

TOWN OF HOPKINTON, RHODE ISLAND
ANNUAL FINANCIAL STATEMENTS

For the Fiscal Year Ended
June 30, 2021

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ANNUAL FINANCIAL STATEMENTS
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CERTIFIED PUBLIC ACCOUNTANTS

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Hopkinton, Rhode Island's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, Rhode Island, as of June 30, 2021, 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.

Emphasis of Matter

As discussed in Note 1 and Note 18 to the financial statements, the Town of Hopkinton, Rhode Island implemented GASB Statement No. 84, *Fiduciary Activities*, during fiscal year 2021. Our opinions were not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, and supplementary pension information on pages 4 through 12 and pages 53 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hopkinton, Rhode Island's basic financial statements. The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are the

responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, Annual Supplemental Transparency Report (MTP2), other supplementary information, and the schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022 on our consideration of the Town of Hopkinton, 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 Hopkinton, 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 Hopkinton, Rhode Island's internal control over financial reporting and compliance.

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 31, 2022

TOWN OF HOPKINTON MANAGEMENT'S DISCUSSION AND ANALYSIS

Management of the Town of Hopkinton provides this Management Discussion and Analysis of the Town of Hopkinton's Annual Financial Report for the readers of the Town's financial statements. This narrative overview and analysis of the financial statements of the Town of Hopkinton is for fiscal year ended June 30, 2021. We encourage readers to consider this information in conjunction with the additional information that is furnished in the Town's financial statements, which follow.

FINANCIAL HIGHLIGHTS

- At the end of the current fiscal year, total fund balance for the General Fund was \$5,704,632 or 20.97% of total 2021 budgeted revenues. This is an increase of \$263,041 from the prior year total fund balance.
- The total unassigned fund balance of the General Fund is \$5,559,015 or 20.43% of total 2021 budgeted revenues. This is an increase of \$388,998 from the prior year unassigned fund balance.
- The total assigned, committed, restricted or nonspendable fund balance of the General Fund is \$145,617. This is a decrease of \$125,957 from the prior year total assigned, committed, restricted or nonspendable fund balance.
- The Town General Fund ended fiscal year 2021 with a budgetary operating surplus of \$253,999.
- The total bonded debt amount of the Town of Hopkinton decreased by \$409,000.
- As reported in the government-wide financial statements, the assets and deferred outflows of resources of the Town of Hopkinton exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$9,910,752. The Town's capital asset base has been developed from both current operations and debt. The Town has recorded its property and equipment at original values in order to insure proper asset management.
- The Town's total net position increased by \$9,803 for the fiscal year ended June 30, 2021.

Overview of the Financial Statements

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

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the Town's overall status.

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

The financial statements also include notes that provide more detailed data about some of the information in the financial statements. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and how they relate to one another. In addition to these required elements, the Town has included a section with combining statements that provide details about the Town’s non-major governmental funds, which are added together and presented in a single column in the basic financial statements.

