552,372	\$ 31,370,787
Contributions as a Percentage of Covered Payroll	13.15%	13.73%	13.62%	13.51%	13.70%	13.46%	13.62%	14.63%	11.42%

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

Notes:

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

Notes to Schedule:

Valuation Date: June 30, 2020  
 Measurement Date: June 30, 2021

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method      Entry age normal  
 Amortization Method      Level percentage of payroll, closed  
 Remaining Amortization Period      17 years at June 30, 2020  
 Inflation      2.50%  
 Salary Increases      Teachers - 3.0% to 13.0%  
 Investment Rate of Return      7.00%  
 Mortality      State employees and teachers: Variants of the PUB (10) Tables for Health and Disabled Retirees, projected with Scale Ultimate MP16.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**SCHEDULE OF CHANGES IN THE TOWN'S NET OPEB LIABILITY (ASSET) AND RELATED RATIOS**  
**OPEB TRUST FUND**  
**LAST NINE FISCAL YEARS\***

	2023	2022	2021	2020	2019	2018	2017	2016
Total OPEB Liability:								
Service Cost	\$ 622,469	\$ 652,493	\$ 624,785	\$ 734,058	\$ 719,293	\$ 719,381	\$ 719,382	\$ 820,802
Interest on the Total OPEB Liability	1,121,717	1,101,140	1,176,031	1,368,716	1,411,561	1,283,580	1,199,145	1,416,126
Changes of Benefit Terms	(9,164)	135,876	-	-	-	25,908	-	-
Changes of Assumptions	(112,074)	(88,865)	277,949	120,308	-	2,214,123	-	788,258
Differences Between Expected and Actual Experience	(97,132)	(769,026)	(1,229,973)	(2,962,117)	(1,530,172)	(1,155,474)	(214,423)	(3,006,059)
Benefit Payments	<u>(1,372,376)</u>	<u>(1,353,977)</u>	<u>(1,347,422)</u>	<u>(1,324,528)</u>	<u>(1,178,252)</u>	<u>(1,204,160)</u>	<u>(1,142,035)</u>	<u>(1,127,619)</u>
Net Change in Total OPEB Liability	153,440	(322,359)	(498,630)	(2,063,563)	(577,570)	1,883,358	562,069	(1,108,492)
Total OPEB Liability - Beginning	<u>17,310,109</u>	<u>17,632,468</u>	<u>18,131,098</u>	<u>20,194,661</u>	<u>20,772,231</u>	<u>18,888,873</u>	<u>18,326,804</u>	<u>19,435,296</u>
Total OPEB Liability - Ending	<u>\$ 17,463,549</u>	<u>\$ 17,310,109</u>	<u>\$ 17,632,468</u>	<u>\$ 18,131,098</u>	<u>\$ 20,194,661</u>	<u>\$ 20,772,231</u>	<u>\$ 18,888,873</u>	<u>\$ 18,326,804</u>
Plan Fiduciary Net Position:								
Contributions - Employer	\$ 1,566,348	\$ 1,653,565	\$ 2,100,581	\$ 1,909,528	\$ 2,778,252	\$ 2,704,160	\$ 1,742,035	\$ 1,727,619
Contributions - Retired Members								
Net Investment Income	1,778,869	(3,097,464)	4,352,851	994,076	1,120,738	828,458	1,143,920	(62,732)
Benefit Payments	(1,372,376)	(1,353,977)	(1,347,422)	(1,324,528)	(1,178,252)	(1,204,160)	(1,142,035)	(1,127,619)
OPEB Plan Administrative Expense	<u>(58,262)</u>	<u>(60,371)</u>	<u>(53,448)</u>	<u>(38,206)</u>	<u>(34,629)</u>	<u>(29,855)</u>	<u>(38,915)</u>	<u>(55,503)</u>
Net Change in Plan Fiduciary Net Position	1,914,579	(2,858,247)	5,052,562	1,540,870	2,686,109	2,298,603	1,705,005	481,765
Plan Fiduciary Net Position - Beginning	<u>20,621,190</u>	<u>23,479,437</u>	<u>18,426,875</u>	<u>16,886,005</u>	<u>14,199,896</u>	<u>11,901,293</u>	<u>10,196,288</u>	<u>9,714,523</u>
Plan Fiduciary Net Position - Ending (b)	<u>22,535,769</u>	<u>20,621,190</u>	<u>23,479,437</u>	<u>18,426,875</u>	<u>16,886,005</u>	<u>14,199,896</u>	<u>11,901,293</u>	<u>10,196,288</u>
Net OPEB Liability (Asset) - Ending	<u>\$ (5,072,220)</u>	<u>\$ (3,311,081)</u>	<u>\$ (5,846,969)</u>	<u>\$ (295,777)</u>	<u>\$ 3,308,656</u>	<u>\$ 6,572,335</u>	<u>\$ 6,987,580</u>	<u>\$ 8,130,516</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	129.04%	119.13%	133.16%	101.63%	83.62%	68.36%	63.01%	55.64%
Covered-Employee Payroll	\$ 46,916,397	\$ 43,238,322	\$ 45,574,729	\$ 42,866,121	\$ 44,236,539	\$ 43,253,947	\$ 42,186,979	\$ 40,859,060
Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	-10.81%	-7.66%	-12.83%	-0.69%	7.48%	15.19%	16.56%	19.90%

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF TOWN CONTRIBUTIONS  
OPEB TRUST FUND  
LAST TEN FISCAL YEARS**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution (1)	\$ 1,372,376	\$ 1,353,977	\$ 1,347,422	\$ 1,392,198	\$ 1,857,859	\$ 1,829,061	\$ 1,863,644	\$ 1,812,425	\$ 1,665,055	\$ 1,722,851
Contributions in Relation to the Actuarially Determined Contribution	1,566,348	1,653,565	2,100,581	1,909,528	2,778,252	2,704,160	1,742,035	1,727,619	4,859,217	2,948,054
Contribution Deficiency (Excess)	<u>\$ (193,972)</u>	<u>\$ (299,588)</u>	<u>\$ (753,159)</u>	<u>\$ (517,330)</u>	<u>\$ (920,393)</u>	<u>\$ (875,099)</u>	<u>\$ 121,609</u>	<u>\$ 84,806</u>	<u>\$ (3,194,162)</u>	<u>\$ (1,225,203)</u>
Covered-Employee Payroll	\$ 46,916,397	\$ 43,238,322	\$ 45,574,729	\$ 42,866,121	\$ 44,236,539	\$ 43,253,947	\$ 42,186,979	\$ 40,859,060	\$ 42,546,253	\$ 42,546,253
Contributions as a Percentage of Covered-Employee Payroll	3.34%	3.82%	4.61%	4.45%	6.28%	6.25%	4.13%	4.23%	11.42%	6.93%

(1) Actuarially Determined Contributions prior to fiscal year ended June 30, 2016 is based on the Annual Required Contribution (ARC) calculated in accordance with GASB No. 45.

Notes to Schedule:

Valuation Date: July 1, 2022  
 Measurement Date: June 30, 2023

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal Level % of Salary.  
 Discount Rate: 6.60% and will be updated annually to reflect market conditions  
 Payroll: Level percentage of payroll, closed  
 Asset Valuation Method: Market value of assets  
 Inflation: 2.20% per year  
 Salary Increases: For amortization purposes: 3.00%  
 For valuation purposes: 14.0%-4% for IBPO/EMT and 7.25%-3.25% for all others  
 Investment Rate of Return: 6.60%  
 Healthcare Trend Rates: Initial 7.50% decreasing by 0.5% annually to an ultimate rate of 4.50%  
 Disability/Termination/Retirement Rates: Experience-based table of rates that are specific to the type of eligibility conditions.  
 Mortality: SOA Pub-2010 tables varying by participant group using scale MP-2019.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF INVESTMENTS RETURNS  
OPEB TRUST FUND  
LAST EIGHT FISCAL 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>
Annual Money-Weighted Rate of Return, Net of Investment Expense	7.97%	-14.32%	20.81%	5.60%	7.13%	12.24%	6.87%	6.64%

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



**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

## **GENERAL FUND**

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund utilizes the modified accrual basis of accounting.

The School Unrestricted Fund is used to report all financial transactions of the South Kingstown School Department, which is not legally required to be accounted for separately.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**COMBINING BALANCE SHEET**  
**GENERAL FUND**  
**JUNE 30, 2023**

	General Fund	School Unrestricted Fund	Eliminations	Total General Fund
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 38,942,505	\$ 200	\$ -	\$ 38,942,705
Investments	12,271,567	-	-	12,271,567
Accounts and Other Receivable, Net	1,149,827	216,224	-	1,366,051
Due from Federal and State Governments	11,626	37,719	-	49,345
Due from Other Funds	43,003	5,788,740	(4,004,508)	1,827,235
Lease Receivable	4,308,050	-	-	4,308,050
Prepaid Items	200	-	-	200
	<u>56,726,778</u>	<u>6,042,883</u>	<u>(4,004,508)</u>	<u>58,765,153</u>
Total Assets	<u>\$ 56,726,778</u>	<u>\$ 6,042,883</u>	<u>\$ (4,004,508)</u>	<u>\$ 58,765,153</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 531,330	\$ 828,633	\$ -	\$ 1,359,963
Accrued Liabilities	1,142,640	1,962,815	-	3,105,455
Due to State and Federal Governments	129,736	-	-	129,736
Due to Other Funds	32,134,478	203,261	(4,004,508)	28,333,231
Unearned Revenue	371,540	105,455	-	476,995
Deposits Held In Custody of Others	204,284	-	-	204,284
Total Liabilities	<u>34,514,008</u>	<u>3,100,164</u>	<u>(4,004,508)</u>	<u>33,609,664</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	653,069	-	-	653,069
Deferred Inflow - Leases	4,103,332	-	-	4,103,332
Advance Property Tax Collections	148,121	-	-	148,121
Total Deferred Inflows of Resources	<u>4,904,522</u>	<u>-</u>	<u>-</u>	<u>4,904,522</u>
<b>FUND BALANCES</b>				
Nonspendable	200	-	-	200
Committed	1,257,559	2,942,719	-	4,200,278
Unassigned	16,050,489	-	-	16,050,489
Total Fund Balances	<u>17,308,248</u>	<u>2,942,719</u>	<u>-</u>	<u>20,250,967</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 56,726,778</u>	<u>\$ 6,042,883</u>	<u>\$ (4,004,508)</u>	<u>\$ 58,765,153</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
**GENERAL FUND**  
**YEAR ENDED JUNE 30, 2023**

	General Fund	School Unrestricted Fund	Eliminations	Total General Fund
<b>REVENUES</b>				
Property Taxes, Interest, and Lien Fees	\$ 75,810,273	\$ -	\$ -	\$ 75,810,273
Intergovernmental Revenues	6,399,154	5,002,006	-	11,401,160
Licenses and Fees	1,745,301	159,399	-	1,904,700
Investment Income	1,006,270	1,165	-	1,007,435
Fines and Charges for Services	-	82,204	-	82,204
Departmental	1,202,957	-	-	1,202,957
State on Behalf Pension Contribution	-	2,910,686	-	2,910,686
Other Local Revenues	-	472,740	-	472,740
Total Revenues	<u>86,163,955</u>	<u>8,628,200</u>	<u>-</u>	<u>94,792,155</u>
<b>EXPENDITURES</b>				
Current:				
General Government	6,225,501	-	-	6,225,501
Public Safety	13,655,931	-	-	13,655,931
Public Works	2,756,339	-	-	2,756,339
Human Service Agency Contribution	84,000	-	-	84,000
Public Libraries	1,307,921	-	-	1,307,921
Education	-	63,686,042	-	63,686,042
Recreation	2,030,926	-	-	2,030,926
Debt Service:				
Principal Retirement	-	93,856	-	93,856
Interest and Other Charges	-	-	-	-
Capital Outlay	157,080	207,900	-	364,980
Total Expenditures	<u>26,217,698</u>	<u>63,987,798</u>	<u>-</u>	<u>90,205,496</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	59,946,257	(55,359,598)	-	4,586,659
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Leases	-	-	-	-
Issuance of Subscriptions	157,080	207,900	-	364,980
Transfers In from Other Funds	1,383,116	56,028,880	(55,994,773)	1,417,223
Transfers Out to Other Funds	(61,378,192)	(621,586)	55,994,773	(6,005,005)
Total Other Financing Sources (Uses)	<u>(59,837,996)</u>	<u>55,615,194</u>	<u>-</u>	<u>(4,222,802)</u>
<b>NET CHANGE IN FUND BALANCES</b>	108,261	255,596	-	363,857
Fund Balances - Beginning of Year	<u>17,199,987</u>	<u>2,687,123</u>	<u>-</u>	<u>19,887,110</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 17,308,248</u>	<u>\$ 2,942,719</u>	<u>\$ -</u>	<u>\$ 20,250,967</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
OTHER FINANCING SOURCES (USES)  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
<b>REVENUES AND USE OF FUND BALANCE</b>				
Property Taxes:				
Current Taxes	\$ 76,326,311	\$ 74,114,959	\$ 74,460,275	\$ 345,316
Prior Taxes	530,000	530,000	453,761	(76,239)
Total Taxes Current and Prior	76,856,311	74,644,959	74,914,036	269,077
Pilot - Federal Aid	8,000	8,000	7,910	(90)
FEMA - Storm Assistance	-	-	63,267	63,267
Interest on Taxes	348,250	348,250	327,982	(20,268)
Payment In Lieu of Taxes	423,622	423,622	459,701	36,079
Total Property Taxes	77,636,183	75,424,831	75,772,896	348,065
State Aid - Town:				
General State Aid	210,000	210,000	217,065	7,065
Telephone Tax	365,054	365,054	379,714	14,660
Meals and Beverage Tax	940,000	940,000	1,158,263	218,263
State Library General Aid	217,433	217,433	242,861	25,428
State Library Endowment Aid	17,155	17,155	19,161	2,006
State Motor Vehicle Phase-Out	1,719,103	3,930,455	3,930,455	-
Hotel Tax	202,000	202,000	370,703	168,703
State CRF Distribution	-	-	-	-
Total State Aid - Town	3,670,745	5,882,097	6,318,222	436,125
Licenses, Fees, and Rents:				
Business Licenses and Fees	523,565	523,565	626,382	102,817
Nonbusiness Licenses and Fees	424,000	424,000	325,962	(98,038)
Real Estate Conveyance Fees	166,000	166,000	123,374	(42,626)
Rental of Town Properties	466,214	466,214	475,347	9,133
Total Licenses, Fees, and Rents	1,579,779	1,579,779	1,551,065	(28,714)
Investment Income - Short-Term	330,000	330,000	1,146,795	816,795
Departmental Revenues:				
Police Department Revenue	268,300	268,300	248,576	(19,724)
EMS Miscellaneous Revenue	-	-	19,665	19,665
Park Rental Revenue	32,000	32,000	43,328	11,328
Town Beach Parking	281,040	281,040	259,040	(22,000)
Boat and Mooring	38,000	38,000	42,068	4,068
Animal Control Fees	1,000	1,000	830	(170)
Library Fines and Miscellaneous	4,600	4,600	5,403	803
Dog/Cat Licenses and Fines	4,400	4,400	3,958	(442)
Recreation Department	116,350	116,350	112,521	(3,829)
Recreation Self-Support Program	140,000	140,000	236,779	96,779
Planning Department	5,000	5,000	6,640	1,640
Communications Department Revenue	1,500	1,500	4,002	2,502
Copy Charges	2,500	2,500	2,372	(128)
Recreation Department - Outside Sponsors	5,700	5,700	846	(4,854)
Stepping Stone - Creative	71,000	71,000	61,735	(9,265)
Stepping Stone - Self Supported	-	-	3,102	3,102
Geographic Information Systems Program	200	200	276	76
Narragansett - Dog Pound	70,500	70,500	70,500	-
Miscellaneous - Town	665,281	665,281	116,639	(548,642)
Total Departmental Revenues	1,707,371	1,707,371	1,238,280	(469,091)
Use of Fund Balance	1,263,608	1,263,608	1,263,608	-
Total Revenues and Use of Fund Balance	86,187,686	86,187,686	87,290,866	1,103,180