Figure A-1
Required Components of
Town of Hopkinton’s Basic Financial Report

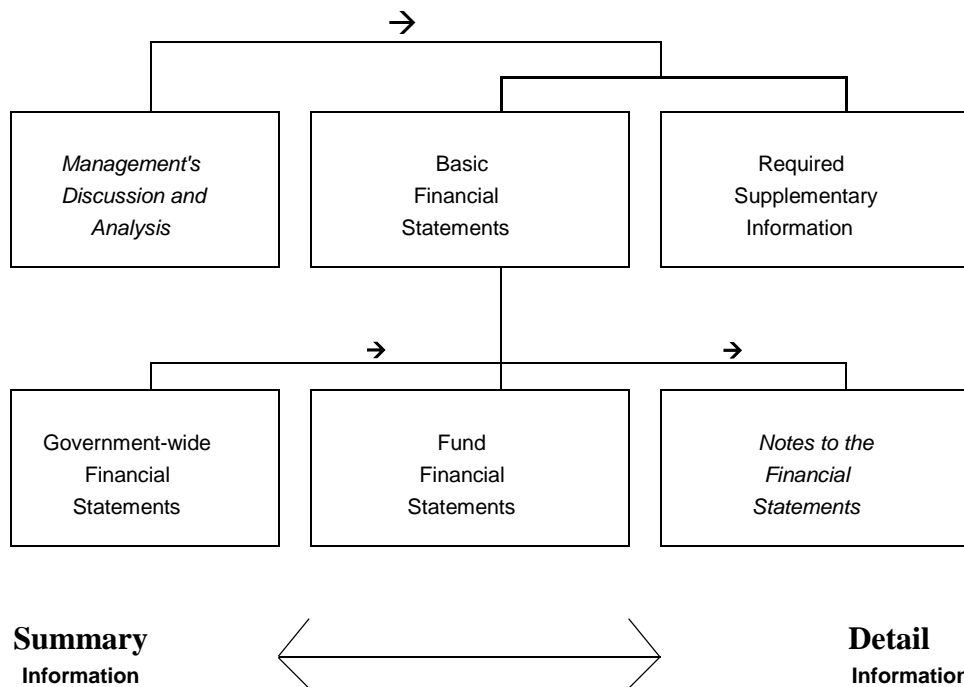


Figure A- 2

Major Features of the Town of Hopkinton’s Government-Wide and Fund Financial Statements

	Government- Wide Statements	Fund Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as Police and DPW.	Activities the Town operates similar to private businesses such as the water system.	Instances in which the Town is the trustee or agent for someone else’s resources.
Required financial Statements	Statement of Net Position; Statement of Activities	Balance Sheet, Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Position; Statement of Revenues, Expenses, and Changes in Net Position; Statement of Cash Flows	Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position
Accounting Basis & Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Assets/ Liability Information	All assets and liabilities both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Town’s funds do not currently contain capital assets, although they can
Type of inflow/ Outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during year, regardless of when cash is received or paid

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

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

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

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

The government-wide financial statements of the Town are divided into three categories.

- *Governmental activities* – Most of the Town’s basic services are included here, such as the public safety, public works and general administration. Property taxes, charges for services and state funding finance most of these activities.
- *Business-Type activities* – The Town operates a Water Fund which accounts for the purchase of water from the Town of Richmond, which it sells to Town users.
- *Component units* – The Land Trust is deemed to be a component unit.

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

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

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

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

The basic governmental fund financial statements are presented on pages 15 through 18 of this report.

Proprietary Funds – The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town has one enterprise fund. A brief description follows:

Hopkinton Water Supply – the Town has a municipally owned water system. It buys water from the Richmond Water Supply Board and bills the recipient waterline residents.

The basic proprietary fund financial statements are presented on pages 19 through 22.

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

The Town had no fiduciary funds as of June 30, 2021.

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

The notes of the financial statements are presented on pages 23 through 52.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Analysis of the Town of Hopkinton's Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Hopkinton, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,910,752 as of June 30, 2021.

In regard to the Town's net position (74.1%) consists of its investments in capital assets such as land, buildings and improvements, motor vehicles, furniture and equipment and infrastructure, less any debt used to acquire these assets which is still outstanding. The Town uses these capital assets to provide services to its citizens. Consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are highly unlikely to be used to liquidate these liabilities.