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER  
FINANCING SOURCES (USES) (CONTINUED)  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(BUDGETARY BASIS)**

EXPENDITURES	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Town Council	\$ 27,379	\$ 27,379	\$ 26,028	\$ 1,351
Financial Town Meeting	9,228	9,228	9,680	(452)
Legal Staff	219,891	219,891	228,480	(8,589)
Probate Judge	7,536	7,536	7,536	-
Town Clerk	491,213	515,213	493,738	21,475
Canvassing Authority	141,171	125,171	116,582	8,589
Town Manager's Office	457,522	480,022	479,978	44
Personnel Administration	188,665	188,593	177,842	10,751
Town Hall Operations	964,388	969,388	962,173	7,215
Finance Department	894,484	858,984	823,760	35,224
Tax Assessor's Office	376,272	376,272	383,007	(6,735)
Information Technology	590,121	603,224	574,104	29,120
Geographic Information Systems	146,850	146,850	141,038	5,812
Planning Department	519,830	520,343	519,956	387
Conservation Commission	650	650	650	-
Zoning/Building Inspection	478,528	478,528	445,471	33,057
Outside Agencies	196,517	117,517	95,067	22,450
<b>Total General Government</b>	<b>5,710,244</b>	<b>5,644,789</b>	<b>5,485,090</b>	<b>159,699</b>
<b>Public Safety:</b>				
Police Department	9,145,684	9,314,656	8,815,048	499,608
Police Civilians	600,078	600,078	613,863	(13,785)
Police Dispatch	869,489	869,923	855,787	14,136
Animal Control - RD/Shelter	377,347	378,419	322,271	56,148
Communications	316,195	316,195	307,708	8,487
Emergency Medical Services	2,652,847	2,660,159	2,610,466	49,693
<b>Total Public Safety</b>	<b>13,961,640</b>	<b>14,139,430</b>	<b>13,525,143</b>	<b>614,287</b>
<b>Public Works:</b>				
Public Works Administration	513,043	522,375	487,039	35,336
Streets and Highway	2,781,946	2,619,819	2,236,661	383,158
Tree Warden/Street Lighting	128,810	138,810	86,512	52,298
<b>Total Public Works</b>	<b>3,423,799</b>	<b>3,281,004</b>	<b>2,810,212</b>	<b>470,792</b>
<b>Human Service Agency Contributions:</b>				
Johnnycake Center	-	30,000	30,000	-
Cane Day Care Center	-	9,000	9,000	-
Domestic Violence Resource Center	-	5,000	5,000	-
Education Exchange	-	15,000	15,000	-
Boys and Girls Club	-	20,000	20,000	-
<b>Total Human Service Agency Contributions</b>	<b>-</b>	<b>79,000</b>	<b>79,000</b>	<b>-</b>
<b>Recreation:</b>				
Recreation Department	2,160,472	2,160,907	2,087,581	73,326

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER  
FINANCING SOURCES (USES) (CONTINUED)  
BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023  
(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>EXPENDITURES (CONTINUED)</b>				
Public Libraries	\$ 1,381,181	\$ 1,381,181	\$ 1,322,934	\$ 58,247
Miscellaneous:				
Unemployment Insurance	14,000	14,000	16,205	(2,205)
Insurance	480,941	480,941	536,213	(55,272)
Contingency	26,000	26,000	200	25,800
OPEB Funding	90,000	300,000	90,000	210,000
Workers' Compensation	198,453	198,453	218,963	(20,510)
Total Miscellaneous	<u>809,394</u>	<u>1,019,394</u>	<u>861,581</u>	<u>157,813</u>
Debt Service	-	-	-	-
Total Expenditures	<u>27,446,730</u>	<u>27,705,705</u>	<u>26,171,541</u>	<u>1,534,164</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	58,740,956	58,481,981	61,119,325	2,637,344
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In:				
From Special Revenue Funds	1,166,344	1,166,344	1,209,641	43,297
From School Trust Funds	21,000	21,000	29,043	8,043
Transfers from Other Funds	-	-	339,951	339,951
Transfers Out:				
Wastewater Fund	(4,000)	(4,000)	(4,000)	-
Elderly Services	(483,703)	(483,703)	(526,965)	(43,262)
Tax Transfer to School	(55,994,773)	(55,994,773)	(55,994,773)	-
Miscellaneous Tax Dollar Transfer	-	-	(1,255,000)	(1,255,000)
Tax Transfer to Debt Service	(1,945,232)	(1,945,232)	(1,241,719)	703,513
Tax Transfer to Comm Rec Ctr	(361,000)	(361,000)	(379,235)	(18,235)
To Capital Project Funds	(1,809,700)	(1,809,700)	(1,806,500)	3,200
Total Other Financing Sources (Uses)	<u>(59,411,064)</u>	<u>(59,411,064)</u>	<u>(59,629,557)</u>	<u>(218,493)</u>
<b>EXCESS OF REVENUES, OTHER SOURCES AND USES OF FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ (670,108)</u>	<u>\$ (929,083)</u>	1,489,768	<u>\$ 2,418,851</u>

Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:

Use of Fund Balance is Not a GAAP Revenue	(1,263,608)
Cancellation of Prior Year Encumbrances is Not a GAAP Revenue	(19,246)
Encumbrances are reported in the year the order is placed for budgetary purposes but in the Year received for financial reporting purposes	(59,069)
Recognition of Fair Value of Investments	(140,525)
Lease interest recognized in accordance with GASB 87	100,941
<b>Total Net Change in Fund Balance - GAAP Basis</b>	<u>\$ 108,261</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL**  
**SCHOOL UNRESTRICTED FUND**  
**YEAR ENDED JUNE 30, 2023**  
**(BUDGETARY BASIS)**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES AND DESIGNATED FUND BALANCE</b>				
State Aid	\$ 4,805,447	\$ 5,001,796	\$ 5,002,006	\$ 210
Tuition	257,561	222,118	225,705	3,587
Investment Income	-	-	1,165	1,165
Miscellaneous	478,726	478,726	488,638	9,912
Total Revenues	<u>5,541,734</u>	<u>5,702,640</u>	<u>5,717,514</u>	<u>14,874</u>
Use of Fund Balance	<u>247,927</u>	<u>247,927</u>	<u>-</u>	<u>(247,927)</u>
Total Revenues and Use of Fund Balance	5,789,661	5,950,567	5,717,514	(233,053)
<b>EXPENDITURES</b>				
Salaries	32,538,070	32,302,558	32,286,681	15,877
Employee Benefits	14,093,566	13,859,566	13,450,054	409,512
Purchased Services	13,701,681	14,150,761	13,273,437	877,324
Supplies and Materials	1,481,117	1,826,524	1,859,040	(32,516)
Total Expenditures	<u>61,814,434</u>	<u>62,139,409</u>	<u>60,869,212</u>	<u>1,270,197</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	(56,024,773)	(56,188,842)	(55,151,698)	1,037,144
<b>OTHER FINANCING SOURCES</b>				
Transfers In:				
Town of South Kingstown General Fund	55,994,773	55,994,773	55,994,773	-
Trust Fund Income	30,000	30,000	34,107	4,107
Total Other Financing Sources	<u>56,024,773</u>	<u>56,024,773</u>	<u>56,028,880</u>	<u>4,107</u>
<b>EXCESS OF REVENUES, OTHER SOURCES AND USES OF FUND BALANCE OVER EXPENDITURES AND OTHER FINANCING USES</b>				
	<u>\$ -</u>	<u>\$ (164,069)</u>	877,182	<u>\$ 1,041,251</u>
Budgetary excess of revenues over expenditures is different than GAAP net change in fund balance because of the following reconciling items:				
Reimbursement of Fund Balance from School Department to Town - Prior Year			(621,586)	
Change in Encumbrances			<u>-</u>	
Total Net Change in Fund Balance - GAAP Basis			<u>\$ 255,596</u>	



**NONMAJOR GOVERNMENTAL FUNDS**

## SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditure for particular purposes. The following special revenue funds are reported as nonmajor governmental funds.

### TOWN FUNDS

**Community Development Block Grant** – This fund is used to account for revenues received from the Department of Housing and Urban Development. These funds are restricted for the various objectives of the Community Development Block Grant Program.

**Elderly Services** – This fund is used to account for the operations of the Senior Services Center, and for the transportation, nutrition, and adult day care programs for senior citizens residents.

**EMS Billing Services** – This fund is used to account for revenues received from billing services for the Emergency Medical Services Department.

**Narragansett Library Association** – This fund is used to account for funds restricted for library operation expenditures.

**Neighborhood Guild** – This fund is used to account for operations of the Neighborhood Guild facility. The Guild offers numerous recreational programs for Town residents of all ages.

**Peace Dale Office Building** – This fund is used to account for the operation of the Peace Dale Office Building.

**Property Revaluation Reserve Fund** – This fund is used to account for the periodic revaluation of property for tax assessment as mandated by State law.

**RI Resource Recovery Grant Fund** – This fund is used to account for revenues received from RI Resource Recovery Corporation. These funds are restricted to the Town's recycling program.

**Other Town Funds** – Outlined below are the remaining Special Revenue Funds that are restricted for various programs maintained by the Town.

Affordable Housing	Miscellaneous Donations Fund
Animal Shelter Benefit	Municipal Planning Services Reserve Fund
Asset Forfeiture Fund	Statewide Planning Grant
Community Recreation Center	Substance Abuse
Public Safety Grants	Historical and Vital Recording Fees
Drug Free Community Grant	K-9 Grant Fund
Friends of SK Parks and Recreation	ARPA Fund
300 <sup>th</sup> Anniversary Fund	Bridge Enforcement Fund
Body Worn Camera Grant	

### SCHOOL FUNDS

**Nancy Brown Memorial Fund** – This fund is used to account for the proceeds to construct and maintain a playground at Wakefield Elementary School in memory of Nancy Brown.

**School Restricted Funds** – These funds are financed by grants from various state and federal agencies and are restricted for specific educational programs.

**Student Activities Fund** – To account for all funds held in various school programs.

## CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Funding sources include debt proceeds, intergovernmental sources, third-party contributions and General Fund transfers. The following capital project funds are reported as nonmajor governmental funds.

**Capital Equipment and Replacement Fund** – This fund is used to account for major capital equipment acquisitions in the Town that are funded over a multi-year period.

**Fair Share Development Fund** – This fund is used to account for the fees collected from subdivision developers for future school and recreational capital improvements.

**Library Building Construction** – This fund is used to account for building renovations to the three Town libraries.

**Guild Renovation Fund** – This fund is used to account for improvements to the Neighborhood Guild facility.

**Open Space Reserve Fund** – This fund is used to account for real estate conveyance taxes held for the purchase of open space.

**Public Safety Improvement Fund** – This fund was established to account for the construction and maintenance of the South Kingstown Public Safety Building.

**Public Services Office Building Improvement** – This fund was established to account for improvements to the Public Service Office Building.

**Public Works Improvement Fund** – This fund is used to account for various improvements to the Town's infrastructure system.

**Recreation Improvement Fund** – This fund is used to account for various restoration projects to the Town's recreational facilities.

**Recreation Minor Improvement Fund** – This fund is used to account for improvements to the Town's recreational facilities.

**Senior Services Center Construction** – This fund is used to account for the construction costs of the Senior Services Center.

**South Road School Reserve Fund** – This fund is used to account for construction costs associated with South Road School.

**Recreation Center Fund** – This fund is used to account for the construction costs of the South Kingstown Recreation Center.

**Technology Improvement Fund** – This fund is used to account for major enhancements to the Town's data processing system.

**Town Hall Improvement Fund** – This fund is used to account for construction improvement projects at the Town Hall.

**Wastewater Construction Fund** – This fund is used to account for the construction of new wastewater facilities.

**Grant Match Reserve Fund** – This fund is used to account for the Town's share of capital grants with a matching component.

## PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs. The following permanent funds are reported as nonmajor governmental funds:

**Hazard Memorial Trust** – To account for funds available for the operations of the Peace Dale library.

**Irving Knowles Trust** – To account for funds available for the operations of the Peace Dale library.

**Oliver Watson Home Fund** – To account for the operations of the Watson Home, which was established in 1938 to provide shelter and care for elderly town residents.

**Walter W. Watson Trust** – To account for funds available to assist the poor and needy of South Kingstown.

**Kingston Free Library Trust Fund** – To account for funds available for the operations of the Kingston Free library.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2023**

Special Revenue Funds										
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	300th Anniversary	Historical and Vital Recording Fees	
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ -	\$ -	\$ 740	\$ -	\$ 163,971	\$ 384,186	\$ 1,074,604	\$ -	\$ -	
Investments	-	-	-	-	-	-	834,721	-	-	
Accounts and Other Receivables	-	-	-	-	8,997	735	-	3,047	-	
Lease Receivable	-	-	-	-	-	-	-	-	-	
Due from Federal and State Governments	-	-	14,865	-	-	-	-	-	-	
Due from Other Funds	146,391	514,174	262,278	35,884	165,775	12,735	-	33,540	130,745	
Prepays	-	-	-	-	-	-	-	750	-	
	<u>146,391</u>	<u>514,174</u>	<u>277,883</u>	<u>35,884</u>	<u>338,743</u>	<u>397,656</u>	<u>1,909,325</u>	<u>37,337</u>	<u>130,745</u>	
Total Assets	<u>\$ 146,391</u>	<u>\$ 514,174</u>	<u>\$ 277,883</u>	<u>\$ 35,884</u>	<u>\$ 338,743</u>	<u>\$ 397,656</u>	<u>\$ 1,909,325</u>	<u>\$ 37,337</u>	<u>\$ 130,745</u>	
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts Payable	\$ -	\$ -	\$ 18,090	\$ -	\$ 24,679	\$ 2,174	\$ 3,481	\$ 47,977	\$ -	
Retainage Payable	-	-	-	-	-	-	-	-	-	
Accrued Liabilities	-	14,712	-	-	8,972	15,459	-	-	-	
Due to Federal and State Governments	-	1,155	-	-	-	5,933	-	-	-	
Due to Other Funds	-	-	-	-	-	-	24	-	-	
Unearned Revenue	-	-	-	-	71,921	-	-	-	-	
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-	
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	
Total Liabilities	-	15,867	18,090	-	105,572	23,566	3,505	47,977	-	
<b>DEFERRED INFLOW OF RESOURCES</b>										
Unavailable Revenue - Other Receivables										
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-	
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	-	-	259,793	-	-	-	-	-	-	
Committed	146,391	498,307	-	35,884	233,171	374,090	1,905,820	(10,640)	130,745	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	
Total Fund Balances	<u>146,391</u>	<u>498,307</u>	<u>259,793</u>	<u>35,884</u>	<u>233,171</u>	<u>374,090</u>	<u>1,905,820</u>	<u>(10,640)</u>	<u>130,745</u>	
Total Liabilities and Fund Balances	<u>\$ 146,391</u>	<u>\$ 514,174</u>	<u>\$ 277,883</u>	<u>\$ 35,884</u>	<u>\$ 338,743</u>	<u>\$ 397,656</u>	<u>\$ 1,909,325</u>	<u>\$ 37,337</u>	<u>\$ 130,745</u>	

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

	Special Revenue Funds								
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Substance Abuse	Drug Free Community Grant	Nancy Brown Memorial Fund
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 67,321	\$ 308,277	\$ 188,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,147
Investments	36,207	-	-	-	-	-	-	-	-
Accounts and Other Receivables	130	18	1,086	-	-	-	-	-	-
Lease Receivable	-	-	110,595	-	-	-	-	-	-
Due from Federal and State Governments	-	-	-	-	-	5,192	-	-	-
Due from Other Funds	-	36,848	3,929	223,216	55,896	-	-	-	-
Prepays	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 103,658</b>	<b>\$ 345,143</b>	<b>\$ 303,750</b>	<b>\$ 223,216</b>	<b>\$ 55,896</b>	<b>\$ 5,192</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,147</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ -	\$ 12,877	\$ 3,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	8,153	4,091	-	-	1,899	-	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	2,312	-	-	-	-	3,347	-	-	-
Unearned Revenue	-	48,077	85	-	-	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,312</b>	<b>69,107</b>	<b>7,210</b>	<b>-</b>	<b>-</b>	<b>5,246</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>									
Unavailable Revenue - Other Receivables									
Deferred Inflow Related to Leases	-	-	106,393	-	-	-	-	-	-
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	55,896	-	-	-	3,147
Committed	101,346	276,036	190,147	223,216	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(54)	-	-	-
<b>Total Fund Balances</b>	<b>101,346</b>	<b>276,036</b>	<b>190,147</b>	<b>223,216</b>	<b>55,896</b>	<b>(54)</b>	<b>-</b>	<b>-</b>	<b>3,147</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 103,658</b>	<b>\$ 345,143</b>	<b>\$ 303,750</b>	<b>\$ 223,216</b>	<b>\$ 55,896</b>	<b>\$ 5,192</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,147</b>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

	Special Revenue Funds							Total Special Revenue Funds
	Municipal Planning Services Reserve Fund	School Restricted Fund	Student Activity Funds	Miscellaneous Donations Fund	K-9 Grant Fund	Opioid Settlement	Friends of SK Parks and Recreation	
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ -	\$ -	\$ 221,346	\$ -	\$ -	\$ -	\$ 36,752	\$ 2,448,484
Investments	-	-	-	-	-	-	-	870,928
Accounts and Other Receivables	-	237,421	-	-	-	-	-	251,434
Lease Receivable	-	-	-	-	-	-	-	110,595
Due from Federal and State Governments	-	1,864,515	-	-	-	284,816	-	2,169,388
Due from Other Funds	95,346	73,536	50,378	37,788	9,102	246,030	249	2,133,840
Prepays	-	-	-	-	-	-	-	750
Total Assets	<u>\$ 95,346</u>	<u>\$ 2,175,472</u>	<u>\$ 271,724</u>	<u>\$ 37,788</u>	<u>\$ 9,102</u>	<u>\$ 530,846</u>	<u>\$ 37,001</u>	<u>\$ 7,985,419</u>
<b>LIABILITIES AND FUND BALANCES</b>								
<b>LIABILITIES</b>								
Accounts Payable	\$ -	\$ 283,591	\$ -	\$ 1,952	\$ 120	\$ -	\$ -	\$ 397,975
Retainage Payable	-	-	-	-	-	-	-	-
Accrued Liabilities	-	52,302	-	-	-	-	-	105,588
Due to Federal and State Governments	-	5,811	-	-	-	-	-	12,899
Due to Other Funds	-	1,782,832	1,400	-	-	-	-	1,799,707
Unearned Revenue	-	2,800	-	-	-	-	-	122,883
Deposits Held in Custody of Others	-	-	1,173	-	-	-	-	1,173
Deferred Inflow of Resources	-	-	-	-	-	-	-	-
Total Liabilities	-	2,127,336	2,573	1,952	120	-	-	2,440,225
<b>DEFERRED INFLOW OF RESOURCES</b>								
Unavailable Revenue - Other Receivables	-	-	-	-	-	284,816	-	284,816
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	106,393
<b>FUND BALANCES</b>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	269,151	35,836	8,982	-	-	623,013
Committed	95,346	48,136	-	-	-	246,030	37,001	4,531,026
Assigned	-	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(54)
Total Fund Balances	<u>95,346</u>	<u>48,136</u>	<u>269,151</u>	<u>35,836</u>	<u>8,982</u>	<u>246,030</u>	<u>37,001</u>	<u>5,153,985</u>
Total Liabilities and Fund Balances	<u>\$ 95,346</u>	<u>\$ 2,175,472</u>	<u>\$ 271,724</u>	<u>\$ 37,788</u>	<u>\$ 9,102</u>	<u>\$ 530,846</u>	<u>\$ 37,001</u>	<u>\$ 7,985,419</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

	Capital Project Funds									
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Grant Match Reserve	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement	
<b>ASSETS</b>										
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 52,619	\$ -	\$ -	\$ -	\$ 1	
Investments	-	-	-	-	-	-	-	-	-	
Accounts and Other Receivables	-	-	-	-	-	-	-	-	-	
Lease Receivable	-	-	-	-	-	-	-	-	-	
Due from Federal and State Governments	46,152	-	-	-	-	-	-	-	-	
Due from Other Funds	3,206,542	143,364	845,036	1,000,000	127,501	1,260,584	486,145	46,282	3,783,724	
Prepays	-	-	-	-	-	-	-	-	-	
<b>Total Assets</b>	<b>\$ 3,252,694</b>	<b>\$ 143,364</b>	<b>\$ 845,036</b>	<b>\$ 1,000,000</b>	<b>\$ 180,120</b>	<b>\$ 1,260,584</b>	<b>\$ 486,145</b>	<b>\$ 46,282</b>	<b>\$ 3,783,725</b>	
<b>LIABILITIES AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts Payable	\$ 83,717	\$ 18,848	\$ -	\$ -	\$ -	\$ -	\$ 49,780	\$ -	\$ 63,653	
Retainage Payable	-	-	-	-	-	-	-	-	-	
Accrued Liabilities	-	-	-	-	-	-	-	-	-	
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-	
Due to Other Funds	-	-	-	-	-	-	-	-	-	
Unearned Revenue	-	-	-	-	-	-	-	-	-	
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-	
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-	
<b>Total Liabilities</b>	<b>83,717</b>	<b>18,848</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,780</b>	<b>-</b>	<b>63,653</b>	
<b>DEFERRED INFLOW OF RESOURCES</b>										
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-	
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-	
<b>FUND BALANCES</b>										
Nonspendable	-	-	-	-	-	-	-	-	-	
Restricted	-	-	845,036	1,000,000	-	-	-	-	-	
Committed	3,168,977	124,516	-	-	180,120	1,260,584	436,365	46,282	3,720,072	
Assigned	-	-	-	-	-	-	-	-	-	
Unassigned	-	-	-	-	-	-	-	-	-	
<b>Total Fund Balances</b>	<b>3,168,977</b>	<b>124,516</b>	<b>845,036</b>	<b>1,000,000</b>	<b>180,120</b>	<b>1,260,584</b>	<b>436,365</b>	<b>46,282</b>	<b>3,720,072</b>	
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,252,694</b>	<b>\$ 143,364</b>	<b>\$ 845,036</b>	<b>\$ 1,000,000</b>	<b>\$ 180,120</b>	<b>\$ 1,260,584</b>	<b>\$ 486,145</b>	<b>\$ 46,282</b>	<b>\$ 3,783,725</b>	



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

	Capital Project Funds								
	Recreation Minor Improvement	Guild Renovation	Recreation Improvement	School Capital	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	Village Infrastructure Fund
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-
Accounts and Other Receivables	-	-	-	-	-	-	-	-	-
Lease Receivable	-	-	-	-	-	-	-	-	-
Due from Federal and State Governments	-	-	280,000	-	-	-	-	-	-
Due from Other Funds	1,039,413	915,657	32,990	558,582	72,462	203,790	337,393	240,936	30,000
Prepays	-	-	-	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,039,413</b>	<b>\$ 915,657</b>	<b>\$ 312,990</b>	<b>\$ 558,582</b>	<b>\$ 72,462</b>	<b>\$ 203,790</b>	<b>\$ 337,393</b>	<b>\$ 240,936</b>	<b>\$ 30,000</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ 140,776	\$ 86,450	\$ 42,184	\$ -	\$ -	\$ -	\$ (1,396)	\$ -	\$ -
Retainage Payable	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	-	-	-	-	-	1,353	-	-
Due to Federal and State Governments	-	-	-	-	-	-	-	-	-
Due to Other Funds	-	-	14,919	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-	-	-
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	-
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>140,776</b>	<b>86,450</b>	<b>57,103</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43)</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOW OF RESOURCES</b>									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	-
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	-
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-
Committed	898,637	843,207	255,887	558,582	72,462	203,790	337,436	240,936	30,000
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(14,000)	-	-	-	-	-	-	-
<b>Total Fund Balances</b>	<b>898,637</b>	<b>829,207</b>	<b>255,887</b>	<b>558,582</b>	<b>72,462</b>	<b>203,790</b>	<b>337,436</b>	<b>240,936</b>	<b>30,000</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,039,413</b>	<b>\$ 915,657</b>	<b>\$ 312,990</b>	<b>\$ 558,582</b>	<b>\$ 72,462</b>	<b>\$ 203,790</b>	<b>\$ 337,393</b>	<b>\$ 240,936</b>	<b>\$ 30,000</b>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET (CONTINUED)  
JUNE 30, 2023**