TOWN OF HOPKINTON'S NET POSITION

	Town of Hopkinton's Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Current Assets	\$ 8,463,119	\$ 9,460,345	\$ 9,473	\$ 13,182	\$ 8,472,592	\$ 9,473,527
Capital Assets	8,487,471	8,218,239	288,134	276,808	8,775,605	8,495,047
Other Noncurrent Assets	<u>478,330</u>	<u>490,008</u>	<u>-</u>	<u>-</u>	<u>478,330</u>	<u>490,008</u>
Total Assets	17,428,920	18,168,592	297,607	289,990	17,726,527	18,458,582
Deferred Outflows of Resources	<u>828,014</u>	<u>985,522</u>	<u>-</u>	<u>-</u>	<u>828,014</u>	<u>985,522</u>
Current Liabilities	833,094	1,863,027	6,946	1,378	840,040	1,864,405
Long-term Liabilities	<u>7,021,504</u>	<u>6,761,216</u>	<u>-</u>	<u>-</u>	<u>7,021,504</u>	<u>6,761,216</u>
Total Liabilities	7,854,598	8,624,243	6,946	1,378	7,861,544	8,625,621
Deferred Inflows of Resources	<u>792,048</u>	<u>907,731</u>	<u>-</u>	<u>-</u>	<u>792,048</u>	<u>907,731</u>
Net Position:						
Net investment in capital assets	7,155,892	7,064,431	288,134	276,808	7,444,026	7,341,239
Restricted	270,176	298,222	-	-	270,176	298,222
Unrestricted	<u>2,184,220</u>	<u>2,259,487</u>	<u>2,527</u>	<u>11,804</u>	<u>2,186,747</u>	<u>2,271,291</u>
Total net position	\$ 9,610,288	\$ 9,622,140	\$ 290,661	\$ 288,612	\$ 9,900,949	\$ 9,910,752

Of the Town's net position, \$298,222 (3.01%) represents resources that are subject to external restriction on how they may be used. Of this amount, \$28,390 is set aside for various capital projects.

Change in Net Position

The total net position of the Town of Hopkinton increased by \$9,803 during fiscal year 2020-2021.

Analysis of the Town of Hopkinton's Operations

The following analysis provides a summary of the Town's operations for the year ended June 30, 2021.

Governmental activities increased the Town's net position by \$11,852 while business type activities decreased the Town's net position by \$2,049.

TOWN OF HOPKINTON'S CHANGES IN NET POSITION

Town of Hopkinton's Changes Net Position							
	Governmental Activities		Business-Type Activities		Total		
	2020	2021	2020	2021	2020	2021	
Revenues							
Program							
Charges for services	\$ 1,042,574	\$ 888,038	\$ 25,675	\$ 32,429	\$ 1,068,249	\$ 920,467	
Operating/Capital grants and contributions	5,944,123	6,416,259			5,944,123	6,416,259	
General revenues							
Property taxes	19,182,447	19,632,197			19,182,447	19,632,197	
State Aid	722,319	380,682			722,319	380,682	
Investment earnings	33,460	5,416	39	3	33,499	5,419	
Miscellaneous	2,871	6,699			2,871	6,699	
Total Revenues	26,927,794	27,329,291	25,714	32,432	26,953,508	27,361,723	
Program Expenses							
General government	2,247,790	2,230,829			2,247,790	2,230,829	
Public safety	2,940,592	2,874,898			2,940,592	2,874,898	
Public works	1,472,014	1,449,800			1,472,014	1,449,800	
Recreation	329,847	274,249			329,847	274,249	
Social services	193,672	274,665			193,672	274,665	
Education	19,337,865	20,092,924			19,337,865	20,092,924	
Interest on long-term debt	125,756	120,074			125,756	120,074	
Water Fund			39,784	34,481	39,784	34,481	
Total Expenses	26,647,536	27,317,439	39,784	34,481	26,687,320	27,351,920	
Change in net position	280,258	11,852	(14,070)	(2,049)	266,188	9,803	
Net position beginning of year	9,330,030	9,610,288	304,731	290,661	9,634,761	9,900,949	
Net position end of year	\$ 9,610,288	\$ 9,622,140	\$ 290,661	\$ 288,612	\$ 9,900,949	\$ 9,910,752	

Financial Analysis of the Town of Hopkinton's Funds

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

At the end of the current fiscal year, 2021, the Town’s governmental funds reported combined ending fund balances of \$7,802,612. The General Fund reported an unassigned fund balance of \$5,559,015 representing approximately 71.25% of total fund balance.

Nonspendable/Restricted/Committed/Assigned

General fund balance:

Nonspendable	\$61,005
Restricted	5,658
Committed	78,789
Assigned	<u>165</u>
Total Nonspendable/Restricted/Committed/Assigned	<u><u>\$145,617</u></u>
Fund Balance	

Proprietary Funds – The Town of Hopkinton’s proprietary fund statements provide the same type of information as presented in the government-wide financial statements, but in more detail.