	Capital Project Funds		Permanent Funds					Total Permanent Funds	Total
	Wastewater Construction	Total Capital Project Funds	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust		
<b>ASSETS</b>									
Cash and Cash Equivalents	\$ 1,519,794	\$ 1,572,414	\$ 283,200	\$ 5,135	\$ -	\$ -	\$ 8,965	\$ 297,300	\$ 4,318,198
Investments	4,064,322	4,064,322	264,421	520,048	160,585	198,625	1,087,288	2,230,967	7,166,217
Accounts and Other Receivables	-	-	-	-	-	-	-	-	251,434
Lease Receivable	-	-	-	-	-	-	-	-	110,595
Due from Federal and State Governments	-	326,152	-	-	-	-	-	-	2,495,540
Due from Other Funds	-	14,330,401	1,300	-	-	-	-	1,300	16,465,541
Prepays	-	-	-	-	-	-	-	-	750
<b>Total Assets</b>	<b>\$ 5,584,116</b>	<b>\$ 20,293,289</b>	<b>\$ 548,921</b>	<b>\$ 525,183</b>	<b>\$ 160,585</b>	<b>\$ 198,625</b>	<b>\$ 1,096,253</b>	<b>\$ 2,529,567</b>	<b>\$ 30,808,275</b>
<b>LIABILITIES AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ -	\$ 484,012	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881,987
Retainage Payable	-	-	-	-	-	-	-	-	-
Accrued Liabilities	-	1,353	-	-	-	-	-	-	106,941
Due to Federal and State Governments	-	-	-	-	-	-	-	-	12,899
Due to Other Funds	-	14,919	-	-	10,000	2,589	-	12,589	1,827,215
Unearned Revenue	-	-	-	-	-	-	-	-	122,883
Deposits Held in Custody of Others	-	-	-	-	-	-	-	-	1,173
Deferred Inflow of Resources	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>500,284</b>	<b>-</b>	<b>-</b>	<b>10,000</b>	<b>2,589</b>	<b>-</b>	<b>12,589</b>	<b>2,953,098</b>
<b>DEFERRED INFLOW OF RESOURCES</b>									
Unavailable Revenue - Other Receivables	-	-	-	-	-	-	-	-	284,816
Deferred Inflow Related to Leases	-	-	-	-	-	-	-	-	106,393
<b>FUND BALANCES</b>									
Nonspendable	-	-	20,000	2,000	39,000	40,928	390,092	492,020	492,020
Restricted	-	1,845,036	528,921	523,183	111,585	155,108	706,161	2,024,958	4,493,007
Committed	5,584,116	17,961,969	-	-	-	-	-	-	22,492,995
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	-	(14,000)	-	-	-	-	-	-	(14,054)
<b>Total Fund Balances</b>	<b>5,584,116</b>	<b>19,793,005</b>	<b>548,921</b>	<b>525,183</b>	<b>150,585</b>	<b>196,036</b>	<b>1,096,253</b>	<b>2,516,978</b>	<b>27,463,968</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,584,116</b>	<b>\$ 20,293,289</b>	<b>\$ 548,921</b>	<b>\$ 525,183</b>	<b>\$ 160,585</b>	<b>\$ 198,625</b>	<b>\$ 1,096,253</b>	<b>\$ 2,529,567</b>	<b>\$ 30,808,275</b>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds								
	Affordable Housing	Animal Shelter Benefit Fund	Asset Forfeiture Fund	Community Development Block Grant	Community Recreation Center	Elderly Services	EMS Billing Services	300th Anniversary	Historical and Vital Recording Fees
<b>REVENUES</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ 34,623	\$ -	\$ 9,542	\$ 102,038	\$ -	\$ 178,339	\$ -
Licenses and Fees	-	12,218	-	-	-	-	-	-	27,059
Fines and Charges	-	-	-	-	346,029	66,236	2,000,861	-	-
Investment Income (Loss)	-	-	-	-	4,379	12,389	16,761	-	-
Contributions	-	14,624	-	-	-	-	-	-	-
Other Revenue	-	15,355	3,886	-	-	-	-	-	-
<b>Total Revenues</b>	<b>-</b>	<b>42,197</b>	<b>38,509</b>	<b>-</b>	<b>359,950</b>	<b>180,663</b>	<b>2,017,622</b>	<b>178,339</b>	<b>27,059</b>
<b>EXPENDITURES</b>									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	541,503	-	-	-	-
Other Expenditures	4,723	682	76,684	-	-	512,912	893,362	228,879	36,846
Capital Outlay	-	-	15,097	-	-	18,480	-	-	51,164
<b>Total Expenditures</b>	<b>4,723</b>	<b>682</b>	<b>91,781</b>	<b>-</b>	<b>541,503</b>	<b>531,392</b>	<b>893,362</b>	<b>228,879</b>	<b>88,010</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(4,723)</b>	<b>41,515</b>	<b>(53,272)</b>	<b>-</b>	<b>(181,553)</b>	<b>(350,729)</b>	<b>1,124,260</b>	<b>(50,540)</b>	<b>(60,951)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	15,097	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	18,480	-	-	51,164
Transfers In	37,500	-	-	-	379,235	536,965	-	20,000	-
Transfers Out	-	-	-	-	(135,316)	(164,345)	(925,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>37,500</b>	<b>-</b>	<b>15,097</b>	<b>-</b>	<b>243,919</b>	<b>391,100</b>	<b>(925,000)</b>	<b>20,000</b>	<b>51,164</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>32,777</b>	<b>41,515</b>	<b>(38,175)</b>	<b>-</b>	<b>62,366</b>	<b>40,371</b>	<b>199,260</b>	<b>(30,540)</b>	<b>(9,787)</b>
Fund Balances - Beginning of Year	113,614	456,792	297,968	35,884	170,805	333,719	1,706,560	19,900	140,532
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 146,391</b>	<b>\$ 498,307</b>	<b>\$ 259,793</b>	<b>\$ 35,884</b>	<b>\$ 233,171</b>	<b>\$ 374,090</b>	<b>\$ 1,905,820</b>	<b>\$ (10,640)</b>	<b>\$ 130,745</b>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds								
	Narragansett Library	Neighborhood Guild	Peace Dale Office Building	Property Revaluation Reserve Fund	RI Resource Recovery Grant	Public Safety Grants	Substance Abuse	Drug Free Community Grant	Nancy Brown Memorial Fund
<b>REVENUES</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,217	\$ -	\$ -	\$ (268)
Licenses and Fees	-	-	-	-	-	-	-	-	-
Fines and Charges	-	308,549	104,006	-	-	-	-	-	-
Investment Income (Loss)	(6,488)	6,932	5,111	-	-	-	-	-	-
Contributions	51,255	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>44,767</u>	<u>315,481</u>	<u>109,117</u>	<u>-</u>	<u>-</u>	<u>54,217</u>	<u>-</u>	<u>-</u>	<u>(268)</u>
<b>EXPENDITURES</b>									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	599,472	126,149	-	-	-	-	-	-
Other Expenditures	(2)	-	-	-	-	54,271	-	-	-
Capital Outlay	-	13,860	4,620	-	-	-	-	-	-
Total Expenditures	<u>(2)</u>	<u>613,332</u>	<u>130,769</u>	<u>-</u>	<u>-</u>	<u>54,271</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	44,769	(297,851)	(21,652)	-	-	(54)	-	-	(268)
<b>OTHER FINANCING SOURCES (USES)</b>									
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	13,860	4,620	-	-	-	-	-	-
Transfers In	6,384	456,500	-	30,000	-	-	-	-	-
Transfers Out	(58,082)	(115,473)	(20,836)	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>(51,698)</u>	<u>354,887</u>	<u>(16,216)</u>	<u>30,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	(6,929)	57,036	(37,868)	30,000	-	(54)	-	-	(268)
Fund Balances - Beginning of Year	<u>108,275</u>	<u>219,000</u>	<u>228,015</u>	<u>193,216</u>	<u>55,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,415</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 101,346</u>	<u>\$ 276,036</u>	<u>\$ 190,147</u>	<u>\$ 223,216</u>	<u>\$ 55,896</u>	<u>\$ (54)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,147</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds							Total Special Revenue Funds
	Municipal Planning Services Reserve Fund	School Restricted Fund	Student Activity Funds	Miscellaneous Donations Fund	K-9 Grant Fund	Opioid Settlement	Friends of SK Parks and Recreation	
<b>REVENUES</b>								
Intergovernmental Revenues	\$ -	\$ 3,029,722	\$ 299,272	\$ 260	\$ 355	95,249	\$ -	\$ 3,803,349
Licenses and Fees	-	-	-	-	-	-	-	39,277
Fines and Charges	-	-	-	-	-	-	-	2,825,681
Investment Income (Loss)	-	-	-	-	-	-	786	39,870
Contributions	-	7,229	-	29,666	-	-	14,823	117,597
Other Revenue	-	-	-	-	-	-	-	19,241
<b>Total Revenues</b>	<b>-</b>	<b>3,036,951</b>	<b>299,272</b>	<b>29,926</b>	<b>355</b>	<b>95,249</b>	<b>15,609</b>	<b>6,845,015</b>
<b>EXPENDITURES</b>								
Education	-	3,055,323	321,264	-	-	-	-	3,376,587
Recreation	-	-	-	-	-	-	8,293	1,275,417
Other Expenditures	-	-	-	42,222	2,614	-	-	1,862,985
Capital Outlay	-	-	-	-	-	-	-	103,221
<b>Total Expenditures</b>	<b>-</b>	<b>3,055,323</b>	<b>321,264</b>	<b>42,222</b>	<b>2,614</b>	<b>-</b>	<b>8,293</b>	<b>6,618,210</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>-</b>	<b>(18,372)</b>	<b>(21,992)</b>	<b>(12,296)</b>	<b>(2,259)</b>	<b>95,249</b>	<b>7,316</b>	<b>226,805</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	15,097
Issuance of Leases	-	-	-	-	-	-	-	88,124
Issuance of Subscriptions	-	-	-	-	-	-	-	1,531,584
Transfers In	65,000	-	-	-	-	-	-	(1,419,052)
Transfers Out	-	-	-	-	-	-	-	215,753
<b>Total Other Financing Sources (Uses)</b>	<b>65,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>215,753</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>65,000</b>	<b>(18,372)</b>	<b>(21,992)</b>	<b>(12,296)</b>	<b>(2,259)</b>	<b>95,249</b>	<b>7,316</b>	<b>442,558</b>
Fund Balances - Beginning of Year	30,346	66,508	\$ 291,143	48,132	11,241	150,781	29,685	4,711,427
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 95,346</b>	<b>\$ 48,136</b>	<b>\$ 269,151</b>	<b>\$ 35,836</b>	<b>\$ 8,982</b>	<b>\$ 246,030</b>	<b>\$ 37,001</b>	<b>\$ 5,153,985</b>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Capital Project Funds								
	Capital Equipment and Replacement	Technology Improvement	Fair Share Development	Grant Match Reserve	Library Building Construction	Open Space Reserve	Public Safety Improvement	Public Services Office Building Improvement	Public Works Improvement
<b>REVENUES</b>									
Intergovernmental Revenues	\$ 208,595	\$ 1,200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and Fees	-	-	245,784	-	-	419,974	-	-	-
Fines and Charges	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	1,509	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	-	-	-	-	-	-	-
Total Revenues	<u>208,595</u>	<u>1,200</u>	<u>245,784</u>	<u>-</u>	<u>1,509</u>	<u>419,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>									
Education	-	-	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-
Capital Outlay	1,835,078	196,916	-	-	30,892	-	132,884	-	891,122
Total Expenditures	<u>1,835,078</u>	<u>196,916</u>	<u>-</u>	<u>-</u>	<u>30,892</u>	<u>-</u>	<u>132,884</u>	<u>-</u>	<u>891,122</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,626,483)	(195,716)	245,784	-	(29,383)	419,974	(132,884)	-	(891,122)
<b>OTHER FINANCING SOURCES (USES)</b>									
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-
Transfers In	761,000	75,000	-	1,000,000	60,000	-	75,000	-	700,000
Transfers Out	-	-	(244,336)	-	-	(313,646)	-	-	-
Total Other Financing Sources (Uses)	<u>761,000</u>	<u>75,000</u>	<u>(244,336)</u>	<u>1,000,000</u>	<u>60,000</u>	<u>(313,646)</u>	<u>75,000</u>	<u>-</u>	<u>700,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(865,483)	(120,716)	1,448	1,000,000	30,617	106,328	(57,884)	-	(191,122)
Fund Balances - Beginning of Year	4,034,460	245,232	843,588	-	149,503	1,154,256	494,249	46,282	3,911,194
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 3,168,977</u>	<u>\$ 124,516</u>	<u>\$ 845,036</u>	<u>\$ 1,000,000</u>	<u>\$ 180,120</u>	<u>\$ 1,260,584</u>	<u>\$ 436,365</u>	<u>\$ 46,282</u>	<u>\$ 3,720,072</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Capital Project Funds								
	Recreation Minor Improvement	Guild Renovation	Recreation Improvement	School Capital	Senior Services Center Construction	Recreation Center Fund	South Road School Reserve Fund	Town Hall Improvement	Village Infrastructure Fund
<b>REVENUES</b>									
Intergovernmental Revenues	\$ -	\$ -	\$ 279,120	\$ 239,600	\$ -	\$ -	\$ -	\$ 7,949	\$ -
Licenses and Fees	-	-	-	-	-	-	-	-	-
Fines and Charges	-	-	-	-	-	-	-	-	-
Investment Income (Loss)	-	-	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-	-	-
Other Revenue	-	-	10,492	-	-	-	-	-	-
Total Revenues	<u>-</u>	<u>-</u>	<u>289,612</u>	<u>239,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,949</u>	<u>-</u>
<b>EXPENDITURES</b>									
Education	-	-	-	442,225	-	-	-	-	-
Recreation	-	-	-	-	-	-	-	-	-
Other Expenditures	-	-	-	-	-	-	-	-	-
Capital Outlay	180,675	130,478	479,366	-	35,950	-	21,744	162,606	-
Total Expenditures	<u>180,675</u>	<u>130,478</u>	<u>479,366</u>	<u>442,225</u>	<u>35,950</u>	<u>-</u>	<u>21,744</u>	<u>162,606</u>	<u>-</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(180,675)	(130,478)	(189,754)	(202,625)	(35,950)	-	(21,744)	(154,657)	-
<b>OTHER FINANCING SOURCES (USES)</b>									
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-
Transfers In	185,000	-	174,530	621,586	-	-	10,000	144,500	10,000
Transfers Out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>185,000</u>	<u>-</u>	<u>174,530</u>	<u>621,586</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>144,500</u>	<u>10,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	4,325	(130,478)	(15,224)	418,961	(35,950)	-	(11,744)	(10,157)	10,000
Fund Balances - Beginning of Year	894,312	959,685	271,111	139,621	108,412	203,790	349,180	251,093	20,000
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 898,637</u>	<u>\$ 829,207</u>	<u>\$ 255,887</u>	<u>\$ 558,582</u>	<u>\$ 72,462</u>	<u>\$ 203,790</u>	<u>\$ 337,436</u>	<u>\$ 240,936</u>	<u>\$ 30,000</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

	Capital Project Funds		Permanent Funds						Eliminations	Total
	Wastewater Construction	Total Capital Project Funds	Hazard Memorial Trust	Irving Knowles Trust	Oliver Watson Home	Walter W. Watson Trust	Kingston Free Library Trust	Total Permanent Funds		
<b>REVENUES</b>										
Intergovernmental Revenues	\$ -	\$ 736,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,539,813
Licenses and Fees	-	665,758	-	-	-	-	-	-	-	705,035
Fines and Charges	41,400	41,400	-	-	-	-	-	-	-	2,867,081
Investment Income (Loss)	18,449	19,958	49,562	38,833	(96)	(516)	87,633	175,416	-	235,244
Contributions	-	-	-	-	-	-	-	-	-	117,597
Other Revenue	-	10,492	-	-	-	-	-	-	-	29,733
<b>Total Revenues</b>	<b>59,849</b>	<b>1,474,072</b>	<b>49,562</b>	<b>38,833</b>	<b>(96)</b>	<b>(516)</b>	<b>87,633</b>	<b>175,416</b>	<b>-</b>	<b>8,494,503</b>
<b>EXPENDITURES</b>										
Education	-	442,225	-	-	-	-	-	-	-	3,818,812
Recreation	-	-	-	-	2,382	(1)	-	2,381	-	1,277,798
Other Expenditures	-	-	17,977	-	-	-	5,545	23,522	-	1,886,507
Capital Outlay	-	4,097,711	-	-	-	-	-	-	-	4,200,932
<b>Total Expenditures</b>	<b>-</b>	<b>4,539,936</b>	<b>17,977</b>	<b>-</b>	<b>2,382</b>	<b>(1)</b>	<b>5,545</b>	<b>25,903</b>	<b>-</b>	<b>11,184,049</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>59,849</b>	<b>(3,065,864)</b>	<b>31,585</b>	<b>38,833</b>	<b>(2,478)</b>	<b>(515)</b>	<b>82,088</b>	<b>149,513</b>	<b>-</b>	<b>(2,689,546)</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of General Obligation Bonds	-	-	-	-	-	-	-	-	-	-
Issuance of Leases	-	-	-	-	-	-	-	-	-	15,097
Issuance of Subscriptions	-	-	-	-	-	-	-	-	-	88,124
Transfers In	-	3,816,616	-	-	-	-	-	-	(337,414)	5,010,786
Transfers Out	-	(557,982)	-	(6,384)	(10,000)	-	(31,040)	(47,424)	337,414	(1,687,044)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>3,258,634</b>	<b>-</b>	<b>(6,384)</b>	<b>(10,000)</b>	<b>-</b>	<b>(31,040)</b>	<b>(47,424)</b>	<b>-</b>	<b>3,426,963</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>59,849</b>	<b>192,770</b>	<b>31,585</b>	<b>32,449</b>	<b>(12,478)</b>	<b>(515)</b>	<b>51,048</b>	<b>102,089</b>	<b>-</b>	<b>737,417</b>
Fund Balances - Beginning of Year	5,524,267	19,600,235	517,336	492,734	163,063	196,551	1,045,205	2,414,889	-	26,726,551
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 5,584,116</b>	<b>\$ 19,793,005</b>	<b>\$ 548,921</b>	<b>\$ 525,183</b>	<b>\$ 150,585</b>	<b>\$ 196,036</b>	<b>\$ 1,096,253</b>	<b>\$ 2,516,978</b>	<b>\$ -</b>	<b>\$ 27,463,968</b>



**INTERNAL SERVICE FUNDS**

## INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for and finance certain health care costs of the Town in addition to nonmajor technology investments. The Internal Service Funds are as follows:

**Health Care Management Fund** – To account for health care management costs for the Town.

**Compensated Absences Fund** – To account for compensated absences administration for the Town.

**Nonmajor Technology Reserve Fund** – To account for all funds held for the purposes of nonmajor technology purchases.

**Employee Training Fund** – To account for training across the Town employee populous.

**Employee Claims & Settlements** – To account for large injury on duty and other employee related claims.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Employee Training Fund	Employee Claims and Settlements	Total
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and Cash Equivalents	\$ 668,937	\$ 371,989	\$ -	\$ -	\$ -	\$ 1,040,926
Due from Other Funds	-	350,001	435,933	55,000	50,000	890,934
	668,937	721,990	435,933	55,000	50,000	1,931,860
<b>LIABILITIES AND NET POSITION</b>						
<b>LIABILITIES</b>						
Accounts Payable	-	-	1,725	-	-	1,725
Due to Other Funds	-	-	-	-	-	-
Total Liabilities	-	-	1,725	-	-	1,725
<b>NET POSITION</b>						
Unrestricted	\$ 668,937	\$ 721,990	\$ 434,208	\$ 55,000	\$ 50,000	\$ 1,930,135

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
INTERNAL SERVICE FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
YEAR ENDED JUNE 30, 2023**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Employee Training Fund	Employee Claims and Settlements	Total
<b>OPERATING REVENUES</b>						
Charges for Services	\$ -	\$ -	\$ 199,678	\$ -	\$ -	\$ 199,678
Total Operating Revenues	<u>-</u>	<u>-</u>	<u>199,678</u>	<u>-</u>	<u>-</u>	<u>199,678</u>
<b>OPERATING EXPENSES</b>						
Health Care Management	10,000	-	-	-	-	10,000
Compensated Absences	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Human Service Agency Contribution	-	-	-	-	-	-
Public Libraries	-	-	-	-	-	-
Education	-	-	-	-	-	-
Contribution to OPEB Trust Fund	-	-	-	-	-	-
Other	-	-	83,092	-	-	83,092
Total Operating Expenses	<u>10,000</u>	<u>-</u>	<u>83,092</u>	<u>-</u>	<u>-</u>	<u>93,092</u>
<b>OPERATING INCOME (LOSS)</b>	(10,000)	-	116,586	-	-	106,586
<b>NONOPERATING INCOME</b>						
Income on Investments	11,107	8,767	-	-	-	19,874
Transfers in	-	100,000	-	55,000	50,000	205,000
<b>CHANGE IN NET POSITION</b>	1,107	108,767	116,586	55,000	50,000	331,460
Net Position - Beginning of Year	667,830	613,223	317,622	-	-	1,598,675
<b>NET POSITION - END OF YEAR</b>	<u>\$ 668,937</u>	<u>\$ 721,990</u>	<u>\$ 434,208</u>	<u>\$ 55,000</u>	<u>\$ 50,000</u>	<u>\$ 1,930,135</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 2023**

	Health Care Management Fund	Compensated Absences Fund	Nonmajor Technology Reserve Fund	Employee Training Fund	Employee Claims and Settlements	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Providing Services	\$ (1,400)	\$ (651,708)	\$ 83,092	\$ (55,000)	\$ (50,000)	\$ (675,016)
Payments to Suppliers	-	-	(83,092)	-	-	(83,092)
Payments for Claims	(10,000)	-	-	-	-	(10,000)
Net Cash Provided (Used) by Operating Activities	<u>(11,400)</u>	<u>(651,708)</u>	<u>-</u>	<u>(55,000)</u>	<u>(50,000)</u>	<u>(768,108)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Transfers In from Other Funds	-	100,000	-	55,000	50,000	205,000
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>55,000</u>	<u>50,000</u>	<u>205,000</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on Investments	11,107	8,767	-	-	-	19,874
Net Cash Provided (Used) by Investing Activities	<u>11,107</u>	<u>8,767</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,874</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>						
	(293)	(542,941)	-	-	-	(543,234)
Cash and Cash Equivalents - Beginning of Year	<u>669,230</u>	<u>914,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,584,160</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 668,937</u></u>	<u><u>\$ 371,989</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,040,926</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>						
Operating Income (Loss)	\$ (10,000)	\$ -	\$ 116,586	\$ -	\$ -	\$ 106,586
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Change in Assets and Liabilities:						
(Increase) Decrease in Due from Other Funds	-	(350,001)	(115,916)	(55,000)	(50,000)	(570,917)
Increase (Decrease) in Accounts Payable and Accrued Items			(670)			(670)
Increase (Decrease) in Due to Other Funds	(1,400)	(301,707)				(303,107)
Total Adjustments	<u>(1,400)</u>	<u>(651,708)</u>	<u>(116,586)</u>	<u>(55,000)</u>	<u>(50,000)</u>	<u>(874,694)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (11,400)</u></u>	<u><u>\$ (651,708)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (55,000)</u></u>	<u><u>\$ (50,000)</u></u>	<u><u>\$ (768,108)</u></u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF PROPERTY TAXES RECEIVABLE  
YEAR ENDED JUNE 30, 2023**

Year	Mill Rate	Property Taxes Receivable July 1, 2022	Current Year Assessment	Transfers Addendums (Net)	Abatements and Adjustments	Amount to be Collected	Collections Net of Refunds	Property Taxes Receivable June 30, 2023
2022	10.950		\$ 74,934,701	\$ 146,553	\$ 126,455	\$ 74,954,799	\$ 74,282,987	\$ 671,812
2021	14.450	725,864	-	-	14,696	711,168	498,094	213,074
2020	14.450	198,237	-	-	14,231	184,006	125,933	58,073
2019	14.450	94,489	-	-	14,284	80,205	42,442	37,763
2018	15.680	48,837	-	-	-	48,837	20,312	28,525
2017	15.310	36,040	-	-	-	36,040	6,104	29,936
2016	15.090	40,668	-	-	-	40,668	3,992	36,676
2015	15.520	33,206	-	-	-	33,206	1,850	31,356
2014	15.482	34,687	-	-	-	34,687	455	34,232
2013	15.470	31,938	-	-	-	31,938	314	31,624
2012	14.501	32,633	-	-	32,330	303	303	-
Subtotal		1,276,599	<u>\$ 74,934,701</u>	<u>\$ 146,553</u>	<u>201,996</u>	<u>\$ 76,155,857</u>	<u>\$ 74,982,786</u>	1,173,071
Less: Estimated Allowance for Uncollectable Accounts		<u>331,634</u>						<u>300,548</u>
Net Property Taxes Receivable		<u>\$ 944,965</u>						<u>\$ 872,523</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Year	July - August 2022 Collections Subject to 60-Day FY22 Accrual	September - June 2023 Collections	Total FY 2023 Collections	July - August 2023 Collections Subject to 60-Day FY23 Accrual
2022	\$ -	\$ 74,282,987	\$ 74,282,987	\$ 177,288
2021	240,129	257,965	498,094	36,352
2020	46,093	79,840	125,933	4,023
2019	(6,283)	48,725	42,442	1,156
2018	2,620	17,692	20,312	286
2017	3,088	3,016	6,104	-
2016	1,651	2,341	3,992	225
2015	344	1,506	1,850	75
2014	179	276	455	58
2013	183	131	314	-
2012	209	94	303	-
Total	<u>\$ 288,213</u>	<u>\$ 74,694,573</u>	<u>\$ 74,982,786</u>	<u>\$ 219,463</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
SCHEDULE OF PROPERTY TAXES RECEIVABLE (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Schedule of Net Assessed Property Value by Category Assessed December 31, 2021		
Description of Property	Valuations	Levy
Real Property	\$ 6,825,308,200	\$ 74,737,125
Motor Vehicle	297,179,962	-
Tangible Property	<u>108,814,811</u>	<u>1,191,522</u>
Total	7,231,302,973	75,928,647
Exemptions and Adjustments	<u>211,076,192</u>	<u>993,946</u>
Net Assessed Value	<u>\$ 7,020,226,781</u>	<u>\$ 74,934,701</u>

Reconciliation of Current Year Property Tax Revenue	
Current Year Collections	\$ 74,982,786
Revenue Received 60 Days Subsequent to Fiscal Year Ended June 30, 2023	<u>219,463</u>
Subtotal	75,202,249
Prior Year Revenue Received in Current Year (2022 60-Day Rule)	<u>(288,213)</u>
Current Year Property Tax Revenue	<u>\$ 74,914,036</u>



**THE ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT SCHEDULES  
REQUIRED BY THE STATE OF RHODE ISLAND GENERAL LA  
§ 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 South Kingstown  
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	\$ 74,460,275	\$ -
Last Year's Levy Tax Collection	294,027	-
Prior Years Property Tax Collection	159,436	-
Interest & Penalty	432,069	-
PILOT & Tax Treaty (excluded from levy) Collection	459,701	-
Other Local Property Taxes	-	-
Licenses and Permits	1,269,953	-
Fines and Forfeitures	7,759	-
Investment Income	1,058,519	-
Departmental	1,672,911	-
Rescue Run Revenue	2,000,860	-
Police & Fire Detail	609	-
Other Local Non-Property Tax Revenues	472,203	-
Tuition	-	225,705
Impact Aid	-	-
Medicaid	-	409,741
Federal Stabilization Funds	-	-
Federal Food Service Reimbursement	-	386,335
CDBG	-	-
COPS Grants	-	-
SAFER Grants	-	-
Other Federal Aid Funds	71,177	1,478,300
COVID - ESSER	-	1,125,151
COVID - CRF	-	-
COVID - CDBG	-	-
COVID - FEMA	-	-
COVID - Other	-	-
COVID - ARPA	754,717	80,758
MV Excise Tax Reimbursement	142,445	-
State PILOT Program	217,065	-
Distressed Community Relief Fund	-	-
Library Resource Aid	262,022	-
Library Construction Aid	-	-
Public Service Corporation Tax	379,714	-
Meals & Beverage Tax / Hotel Tax	1,528,966	-
LEA Aid	-	5,002,006
Group Home	-	-
Housing Aid Capital Projects	-	-
Housing Aid Bonded Debt	219,458	-
State Food Service Revenue	-	13,756
Incentive Aid	-	-
Property Revaluation Reimbursement	-	-
Other State Revenue	-	345,613
Motor Vehicle Phase Out	3,788,010	-
Other Revenue	-	1,133,627
Local Appropriation for Education	-	55,994,773
Regional Appropriation for Education	-	-
Supplemental Appropriation for Education	-	-
Regional Supplemental Appropriation for Education	-	-
Other Education Appropriation	-	-
Rounding	-	-
<b>Total Revenue</b>	<u>\$ 89,651,896</u>	<u>\$ 66,195,765</u>
Financing Sources: Transfer from Capital Funds	\$ -	\$ -
Financing Sources: Transfer from Other Funds	914,616	-
Financing Sources: Debt Proceeds	-	-
Financing Sources: Other	335,952	-
Rounding	-	-
<b>Total Other Financing Sources</b>	<u>\$ 1,250,568</u>	<u>\$ -</u>

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

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 1,360,373	\$ 936,068	\$ 271,395	\$ 286,613	\$ 726,215	\$ 778,946	\$ 1,292,610	\$ 1,274,300	\$ 4,542,249
Compensation - Group B	-	-	-	-	-	-	-	-	416,049
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	11,304	50	-	390	1,499	-	18,227	30,686	773,195
Overtime - Group B	-	-	-	-	-	-	-	-	4,891
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	203,533	117,101	58,948	33,648	100,266	105,766	207,204	195,938	823,786
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	101,788
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	10,780	6,269	2,990	1,449	6,495	4,592	11,527	10,430	39,813
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	4,677
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	100,378	70,703	19,667	21,108	54,949	58,924	96,530	96,565	410,993
Life Insurance	1,823	1,201	393	243	896	930	1,479	1,234	6,357
State Defined Contribution- Group A	11,182	9,499	2,878	3,217	7,259	6,357	13,309	10,950	-
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	3,603
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	17,987	2,699	10,199	776	8,565	2,445	78,088	52,187	33,566
Other Benefits- Group B	-	-	-	-	-	-	-	-	1,095
Other Benefits- Group C	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	159,285	117,925	32,978	32,018	87,912	84,880	156,725	124,723	1,225,812
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	51,883
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	302,981	62,467	14,919	33,433	201,139	61,625	415,670	541,739	53,484
Materials/Supplies	8,835	8,049	6,278	2,241	4,567	94,222	115,305	112,642	53,097
Software Licenses	23,650	14,955	790	117,954	9,349	8,883	22,899	8,522	72,631
Capital Outlays	340	2,294	13,699	5,018	2,906	-	10,219	22,079	5,377
Insurance	587,283	-	-	-	-	-	-	-	-
Maintenance	12,987	-	6,439	-	-	18,396	9,763	48,340	18,867
Vehicle Operations	12,871	382	5,683	-	4,772	-	139,860	55,509	396,699
Utilities	39,292	2,078	36,093	10,468	-	49,689	58,424	113,032	100,540
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	39,480	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	41,371	-	-
Trash Removal & Recycling	-	-	-	-	-	-	22,839	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	472,266	-	-	-	-	-	-	-	-
Other Operation Expenditures	54,118	32,088	10,363	6,365	22,287	28,804	39,087	45,967	202,708
Tipping Fees	-	-	-	-	-	-	-	-	-
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>\$ 3,391,268</b>	<b>\$ 1,383,828</b>	<b>\$ 493,712</b>	<b>\$ 554,941</b>	<b>\$ 1,239,076</b>	<b>\$ 1,304,459</b>	<b>\$ 2,790,616</b>	<b>\$ 2,744,843</b>	<b>\$ 9,343,160</b>

Town of South Kingstown  
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	\$ -	\$ 436,286	\$ 1,594,381	\$ -	\$ -	\$ -	\$ 13,499,436	\$ 26,077,275
Compensation - Group B	-	-	-	-	-	-	416,049	3,051,240
Compensation - Group C	-	-	-	-	-	-	-	4,236,328
Compensation -Volunteer	-	-	-	-	-	-	-	-
Overtime- Group A	-	172,626	743,195	-	-	-	1,751,172	-
Overtime - Group B	-	-	-	-	-	-	4,891	-
Overtime - Group C	-	-	-	-	-	-	-	97,377
Police & Fire Detail	-	-	-	-	-	-	-	-
Active Medical Insurance - Group A	-	71,047	323,673	-	-	-	2,240,910	3,490,046
Active Medical Insurance- Group B	-	-	-	-	-	-	101,788	333,772
Active Medical Insurance- Group C	-	-	-	-	-	-	-	1,205,657
Active Dental insurance- Group A	-	3,195	13,790	-	-	-	111,330	204,759
Active Dental Insurance- Group B	-	-	-	-	-	-	4,677	18,417
Active Dental Insurance- Group C	-	-	-	-	-	-	-	66,161
Payroll Taxes	-	45,762	164,515	-	-	-	1,140,094	2,553,397
Life Insurance	-	461	2,285	-	-	-	17,302	268,058
State Defined Contribution- Group A	-	4,743	3,381	-	-	-	72,775	163,343
State Defined Contribution - Group B	-	-	-	-	-	-	3,603	21,604
State Defined Contribution - Group C	-	-	-	-	-	-	-	39,611
Other Benefits- Group A	-	1,357	26,997	-	-	-	234,866	346,247
Other Benefits- Group B	-	-	-	-	-	-	1,095	-
Other Benefits- Group C	-	-	-	-	-	-	-	-
Local Defined Benefit Pension- Group A	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-
Local Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-
State Defined Benefit Pension- Group A	-	53,662	96,451	-	-	-	2,172,371	3,844,470
State Defined Benefit Pension - Group B	-	-	-	-	-	-	51,883	476,965
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	504,273
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-
Purchased Services	-	1,152	916,985	-	-	-	2,605,594	13,580,919
Materials/Supplies	-	1,207	35,003	-	-	-	441,446	703,956
Software Licenses	-	9,850	15,814	-	-	-	305,297	27,316
Capital Outlays	-	-	32,517	-	-	-	94,449	568,091
Insurance	-	-	-	-	-	-	587,283	604,806
Maintenance	-	2,573	9,505	-	-	-	126,870	529,687
Vehicle Operations	-	-	100,538	-	-	-	716,314	5,836
Utilities	-	13,673	35,156	-	-	-	458,445	1,556,383
Contingency	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	39,480	-
Revaluation	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	41,371	-
Trash Removal & Recycling	-	-	-	-	-	-	22,839	-
Claims & Settlements	-	-	-	-	-	-	-	91,263
Community Support	-	-	-	-	-	-	472,266	-
Other Operation Expenditures	-	8,812	63,440	-	-	-	514,039	409,278
Tipping Fees	-	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	55,994,773	-	-	55,994,773	-
Regional Appropriation for Education	-	-	-	-	-	-	-	-
Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	949,036	-	949,036	-
Municipal Debt- Interest	-	-	-	-	365,355	-	365,355	-
School Debt- Principal	-	-	-	-	533,964	-	533,964	-
School Debt- Interest	-	-	-	-	177,854	-	177,854	-
Retiree Medical Insurance- Total	-	-	-	-	-	-	-	525,393
Retiree Dental Insurance- Total	-	-	-	-	-	-	-	34,436
OPEB Contribution- Total	-	-	-	-	-	572,147	572,147	-
Rounding	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ -</b>	<b>\$ 826,406</b>	<b>\$ 4,177,626</b>	<b>\$ 55,994,773</b>	<b>\$ 2,026,209</b>	<b>\$ 572,147</b>	<b>\$ 86,843,064</b>	<b>\$ 65,636,365</b>

Financing Uses: Transfer to Capital Funds	\$ 1,845,500	\$ -
Financing Uses: Transfer to Other Funds	1,799,053	-
Financing Uses: Payment to Bond Escrow Agent	-	-
Financing Uses: Other	210,000	-
<b>Total Other Financing Uses</b>	<u>\$ 3,854,553</u>	<u>\$ -</u>
<b>Net Change in Fund Balance<sup>1</sup></b>	204,847	559,400
<b>Fund Balance<sup>1</sup> - beginning of year</b>	\$22,310,813	\$3,532,165
Funds removed from Reportable Government Services (RGS)	-	-
Funds added to Reportable Government Services (RGS)	-	-
Prior period adjustments	-	-
Misc. Adjustment	64	(2)
<b>Fund Balance<sup>1</sup> - beginning of year adjusted</b>	<u>22,310,877</u>	<u>3,532,163</u>
Rounding		
<b>Fund Balance<sup>1</sup> - end of year</b>	<u>\$ 22,515,724</u>	<u>\$ 4,091,563</u>

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

Town of South Kingstown  
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 Balance<sup>1</sup> - per MTP-2 at June 30, 2022 adjusted</b>						\$ 22,310,813		\$ 22,310,813	
<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>						64	-	64	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 22,310,877</u>	-	<u>\$ 22,310,877</u>	
General Fund	\$ 86,163,955	\$ 1,540,196	\$ 26,217,698	\$ 61,378,192	\$ 108,261	\$ 17,199,987	\$ -	\$ 17,199,987	\$ 17,308,248
Debt Service	219,458	1,577,671	2,027,210	-	(230,081)	2,658,395	-	2,658,395	2,428,314
Elderly (Senior) Services	180,663	555,445	531,392	164,345	40,371	333,719	-	333,719	374,090
EMS Billing	2,017,622	-	893,362	925,000	199,260	1,706,560	-	1,706,560	1,905,820
Neighborhood Guild	315,481	470,360	613,332	115,473	57,036	219,000	-	219,000	276,036
Property Revaluation	-	30,000	-	-	30,000	193,216	-	193,216	223,216
ARPA	754,717	-	754,717	-	-	-	-	-	-
<b>Totals per audited financial statements</b>	<u>\$ 89,651,896</u>	<u>\$ 4,173,672</u>	<u>\$ 31,037,711</u>	<u>\$ 62,583,010</u>	<u>\$ 204,847</u>	<u>\$ 22,310,877</u>	<u>\$ -</u>	<u>\$ 22,310,877</u>	<u>\$ 22,515,724</u>
<b>Reconciliation from financial statements to MTP2</b>									
Reclassify transfer of municipal appropriation to Education Department as expenditure on MTP2	\$ -	\$ -	\$ 55,994,773	\$ (55,994,773)	\$ -	\$ -	\$ -	\$ -	\$ -
Eliminate transfers between Funds reported on MTP2:									
- from General Fund to Debt Service	-	(1,241,719)	-	(1,241,719)	-	-	-	-	-
- from General Fund to Senior Services	-	(536,965)	-	(536,965)	-	-	-	-	-
- from EMS Billing to General Fund	-	(925,000)	-	(925,000)	-	-	-	-	-
- from General Fund to Property Revaluation	-	(30,000)	-	(30,000)	-	-	-	-	-
	-	(189,420)	(189,420)	-	-	-	-	-	-
GASB 96 Software reported as Revenue, capital outlay & expenses on Audit, Revenue on MTP									
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 89,651,896</u>	<u>\$ 1,250,568</u>	<u>\$ 86,843,064</u>	<u>\$ 3,854,553</u>	<u>\$ 204,847</u>	<u>\$ 22,310,877</u>	<u>\$ -</u>	<u>\$ 22,310,877</u>	<u>\$ 22,515,724</u>