Unrestricted net position of the Hopkinton Water Supply Fund is \$11,804.

The Town of Hopkinton’s General Fund Budgetary Items

The Town General Fund had a budgetary surplus of \$253,999 in FY21. The actual revenues exceeded budgeted revenues by \$16,430. The largest surplus was in the Federal and State Grants and Aid of \$218,526 more than anticipated.

The Town of Hopkinton’s Capital Assets

The Town of Hopkinton’s investment in capital assets for its governmental and business-type activities amounts to \$8,495,047 net of accumulated depreciation at June 30, 2021. Included are land, buildings and improvements, motor vehicles, furniture and equipment, infrastructure, and construction in progress.

**TOWN OF HOPKINTON’S CAPITAL ASSETS AT YEAR END
NET OF ACCUMULATED DEPRECIATION**

	Governmental		Business-type		Total	
	2020	2021	2020	2021	2020	2021
Land & Construct. in Progress	\$ 1,693,900	\$ 448,645	\$ -	\$ -	\$ 1,693,900	\$ 448,645
Infrastructure	4,162,153	5,177,657	244,466	234,065	4,406,619	5,411,722
Buildings and improvements	1,618,700	1,537,316	-	-	1,618,700	1,537,316
Furniture and equipment	488,818	456,508	43,668	42,743	532,486	499,251
Motor vehicles	523,900	598,113	-	-	523,900	598,113
Total	<u>\$8,487,471</u>	<u>\$ 8,218,239</u>	<u>\$ 288,134</u>	<u>\$ 276,808</u>	<u>\$8,775,605</u>	<u>\$8,495,047</u>

The Town of Hopkinton Debt Administration

At the end of the current fiscal year, the Town of Hopkinton General Government had a total debt of \$3,242,104.

**TOWN OF HOPKINTON'S OUTSTANDING DEBT AT YEAR END
BONDS, LOANS AND CAPITALIZED LEASES PAYABLE**

	Gov Activities	Total
Gen Obligation Bonds and Loans	\$ 3,242,104	\$ 3,242,104
Capital Leases Payable	182,652	182,652
Amortized Premium on Bond	233,064	233,064
Totals	\$ 3,657,820	\$ 3,657,820

The State of Rhode Island imposes a limit of 3 percent of the fair market value of all taxable town property on the general obligation debt that a municipality can issue. The Town of Hopkinton's limit is \$32,007,259 at year-end. The Town's outstanding general obligation debt subject to the limit is \$3,242,104 at year-end, which is \$28,765,155 under the State imposed limitation.

Subsequent Fiscal Year 2021-2022 Budget and Tax Rates

The Town of Hopkinton's total general fund budget for fiscal year 21/22 is \$27,672,522 which reflects an increase of \$468,636 from the fiscal 20/21 budget. In the Town's 21/22 budget, \$20,561,560 or 74.30% is allocated for educational purposes and \$7,110,962 or 25.70% is budgeted for other purposes.

Of the \$20,561,560 budgeted for educational purposes, the State of Rhode Island has budgeted for fiscal year 21/22 to contribute \$5,600,850 to the Town's education expense and the Town is budgeted to contribute \$14,960,710.

The Town's tax rate for fiscal year 21/22 is \$18.53 per thousand for real estate and tangible personal property and \$21.18 per hundred for motor vehicles. The tax rate for fiscal year 20/21 was \$18.28 per thousand for real estate and tangible personal property and \$21.18 for motor vehicles.

Request for Information

The financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the tax dollars received. If you have any questions about this report or need additional financial information, please contact the Finance Director, Hopkinton Thayer House, 482 Main Street, P O Box 139, Hopkinton, RI 02833.