Town of South Kingstown  
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 Balance<sup>1</sup> - per MTP-2 at June 30, 2022 adjusted</b> <i>Misc. adjustments made for fiscal 2022</i>						\$ 3,532,165		\$ 3,532,165	
						(2)	-	(2)	
<b>Fund Balance<sup>1</sup> - per MTP-2 at June 30, 2023 adjusted</b>						<u>\$ 3,532,163</u>	-	<u>\$ 3,532,163</u>	
School Unrestricted Fund	\$ 8,628,200	\$ 56,236,780	\$ 63,987,798	\$ 621,586	\$ 255,596	\$ 2,687,123	\$ -	\$ 2,687,123	\$ 2,942,719
School Lunch Program Fund	954,802	-	1,031,581	-	(76,779)	351,849	-	351,849	275,070
School Special Revenue Funds	3,036,950	-	3,055,323	-	(18,372)	66,508	-	66,508	48,136
School Student Activity Funds	299,272	-	321,264	-	(21,992)	291,143	-	291,143	269,151
School Capital Project Fund	239,600	621,586	442,225	-	418,961	139,621	-	139,621	558,582
<b>Totals per audited financial statements</b>	<u>\$ 13,158,825</u>	<u>\$ 56,858,366</u>	<u>\$ 68,838,191</u>	<u>\$ 621,586</u>	<u>\$ 557,414</u>	<u>\$ 3,536,244</u>	<u>\$ -</u>	<u>\$ 3,536,244</u>	<u>\$ 4,093,658</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	\$ 56,028,880	\$ (56,028,880)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State contributions on behalf of teacher pensions are reported as revenue and expenditures on financial statements only	(2,910,686)	-	(2,910,686)	-	-	-	-	-	-
Depreciation expense recognized on financials not on MTP2	-	-	(1,986)	-	1,986	(4,081)	-	(4,081)	(2,095)
Elimination of transfers between School funds	-	(621,586)	-	(621,586)	-	-	-	-	-
Less Commodities reported from GAAP financials-not in MTP2	(81,254)	-	(81,254)	-	-	-	-	-	-
GASB 96 SBITAs reported as expense on financial statements	-	(207,900)	(207,900)	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-	-	-
<b>Totals Per MTP2</b>	<u>\$ 66,195,765</u>	<u>\$ -</u>	<u>\$ 65,636,365</u>	<u>\$ -</u>	<u>\$ 559,400</u>	<u>\$ 3,532,163</u>	<u>\$ -</u>	<u>\$ 3,532,163</u>	<u>\$ 4,091,563</u>
<b><u>Reconciliation from MTP2 to UCOA</u></b>									
Miscellaneous variance between MTP2 and UCOA	<u>\$ 3,043</u>	<u>\$ -</u>	<u>\$ (97)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Totals per UCOA Validated Totals Report</b>	<u>\$ 66,198,808</u>	<u>\$ -</u>	<u>\$ 65,636,268</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**JUNE 30, 2023**

**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 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:

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**NOTES TO ANNUAL SUPPLEMENTAL TRANSPARENCY REPORT (MTP2)**  
**JUNE 30, 2023**

**NOTE 4 EMPLOYEE GROUPS (CONTINUED)**

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

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

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

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

Other postemployment 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/>.



**STATISTICAL SECTION**

## STATISTICAL SECTION INFORMATION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the annual comprehensive financial reports for the relevant year.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
NET POSITION BY COMPONENT  
LAST TEN YEARS**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	Restated 2018	Restated 2017	Restated 2016	2015	2014
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 67,646,540	\$ 65,948,551	\$ 72,554,859	\$ 77,139,083	\$ 75,386,786	\$ 72,453,601	\$ 77,888,860	\$ 70,479,567	\$ 67,772,956	\$ 65,788,311
Restricted	31,994,065	29,137,673	34,413,830	21,882,796	2,749,974	2,688,675	2,509,938	2,788,004	17,686,826	17,649,052
Unrestricted	(12,899,274)	(19,022,456)	(35,111,516)	(35,488,094)	(17,219,511)	(16,739,201)	(25,186,040)	(17,776,078)	(30,877,110)	(54,454,652)
Total Governmental Activities Net Position	86,741,331	76,063,768	71,857,173	63,533,785	60,917,249	58,403,075	55,212,758	55,491,493	54,582,672	28,982,711
<b>Business-Type Activities:</b>										
Net Investment in Capital Assets	24,054,413	24,308,077	22,368,647	22,430,731	20,395,273	21,099,965	21,560,136	20,764,646	20,379,758	20,653,037
Restricted	6,186	6,186	6,186							
Unrestricted	14,613,134	13,536,006	13,463,078	13,188,340	12,793,391	11,148,345	10,316,138	9,590,963	8,602,953	7,806,604
Total Business-Type Activities Net Position	38,673,733	37,850,269	35,837,911	35,619,071	33,188,664	32,248,310	31,876,274	30,355,609	28,982,711	28,459,641
<b>Primary Government:</b>										
Net Investment in Capital Assets	91,700,953	90,256,628	94,923,506	99,569,814	95,782,059	93,553,566	99,448,996	91,244,213	88,152,714	86,441,348
Restricted	32,000,251	29,143,859	34,420,016	2,804,762	2,257,954	2,196,655	2,509,938	2,295,984	17,686,826	17,649,052
Unrestricted	1,713,860	(5,486,450)	(21,648,438)	(3,221,720)	(4,426,120)	(5,590,856)	(14,869,902)	(8,185,115)	(22,274,157)	(46,648,048)
Total Primary Government Net Position	<u>\$ 125,415,064</u>	<u>\$ 113,914,037</u>	<u>\$ 107,695,084</u>	<u>\$ 99,152,856</u>	<u>\$ 93,613,893</u>	<u>\$ 90,159,365</u>	<u>\$ 87,089,032</u>	<u>\$ 85,355,082</u>	<u>\$ 83,565,383</u>	<u>\$ 57,442,352</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>EXPENSES</b>										
Governmental Activities:										
General Government	\$ 6,475,628	\$ 5,312,803	\$ 6,799,564	\$ 6,439,271	\$ 5,566,611	\$ 5,485,016	\$ 6,009,770	\$ 4,959,774	\$ 4,132,116	\$ 4,841,301
Public Safety	13,454,904	11,459,722	12,473,336	12,853,296	11,889,791	12,533,561	11,959,463	13,020,538	10,223,505	10,045,222
Public Works	4,191,535	4,784,769	4,333,110	4,617,718	4,395,606	2,925,740	3,287,040	3,084,179	4,621,350	4,299,775
Human Service Agency Contributions	601,635	655,320	700,428	907,803	1,005,331	840,591	950,422	943,812	928,691	923,218
Public Libraries	1,479,313	1,491,220	1,996,552	1,432,553	1,487,098	1,832,064	1,813,159	1,506,903	1,282,647	1,231,188
Education	63,505,409	63,379,148	65,664,371	66,487,416	66,456,058	65,482,766	66,089,552	65,100,240	61,776,176	61,622,756
Recreation	4,170,383	3,874,122	4,787,715	3,812,750	4,003,871	4,699,805	4,428,491	4,135,318	2,648,392	2,723,576
Interest on Long-Term Debt	365,869	402,086	194,173	416,130	289,363	413,293	245,795	321,314	819,950	860,844
Total Governmental Activities	94,244,676	91,359,190	96,949,249	96,966,937	95,093,729	94,212,836	94,783,692	93,072,078	86,432,827	86,547,880
Business-Type Activities:										
Wastewater	4,115,477	3,907,438	3,849,075	3,741,834	3,726,503	3,394,506	3,355,328	3,105,813	3,223,580	2,829,421
Solid Waste	759,316	781,322	641,520	589,050	613,073	559,798	500,390	498,920	477,057	457,313
Water	965,829	973,915	1,128,155	1,042,448	917,238	970,691	896,198	818,052	927,477	845,888
School Cafeteria	1,032,056	1,126,190	738,116	758,394	1,026,582	1,020,300	985,643	983,204	939,795	973,067
Total Business-Type Activities	6,872,678	6,788,865	6,356,866	6,131,726	6,283,396	5,945,295	5,737,559	5,405,989	5,567,909	5,105,689
Total Primary Government Expense	\$ 101,117,354	\$ 98,148,055	\$ 103,306,115	\$ 103,098,663	\$ 101,377,125	\$ 100,158,131	\$ 100,521,251	\$ 98,478,067	\$ 92,000,736	\$ 91,653,569
<b>PROGRAM REVENUES</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$ 405,065	\$ 1,163,044	\$ 714,333	\$ 612,142	\$ 559,679	\$ 495,600	\$ 626,747	\$ 561,391	\$ 538,276	\$ 3,188,727
Public Safety	2,432,449	1,674,818	1,588,164	1,480,139	1,542,615	1,468,888	1,260,869	1,391,139	1,358,084	348,997
Human Service	1,032,999	1,252,030	1,201,770	1,125,256	960,699	1,065,694	882,677	754,636	908,990	139,704
Public Works	113,258	122,177	90,668	161,627	234,328	174,401	142,466	162,652	123,738	
Public Libraries	8,687	7,529	3,842	10,265	17,740	22,001	23,267	20,855	21,686	24,491
Education	1,152,362	1,469,340	1,097,662	897,537	881,720	631,480	670,514	833,574	883,368	791,124
Interest and Fiscal Charges	611	64	-							
Recreation	2,101,045	1,836,855	1,732,874	1,694,592	1,811,103	1,677,624	1,618,619	1,609,412	1,585,138	1,015,206
Operating Grants and Contributions	12,107,242	9,851,227	13,102,785	11,403,108	11,861,271	13,065,446	13,491,181	14,611,427	12,940,772	13,186,891
Capital Grants and Contributions	498,578	1,555,155	934,766	1,129,967	829,442	1,799,851	2,276,533	3,217,518	524,381	92,439
Total Governmental Activities	19,852,296	18,932,239	20,466,864	18,514,633	18,698,597	20,400,985	20,992,873	23,162,604	18,884,433	18,787,579
Business-Type Activities:										
Charges for Services:										
Wastewater	4,561,064	5,901,434	3,965,456	5,552,428	3,949,473	3,608,923	4,052,754	3,285,671	3,494,268	3,049,347
Solid Waste	774,089	731,957	672,999	661,902	638,302	561,226	501,178	506,858	528,250	492,264
Water	1,293,169	1,177,578	1,194,604	1,168,413	1,171,727	1,137,826	1,139,920	1,158,964	1,141,522	1,010,389
School Cafeteria	472,005	36,124	1,295	437,990	615,381	619,381	579,252	560,875	579,529	601,848
Operating Grants and Contributions	482,797	1,361,316	724,213	308,295	391,410	413,975	402,182	427,718	432,055	368,165
Capital Grants and Contributions	-	-	7,472			18,069				
Total Business-Type Activities	7,583,124	9,208,409	6,566,039	8,129,028	6,766,293	6,359,400	6,675,286	5,940,086	6,175,624	5,522,013
Total Primary Government	\$ 27,435,420	\$ 28,140,648	\$ 27,032,903	\$ 26,643,661	\$ 25,464,890	\$ 26,760,385	\$ 27,668,159	\$ 29,102,690	\$ 25,060,057	\$ 24,309,592

**TABLE 2  
(CONTINUED)**

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
CHANGES IN NET POSITION – GOVERNMENTAL ACTIVITIES (CONTINUED)  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>NET REVENUE (EXPENSE)</b>										
Governmental Activities	\$ (74,392,380)	\$ (72,426,951)	\$ (76,482,385)	\$ (78,452,304)	\$ (76,395,132)	\$ (73,811,851)	\$ (73,790,819)	\$ (69,909,474)	\$ (67,548,394)	\$ (67,760,301)
Business-Type Activities	710,446	2,419,544	209,173	1,997,302	482,897	414,105	937,727	534,097	607,715	416,324
Total Primary Government Net Expense	<u>\$ (73,681,934)</u>	<u>\$ (70,007,407)</u>	<u>\$ (76,273,212)</u>	<u>\$ (76,455,002)</u>	<u>\$ (75,912,235)</u>	<u>\$ (73,397,746)</u>	<u>\$ (72,853,092)</u>	<u>\$ (69,375,377)</u>	<u>\$ (66,940,679)</u>	<u>\$ (67,343,977)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental Activities:										
Property Taxes	\$ 75,806,589	\$ 77,574,212	\$ 77,281,357	\$ 76,896,488	\$ 74,364,196	\$ 72,166,222	\$ 70,994,758	\$ 69,126,888	\$ 66,953,388	\$ 66,953,388
Motor Vehicle Phase-Out Taxes	3,930,455	1,369,885	321,889	772,534	353,601	483,828	142,445	139,730	170,945	170,945
Telephone and Hotel Taxes	370,703	289,067	121,584	229,153	195,877	199,400	164,020	159,174	509,604	509,604
Grants and Aid not Restricted for a Specific Program	1,537,977	1,341,359	1,200,125	1,317,593	1,338,723	1,663,617	1,353,836	1,340,500	1,837,885	1,837,885
Unrestricted Investment Earnings	3,425,238	(3,936,977)	5,518,993	2,357,925	2,375,895	1,971,233	1,940,657	193,395	2,568,515	2,568,515
Transfers	(1,019)	(4,000)	(4,200)	(12,833)	(18,986)	25,848	(591,612)	(803,982)	163,057	163,057
Total Governmental Activities	<u>85,069,943</u>	<u>76,633,546</u>	<u>84,439,748</u>	<u>81,560,860</u>	<u>78,609,306</u>	<u>76,510,148</u>	<u>74,004,104</u>	<u>70,155,705</u>	<u>72,203,394</u>	<u>72,203,394</u>
Business-Type Activities:										
Unrestricted Investment Earnings	111,999	(411,186)	5,467	420,272	438,471	(16,221)	(8,674)	34,819	16,915	16,915
Transfers	1,019	4,000	4,200	12,833	18,986	(25,848)	591,612	803,982	(163,057)	(163,057)
Total Business-Type Activities	<u>113,018</u>	<u>(407,186)</u>	<u>9,667</u>	<u>433,105</u>	<u>457,457</u>	<u>(42,069)</u>	<u>582,938</u>	<u>838,801</u>	<u>(146,142)</u>	<u>(146,142)</u>
Total Primary Government	<u>\$ 85,182,961</u>	<u>\$ 76,226,360</u>	<u>\$ 84,449,415</u>	<u>\$ 81,993,965</u>	<u>\$ 79,066,763</u>	<u>\$ 76,468,079</u>	<u>\$ 74,587,042</u>	<u>\$ 70,994,506</u>	<u>\$ 72,057,252</u>	<u>\$ 72,057,252</u>
<b>CHANGE IN NET POSITION</b>										
Governmental Activities	\$ 10,677,563	\$ 4,206,595	\$ 7,957,363	\$ 3,108,556	\$ 2,514,174	\$ 2,698,297	\$ 213,285	\$ 246,231	\$ 4,655,000	\$ 4,443,093
Business-Type Activities	823,464	2,012,358	218,840	2,430,407	940,354	372,036	1,520,665	1,372,898	461,573	270,182
Total Primary Government	<u>\$ 11,501,027</u>	<u>\$ 6,218,953</u>	<u>\$ 8,176,203</u>	<u>\$ 5,538,963</u>	<u>\$ 3,454,528</u>	<u>\$ 3,070,333</u>	<u>\$ 1,733,950</u>	<u>\$ 1,619,129</u>	<u>\$ 5,116,573</u>	<u>\$ 4,713,275</u>

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
FUND BALANCES – GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund:										
Restricted	\$ 200	\$ 1,016	\$ 8,969	\$ 1,200	\$ 27,529	\$ 9,598	\$ 36,956	\$ 15,726	\$ 38,193	\$ 63,678
Unrestricted	20,250,767	19,886,030	20,808,138	21,267,506	17,025,520	16,346,328	16,077,082	15,570,027	14,984,306	15,914,055
Total General Fund	<u>\$ 20,250,967</u>	<u>\$ 19,887,046</u>	<u>\$ 20,817,107</u>	<u>\$ 21,268,706</u>	<u>\$ 17,053,049</u>	<u>\$ 16,355,926</u>	<u>\$ 16,114,038</u>	<u>\$ 15,585,753</u>	<u>\$ 15,022,499</u>	<u>\$ 15,977,733</u>
All Other Governmental Funds:										
Restricted	\$ 26,881,087	\$ 24,302,091	\$ 27,975,769	\$ 24,567,695	\$ 23,968,163	\$ 23,333,520	\$ 22,102,238	\$ 22,090,114	\$ 22,901,688	\$ 27,111,926
Unrestricted, Reported in:										
Special Revenue Funds	6,959,286	6,662,029	5,458,247	3,056,898	2,821,443	2,565,363	2,206,848	2,498,058	2,345,147	2,399,180
Capital Project Funds	18,161,176	19,167,821	12,627,098	11,077,659	8,968,301	11,640,433	5,128,522	9,518,148	9,525,428	3,931,006
Total All Other Governmental Funds	<u>\$ 52,001,549</u>	<u>\$ 50,131,941</u>	<u>\$ 46,061,114</u>	<u>\$ 38,702,252</u>	<u>\$ 35,757,907</u>	<u>\$ 37,539,316</u>	<u>\$ 29,437,608</u>	<u>\$ 34,106,320</u>	<u>\$ 34,772,263</u>	<u>\$ 33,442,112</u>

Notes:

\* Town and School fund balances were combined for reporting purposes beginning 6/30/12 in accordance with the audit firm's interpretation of GASB 54.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>REVENUES</b>										
Property Taxes and Interest	\$ 75,810,273	\$ 77,584,903	\$ 77,235,788	\$ 76,736,260	\$ 74,523,011	\$ 72,138,721	\$ 71,023,350	\$ 69,170,273	\$ 68,282,410	\$ 67,434,952
Intergovernmental Revenues	16,915,148	13,414,312	11,635,447	10,434,074	11,559,695	13,084,043	14,124,443	14,224,265	13,519,811	13,313,778
Licenses, Fees, and Rents	2,609,735	3,426,499	3,000,880	2,479,459	2,079,483	2,220,604	2,027,110	1,800,653	2,091,978	1,936,129
Interest on Investments	3,405,364	(3,939,326)	5,517,805	2,348,787	2,356,901	1,959,452	1,940,088	192,667	661,351	2,562,349
Fines and Charges	2,949,285	2,066,277	1,696,032	1,887,213	2,081,198	1,934,102	1,454,328	1,668,007	1,685,331	1,720,729
Department Revenue	1,202,957	1,122,400	1,178,065	1,099,591	1,258,470	1,085,472	1,382,810	1,319,990	1,153,858	1,131,332
Other Revenue	620,070	884,096	1,144,664	856,695	734,822	921,296	834,428	853,428	777,521	765,504
State On-Behalf Pension	2,910,686	2,993,805	2,948,281	2,793,656	2,991,987	2,666,045	2,683,099	2,449,310	2,369,227	2,185,581
<b>Total Revenues</b>	<b>106,423,518</b>	<b>97,552,966</b>	<b>104,356,962</b>	<b>98,635,735</b>	<b>97,585,567</b>	<b>96,009,735</b>	<b>95,469,656</b>	<b>91,678,593</b>	<b>90,541,487</b>	<b>91,050,354</b>
<b>EXPENDITURES</b>										
Current:										
General Government	7,371,960	6,112,796	6,177,625	5,102,639	5,274,466	3,839,267	3,751,923	3,776,694	3,571,502	3,632,029
Public Safety	14,683,544	13,167,291	12,679,075	12,338,588	11,510,894	11,265,691	10,897,960	10,559,201	9,639,003	9,281,517
Public Services	2,766,131	3,385,175	2,858,094	3,034,100	3,051,979	2,935,749	3,627,204	2,984,847	2,735,979	2,491,439
Public Health Contributions	601,635	655,320	700,428	994,947	1,020,829	964,008	950,422	940,061	125,400	147,400
Recreation	3,308,724	3,209,375	3,021,092	3,180,928	3,187,746	2,957,302	2,924,312	2,658,792	2,572,574	2,358,758
Public Libraries	1,331,441	1,290,490	1,293,978	1,364,380	1,317,350	1,259,498	1,210,348	1,180,796	1,173,634	1,134,945
Educational	67,504,854	68,401,934	66,761,338	62,641,377	65,632,870	63,976,130	63,158,612	62,196,819	61,834,589	60,988,629
Capital Improvements	4,763,879	4,195,634	2,392,441	4,822,247	5,481,376	2,806,741	10,161,698	3,508,744	3,011,018	2,906,979
Miscellaneous	-	-	-	-	-	1,191,713	1,040,289	967,255	928,093	2,361,875
Debt Service: (2)										
Principal	1,576,856	1,437,304	1,370,000	1,694,000	1,842,000	1,682,000	1,710,000	2,044,000	2,371,000	2,680,000
Interest	543,209	345,395	382,452	424,824	331,357	378,262	257,434	334,933	618,393	592,913
<b>Total Expenditures</b>	<b>104,452,233</b>	<b>102,200,714</b>	<b>97,636,523</b>	<b>95,598,030</b>	<b>98,650,867</b>	<b>93,256,361</b>	<b>99,690,202</b>	<b>91,152,142</b>	<b>88,581,185</b>	<b>88,576,484</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,971,285</b>	<b>(4,647,748)</b>	<b>6,720,439</b>	<b>3,037,705</b>	<b>(1,065,300)</b>	<b>2,753,374</b>	<b>(4,220,546)</b>	<b>526,451</b>	<b>1,960,302</b>	<b>2,473,870</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from Borrowing	-	7,500,751	-	4,135,130	-	5,639,374	-	-	-	-
Issuance of Leases	15,097	291,763	-	-	-	-	-	-	-	-
Issuance of Subscriptions	453,104	-	-	-	-	-	-	-	-	-
Issuance of Refunding Bonds	-	-	-	-	-	-	-	-	6,935,000	-
Payment to Refunding Debt Escrow	-	-	-	-	-	-	-	-	(7,218,900)	-
Transfers In	8,005,680	7,116,352	7,444,429	5,486,875	5,697,095	5,523,866	5,700,651	5,860,074	5,996,250	4,571,217
Transfers Out	(8,211,699)	(7,120,352)	(7,623,629)	(5,499,708)	(5,716,081)	(5,573,018)	(5,710,706)	(6,489,214)	(5,892,553)	(4,508,160)
<b>Total Other Financing Sources (Uses)</b>	<b>262,182</b>	<b>7,788,514</b>	<b>(179,200)</b>	<b>4,122,297</b>	<b>(18,986)</b>	<b>5,590,222</b>	<b>(10,055)</b>	<b>(629,140)</b>	<b>(180,203)</b>	<b>63,057</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 2,233,467</b>	<b>\$ 3,140,766</b>	<b>\$ 6,541,239</b>	<b>\$ 7,160,002</b>	<b>\$ (1,084,286)</b>	<b>\$ 8,343,596</b>	<b>\$ (4,230,601)</b>	<b>\$ (102,689)</b>	<b>\$ 1,780,099</b>	<b>\$ 2,536,927</b>
Debt Service as a Percentage of Noncapital Expenditures (1)	2.14%	1.82%	1.84%	2.34%	2.28%	1.97%	2.61%	3.37%	3.70%	4.13%

Notes:

- (1) The percentage calculation uses the capital outlay figure from Note 1. This differs from the Capital Improvements figure due to capitalizable items included within other functional categories of current expenditures.
- (2) Debt Service is broken out into principal and interest and other costs beginning with fiscal year 2003. Bond issuance costs and bank fees are further broken out from interest beginning fiscal year 2011.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Assessed Value						Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial/Utility Property	Tangible Personal Property	Motor Vehicles	Less Tax Exempt Property		
2023	\$ 6,204,248,400	\$ 579,869,800	\$ 41,190,000	\$ 108,814,811	\$ -	\$ 90,753,521	\$ 6,843,369,490	\$ 10.95
2022	4,527,996,100	512,059,900	42,881,500	107,007,815	136,900,889	64,135,163	5,262,711,041	14.56
2021	4,494,020,600	510,107,200	42,881,500	114,464,194	145,574,064	61,133,730	5,245,913,828	14.56
2020	4,453,849,000	502,741,200	42,881,500	114,091,164	168,826,026	63,902,393	5,218,486,497	14.59
2019	3,941,833,700	407,514,885	74,711,715	113,421,110	175,178,185	59,619,313	4,653,040,282	15.79
2018	3,902,377,700	406,099,681	73,106,419	112,676,078	184,249,032	60,393,721	4,618,115,189	15.45
2017	3,874,286,600	417,248,697	74,538,903	113,800,099	198,929,263	61,210,855	4,617,592,707	15.25
2016	3,663,352,700	388,285,575	75,493,525	113,540,016	194,264,022	60,187,116	4,374,748,722	15.66
2015	3,528,766,791	493,273,045	73,836,764	106,473,897	187,325,550	61,825,012	4,327,851,035	15.48
2014	4,327,013,284	420,199,912	40,682,402	117,242,736	185,876,659	793,673,400	4,297,341,593	15.47

Source: Town of South Kingstown, Rhode Island Assessor

Notes:  
Prior to the adoption of Senate Bill - 3050 Sub A at the close of the 2006 legislative session, Rhode Island had a 5.5% cap on property tax growth in all cities and towns. The State's enactment of the 2006 amendments to the local property tax cap provisions revised the tax cap to apply only to the prior year levy beginning in FY 2007-2008 and to further reduce the cap to 4% by FY 2012-2013 in 0.25% increments. The tax cap was 4% for fiscal year 2020.

The Town had a full revaluation of real property as of December 31, 2021, effective for the 2022-23 fiscal year. The full revaluation is required by state law every 9 years. Statistical updates are required every 3 years. A statistical update of real property was completed as of December 31, 2018 for the 2019-2020 fiscal year. Property is assessed at actual value, therefore, the assessed values are equal to actual value. Tax rates are per \$1,000 of assessed value.

Inventory taxes were phased out under RI General Law 44-3-29.1. Under the law, 2008 was the final year of inventory taxation.

Total Direct Rate represents the weighted average of all individual direct rates applied by the Town. Prior to 2000, all property was taxed at the same rate. At that time, the motor vehicle tax rate was frozen at \$18.71. For fiscal year 2021, the property tax rate, exclusive of motor vehicles, was \$14.45.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
ASSESSED VALUES AND ACTUAL VALUES OF TAXABLE PROPERTY (CONTINUED)  
CALCULATION OF TOTAL DIRECT TAX RATE FOR  
FISCAL YEAR ENDED JUNE 30, 2023**

Note: Excludes Exempt Property

Category	Assessed Value	Assessed Value	Direct Rate Per \$1000	Total Tax Levy
Real Estate	\$ 6,825,308,200			
Less: Exemptions	90,753,521			
Net Real Estate		\$ 6,734,554,679	\$ 10.9500	\$ 73,743,374
Tangible/Personal Inventory		108,814,811	10.9500	1,191,522
Motor Vehicle		-		-
Less: Exemptions				
Net Motor Vehicle		-		-
		\$ 6,843,369,490		\$ 74,934,896
				\$ 74,934,701.00
				\$ 195
	Total Assessed Value:	\$ 6,843,369,490		
	Divided by Total Levy:	74,934,896		
	(Times 1000)	\$ 10.95	Weighted Avg/Total Direct Rate	

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO**

	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Narragansett Electric	\$ 32,589,453	1	0.48 %	\$ 21,695,900	3	0.50 %
SCC Investments II, LLC	31,147,400	2	0.46	11,107,600	8	0.26
Brightview Commons, LLC (formerly SHP III)	26,893,862	3	0.39	-	-	-
Harbor Village Apts (formerly Grandville)	26,638,007	4	0.39	-	-	-
BKD South Bay LLC (Brookdale Senior Living)	17,353,598	5	0.25	-	-	-
Schneider Electric (formerly APC)	16,356,287	6	0.24	28,538,974	2	0.66
Jerry Brown Farm Association	14,638,200	7	0.21	12,313,800	7	0.29
Tower Hill Landings, LLC	13,906,443	8	0.20	-	-	-
Wakefield Mall, LLC	13,224,700	9	0.19	12,524,800	6	0.29
Belmont Shoppers Park Inc.	10,772,700	10	0.16	-	-	-
Grandville At The Commons LP				33,467,700	1	0.78
SHP III South Kingstown LLC				16,329,100	4	0.38
HCP HB2 South Bay Manor LLC				13,696,500	5	0.32
United Water of RI				7,880,000	9	0.18
Indian Run Village				6,952,600	10	0.16
<b>Total</b>	<b>\$ 203,520,650</b>		<b>2.97 %</b>	<b>\$ 164,506,974</b>		<b>3.83 %</b>

Source: Town of South Kingstown Assessor

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Actual Tax Rate	Gross Levy	Addendums and Adjustments	Abatements and Adjustments	Net Levy	Uncollected (2)			
						End of Year Levy (1)	Percent of Net Levy	As of 8/30/21	Percent of Net Levy
2022-23	10.95	\$ 78,243,068	\$ 146,553	\$ 201,995	\$ 78,187,626	\$ 672,044	0.86%	\$ 494,756	0.63%
2021-22	14.45	76,628,505	188,182	108,695	76,707,992	725,864	0.95%	485,735	0.63%
2020-21	14.45	76,422,435	105,518	21,523	76,506,430	788,334	1.03%	513,316	0.67%
2019-20	14.45	76,125,309	149,486	33,221	76,241,574	908,690	1.19%	590,391	0.77%
2018-19	15.68	73,489,680	159,788	64,966	73,584,502	765,373	1.04%	417,857	0.57%
2017-18	15.31	71,328,981	134,783	28,622	67,698,861	109,041	0.16%	93,753	0.14%
2016-17	15.09	70,398,298	78,533	55,227	65,885,154	70,486	0.11%	66,310	0.10%
2015-16	15.52	68,504,982	93,912	43,927	65,199,289	48,649	0.07%	47,689	0.07%
2014-15	15.48	67,607,641	114,775	23,555	64,231,377	41,358	0.06%	41,087	0.06%
2013-14	15.47	67,082,117	175,914	348,216	66,909,815	36,625	0.05%	36,382	0.05%

Source: Town of South Kingstown Tax Collector

Notes:

(1) Reflects current year tax collection through 60 days after the close of the fiscal year.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

General Bonded Debt							
Fiscal Year June 30,	General Obligation Bonds	Bonds Premiums	Taxable Assessed Value	Percent of Taxable Assessed Value	(2010 is actual) U.S. Census Estimated Population	Per Capita	
2023	\$ 15,643,000	\$ 774,559	\$ 6,843,369,490	0.23%	32,056	\$	488
2022	17,126,000	886,981	5,262,711,041	0.33%	31,851		538
2021	11,464,000	369,362	5,245,913,828	0.22%	30,454		376
2020	12,834,000	427,981	5,218,486,497	0.25%	30,348		423
2019	10,653,000	478,687	4,653,040,282	0.23%	30,650		348
2018	12,495,000	529,392	4,618,115,189	0.27%	30,788		406
2017	8,757,000	360,675	4,617,592,707	0.19%	30,791		284
2016	10,467,000	400,412	4,374,748,722	0.24%	30,826		340
2015	12,511,000	440,149	4,327,851,035	0.29%	30,750		407
2014	14,967,000	96,209	4,297,341,593	0.35%	30,615		489
Business-Type Activities							
Fiscal Year June 30,	Wastewater Bonds	Solid Waste Bonds	Water Bonds	Total Primary Government	Total Personal Income	Percent of Personal Income *	Per Capita
2023	\$ 30,000	\$168,000	\$ -	\$ 16,615,559	1,348,916,480	1.23%	\$ 518
2022	59,000	349,321	-	18,421,302	1,284,933,042	1.43%	578
2021	87,000	526,152	-	12,446,514	Not Available	Not Available	409
2020	115,000	698,587	-	14,075,568	Not Available	Not Available	464
2019	142,000	866,719	-	12,140,406	1,193,112,550	1.02%	396
2018	169,000	1,030,638	-	14,224,030	1,110,492,372	1.28%	462
2017	195,000	1,190,432	-	10,503,107	1,101,763,562	0.95%	341
2016	221,000	1,346,185	-	12,434,597	1,044,569,836	1.19%	403
2015	246,000	1,498,979	-	14,696,128	1,002,204,000	1.47%	478
2014	271,000	1,647,896	-	16,982,105	1,030,776,435	1.65%	555

Notes:

Details regarding the Town's outstanding debt can be found in the Notes to Financial Statements.

\* See Schedule 11 for personal income and population data used to calculate these ratios.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**  
**(RATE PER \$1,000 OF ASSESSED VALUE)**

Fiscal Year Ended June 30	Total Direct Tax Rate		Overlapping Rates		
	Real Estate / Personal Property	Motor Vehicle	Union Fire District	Indian Lake Fire District	Kingston Fire District
2023	\$ 10.95	\$ -	\$ 0.59	\$ 0.83	\$ 0.74
2022	14.45	18.71	0.77	1.26	0.95
2021	14.45	18.71	0.76	1.33	0.94
2020	14.45	18.71	0.77	1.22	0.94
2019	15.68	18.71	0.87	1.30	1.02
2018	15.31	18.71	0.86	1.22	1.00
2017	15.09	18.71	0.85	1.22	0.97
2016	15.52	18.71	0.88	1.38	0.98
2015	15.48	18.71	0.82	1.38	0.96
2014	15.47	18.71	0.79	1.13	0.92

## Notes:

Beginning in the 2012-2013 fiscal year, the Town's basic tax rate increase cannot exceed 4% of the prior year's rate unless the state of Rhode Island approves such increase.

Overlapping rates are those of local fire districts that apply to property owners within the Town of South Kingstown. Not all overlapping rates apply to all Town of South Kingstown property owners. For example, although the Town's direct property tax rates apply to all Town property owners, a fire district tax applies only to those Town properties located within that district.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Assessed Value	\$ 6,843,369,490	\$ 5,262,711,041	\$ 5,245,913,828	\$ 5,218,486,497	\$ 4,653,040,282	\$ 4,618,115,189	\$ 4,617,592,707	\$ 4,374,748,722	\$ 4,327,851,035	\$ 4,297,341,593
Rhode Island General Law Debt Limitation as % of Assessed Value	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Debt Limit	205,301,085	157,881,331	157,377,415	156,554,595	139,591,208	138,543,456	138,527,781	131,242,462	129,835,531	128,920,248
Total Net Debt Applicable to the Limit	1,769,176	2,149,157	2,669,751	3,189,898	3,873,337	4,315,645	3,875,854	4,362,607	4,745,677	5,443,192
Legal Debt Margin	<u>\$ 203,531,909</u>	<u>\$ 155,732,174</u>	<u>\$ 154,707,664</u>	<u>\$ 153,364,697</u>	<u>\$ 135,717,871</u>	<u>\$ 134,227,811</u>	<u>\$ 134,651,927</u>	<u>\$ 126,879,855</u>	<u>\$ 125,089,854</u>	<u>\$ 123,477,056</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	<u>0.86%</u>	<u>1.36%</u>	<u>1.70%</u>	<u>2.04%</u>	<u>2.77%</u>	<u>3.12%</u>	<u>2.80%</u>	<u>3.32%</u>	<u>3.66%</u>	<u>4.22%</u>

**Notes:**

The State Legislature may by special act permit the Town to incur indebtedness outside the limitations imposed by the 3% debt limit.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year June 30,</u>	<u>(3) Population</u>	<u>Per Capita Personal Income (1)</u>	<u>ESTIMATED Total Personal Income (1) (thousands)</u>	<u>School Enrollment</u>	<u>Unemployment Rate (2)</u>
2023	32,056	\$ 42,080	\$ 1,348,916	2,297	2.9%
2022	31,851	40,342	1,284,933	2,398	2.2%
2021	30,454	Not Available	Not Available	2,708	6.9%
2020	30,348	Not Available	Not Available	2,853	3.1%
2019	30,650	\$38,927	1,193,113	2,931	3.6%
2018	30,788	36,069	1,110,492	3,043	3.9%
2017	30,791	35,782	1,101,764	3,111	4.9%
2016	30,826	33,886	1,044,570	3,249	5.4%
2015	30,750	32,592	1,002,204	3,275	6.9%
2014	30,615	33,669	1,030,776	3,397	8.7%

(1) Per Bureau of Economic Analysis - Washington County. The income data released in April 2012 represents 2010 data. Personal income is only available at the county level. The Town's population is 24% of the County. Most recent Per Capita Personal Income per the US Census Bureau, 2015-2019 ACS 5-Year Estimate for FY 2019. Provided by RI Department of Labor and Training. FY22 Per Capita Income in past 12 months (in 2021 dollars), 2016-2020, per Census.gov Quickfacts.

(2) Rhode Island Department of Labor and Training; as of June 2023

(3) The non-census year statistics are estimates provided RI Department of Labor and Training by the RI Division of Planning. The 2010 fiscal year census statistic is actual U.S. census figure. The 2023 fiscal year census statistic is the Population Estimate as of July 1, 2022, U.S. Census Bureau QuickFacts.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

2023 (1)				2014 (1)			
Employment Sector	Employees	Rank	Percentage of Total Town Employment	Employment Sector	Employees	Rank	Percentage of Total Town Employment
Government	3,526	1	27.6%	Government	3,798	1	28.3%
Health Care & Social Assistance	2,887	2	22.6%	Health Care & Social Assistance	2,839	2	21.1%
Accommodation & Food Services	1,662	3	13.0%	Accommodation & Food Services	1,453	3	10.8%
Retail Trade	1,254	4	9.8%	Retail Trade	1,273	4	9.5%
Construction	604	5	4.7%	Other Services (except Public Administration)	737	5	5.5%
Other Services (except Public Administration)	545	6	4.3%	Wholesale Trade	719	6	5.4%
Manufacturing	472	7	3.7%	Manufacturing	579	7	4.3%
Professional & Technical Services	424	8	3.3%	Professional & Technical Services	357	8	2.7%
Wholesale Trade	384	9	3.0%	Construction	327	9	2.4%
Educational Services	362	10	2.8%	Administrative Support & Waste Management	325	10	2.4%
Total	<u>12,120</u>		<u>94.8%</u>	Total	<u>12,407</u>		<u>92.3%</u>

NOTES

(1) RI Department of Labor and Training Quarterly Census of Employment and Wages, City and Town Summary - previous year.

Data by individual employer has been unavailable since 2010. Therefore, beginning with the 2012 ACFR, the principal employer data will be displayed by sector.



**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30,									
	2023 (1)	2022 (1)	2021 (1)	2020 (1)	2019 (1)	2018 (1)	2017 (1)	2016	2015	2014
General Government:	48	33	47	35	35	35	36	33	33	33
Public Safety:										
Police - Officers	58	51	55	54	54	54	54	53	52	51
Police - Civilians	19	22	20	17	18	18	18	19	22	22
Emergency Medical Services	26	17	21	19	17	17	17	15	17	17
Communications	2	2	2	2	2	2	2	2	2	2
Total Public Safety	<u>105</u>	<u>92</u>	<u>98</u>	<u>92</u>	<u>91</u>	<u>91</u>	<u>91</u>	<u>89</u>	<u>93</u>	<u>92</u>
Public Works:										
Streets and Highways	19	17	19	19	20	20	19	17	18	17
Administration	7	4	7	4	4	4	4	4	4	4
Total Public Works	<u>26</u>	<u>21</u>	<u>26</u>	<u>23</u>	<u>24</u>	<u>24</u>	<u>23</u>	<u>21</u>	<u>22</u>	<u>21</u>
Parks and Recreation	14	11	20	19	19	18	18	11	11	11
Libraries	11	11	10	11	9	9	9	10	10	10
Total General Fund	<u>204</u>	<u>168</u>	<u>201</u>	<u>180</u>	<u>178</u>	<u>177</u>	<u>177</u>	<u>164</u>	<u>169</u>	<u>167</u>
Water	2	4	2	3	3	3	3	3	3	4
Wastewater	16	17	16	18	15	15	15	14	14	17
Neighborhood Guild	5	5	6	6	5	5	5	5	5	5
Senior Services	4	7	8	8	8	8	8	7	7	7
Other	-	1	6	6	6	6	6	1	1	1
Public Education:										
Certified	278	297	290	291	313	308	316	313	316	323
Noncertified	132	142	133	137	149	150	154	154	153	158
Administrative	17	21	22	22	24	24	24	25	24	24
Total Public Education	<u>427</u>	<u>460</u>	<u>445</u>	<u>450</u>	<u>486</u>	<u>482</u>	<u>494</u>	<u>492</u>	<u>493</u>	<u>505</u>
Total	<u><u>658</u></u>	<u><u>662</u></u>	<u><u>684</u></u>	<u><u>671</u></u>	<u><u>701</u></u>	<u><u>696</u></u>	<u><u>708</u></u>	<u><u>686</u></u>	<u><u>692</u></u>	<u><u>706</u></u>

Source: Town Budgets and School Department Budgets

NOTES

(1) Employee counts now reflect budgeted positions not actual staff.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Physical Arrests	392	375	410	381	526	545	555	545	530	645
Traffic Violations	1,770	2,091	2,304	2,067	2,706	1,975	1,862	2,021	1,751	2,696
Parking Violations	987	639	848	1,375	1,301	1,195	1,984	2,428	1,152	1,257
Emergency Medical Services:										
Number of Calls Answered	4,059	3,908	3,364	3,241	3,325	3,112	3,034	2,930	2,750	2,852
Animal Control:										
Number of Complaints	835	801	905	898	1,022	1,141	1,032	1,281	1,188	1,357
Number of Impoundments	190	216	253	252	339	401	336	341	201	318
Communications:										
Fire Alarm Activations	52	52	41	48	32	23	30	64	202	227
Streets and Highways:										
Street Sweeping (Miles)	151	145	145	145	151	151	151	148	151	151
Road Regrading (Miles)	56	10	14	14	19	19	31	44	45	45
Street Plowing/Deicing (OT Hours)	488	950	922	375	818	1,422	1,588	1,055	2,814	1,568
Culture and Recreation:										
Programs/Classes (Enroll/Attend)	55,833	44,134	18,302	44,839	27,650	26,377	28,125	28,168	30,349	30,550
Libraries:										
Volumes in Collection	87,099	88,233	87,360	90,750	76,460	80,115	79,701	69,999	69,301	70,599
Volumes Borrowed	242,999	242,464	195,459	225,480	262,068	218,461	216,904	247,197	257,137	267,491
Reference Requests Filled	21,875	20,471	15,562	21,969	28,777	27,480	26,263	25,907	26,158	29,025
Water:										
New Connections (Net)	5	4	9	9	8	8	12	7	10	12
Average Daily Consumption (1) (Thousands of Gallons)	314	309	410	399	337	327	329	391	250	324
Wastewater:										
Average Daily Sewage Treatment (Thousands of Gallons)	2,615	2,710	2,481	2,676	3,031	2,653	2,469	2,430	2,368	2,589
Senior Services:										
Adult Day Care Services (Client Days)	-	- ***	- *	2,008 *	3,370	3,379	3,004	3,408	3,034	2,961
Senior Transportation (Trips)	1,844	3,779 ****	28,535 **	11,361 **	7,409	5,883	5,868	5,758	7,042	6,246
Congregate Meals Served	6,969	7,584 ****	30,875	16,989	10,219	10,075	11,273	9,831	9,375	9,648

Sources: Various Town departments

Notes:

Indicators are not available for the general government function.

\* The Adult Day Care Center ceased operations March 13, 2020. Town in 3rd year of 3 year lease agreement with Saint Eliabeth for a fee of \$1.00/year, with an option to extend the agreement for 5 additional years. Newly announced RI Department of Health regulations call for significant operational adjustments in the Adult Day Setting, including a reduction in the number of participants per day to be allowed in our small facility. Because of these necessary changes, it has been determined that the program is financially unsustainable and the Town has made the difficult decision to delay re-opening until further notice. Presently the Town is committed to reopening the building and is currently seeking a third party Adult Day Services agency to operate the facility going forward.

\*\* For FY2021 Senior transportation was almost exclusively for delivery of meals due to COVID-19.

\*\*\* In July 2021, The Town entered into a three-year lease agreement with Saint Elizabeth Community for a fee of \$1.00/year, with an option to extend the agreement for 5 additional years; for the provision of a licensed Adult Day Services Program to be located at 283 Post Road.

\*\*\*\* Includes trips to and from the Center as well as shopping trips.

\*\*\*\*\* Delivered meals stopped during this time period. Meals were either in-house or grab 'n go. The delivered meals stopped because the Center was in full operation after COVID and we were offering in-house dining. The bus which was used to deliver the meals was now back to transporting participants to the Center and shopping errands.

(1) Purchased water not customer consumed water.

**TOWN OF SOUTH KINGSTOWN, RHODE ISLAND  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	19	16	16	16	16	16	16	16	16	16
Public Works:										
Streets (Miles)	150	150	150	150	150	150	150	149	151	151
Culture and Recreation:										
Park Acreage	675	675	454	454	454	454	454	453	453	453
Tennis Courts	25	25	25	25	25	25	25	25	25	25
Community Centers	2	2	2	2	2	2	2	1	1	1
Libraries	3	3	3	3	3	3	3	3	3	3
Water:										
Water Mains (Miles)	50	50	50	50	50	50	50	50	49	49
Fire Hydrants	265	265	265	265	265	260	260	262	252	252
Storage Capacity (Thousands of Gallons - Treated)	800	800	800	800	800	800	800	800	800	800
Wastewater:										
Sanitary Sewers (Miles)	62	62	62	62	62	54	54	54	54	54
Storm Drains (Miles)	55	55	55	55	54	54	54	53	53	53
WWTF Average Daily Design Flow (Thousands of Gallons)	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various town departments

Note: No capital asset indicators are available for the general government function.



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

Town Council  
Town of South Kingstown, Rhode Island

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of South Kingstown, 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 South Kingstown, Rhode Island's basic financial statements, and have issued our report thereon dated January 23, 2024.

***Report on Internal Control Over Financial Reporting***

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

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

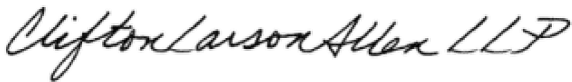
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

***Report on Compliance and Other Matters***

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

***Purpose of This Report***

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



**CliftonLarsonAllen LLP**

Cranston, Rhode Island  
January 23, 2024