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Net Position
June 30, 2021

	<i>Primary Government</i>			<i>Component Unit</i>
	<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	<i>Land Trust</i>
Assets				
Current assets:				
Cash and cash equivalents	\$ 8,231,800	\$ 17,271	\$ 8,249,071	\$ 683,935
Receivables:				
Property taxes, net of allowance for uncollectible accounts	704,485	-	704,485	-
Accounts receivable, user fees - net	-	12,343	12,343	-
Due from federal and state government	160,362	-	160,362	81,658
Due from component unit	64,261	-	64,261	-
Other	222,000	-	222,000	-
Internal balances	16,432	(16,432)	-	-
Prepaid expenses	61,005	-	61,005	-
Total current assets	9,460,345	13,182	9,473,527	765,593
Noncurrent assets:				
Capital assets: (Note 5)				
Land and land rights	349,470	-	349,470	4,348,598
Construction in progress	99,175	-	99,175	84,404
Depreciable buildings, equipment and infrastructure, net	7,769,594	276,808	8,046,402	166,577
Net pension asset	490,008	-	490,008	-
Total noncurrent assets	8,708,247	276,808	8,985,055	4,599,579
Total assets	18,168,592	289,990	18,458,582	5,365,172
Deferred outflows of resources				
Deferred pension amounts	985,522	-	985,522	-
Total deferred outflows of resources	985,522	-	985,522	-
Liabilities				
Current liabilities:				
Accounts payable and accrued expenses	213,531	1,378	214,909	-
Accrued interest payable	29,429	-	29,429	-
Due to primary government	-	-	-	64,261
Unearned revenues	-	-	-	20,000
Compensated absences payable	149,232	-	149,232	-
Capital lease payable	114,590	-	114,590	-
Long-term debt - due within one year (Note 6)	419,000	-	419,000	-
Performance bonds payable	927,745	-	927,745	-
Other liabilities	9,500	-	9,500	-
Total current liabilities	1,863,027	1,378	1,864,405	84,261
Noncurrent liabilities				
Compensated absences payable	28,088	-	28,088	-
Capital lease payable	68,062	-	68,062	-
Long-term debt - due in more than one year (Note 6)	3,056,168	-	3,056,168	-
Line of credit payable	31,572	-	31,572	-
Net pension liability	3,577,326	-	3,577,326	-
Total noncurrent liabilities	6,761,216	-	6,761,216	-
Total liabilities	8,624,243	1,378	8,625,621	84,261
Deferred inflows of resources				
Deferred property taxes and other deferred revenues	2,195	-	2,195	-
Deferred pension amounts	905,536	-	905,536	-
Total deferred inflows of resources	907,731	-	907,731	-
Net position				
Net investment in capital assets	7,064,431	276,808	7,341,239	4,599,579
Restricted for:				
Community development	89,478	-	89,478	-
Historical records preservation	66,311	-	66,311	-
Public safety programs	64,044	-	64,044	-
Capital projects	28,390	-	28,390	-
Debt service	31,572	-	31,572	-
Other programs	4,100	-	4,100	-
Permanent fund:				
Expendable	6,767	-	6,767	-
Nonexpendable	7,560	-	7,560	-
Unrestricted	2,259,487	11,804	2,271,291	681,332
Total net position	\$ 9,622,140	\$ 288,612	\$ 9,910,752	\$ 5,280,911

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

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Activities
For the Fiscal Year Ended June 30, 2021

<i>Functions/Programs</i>	<i>Expenses</i>	<i>Program Revenues</i>			<i>Net (Expense) Revenue and Changes in Net Position</i>			<i>Component Unit</i>
		<i>Charges for Services</i>	<i>Operating Grants and Contributions</i>	<i>Capital Grants and Contributions</i>	<i>Primary Government</i>			
					<i>Governmental Activities</i>	<i>Business-Type Activities</i>	<i>Total</i>	
Primary Government:								
<i>Governmental Activities:</i>								
General government	\$ 2,230,829	\$ 694,068	\$ 7,000	\$ -	\$ (1,529,761)	\$ -	\$ (1,529,761)	\$ -
Public safety	2,874,898	134,623	687,163	-	(2,053,112)	-	(2,053,112)	-
Public works	1,449,800	29,546	-	44,014	(1,376,240)	-	(1,376,240)	-
Recreation	274,249	29,801	-	13,972	(230,476)	-	(230,476)	-
Public and social services	274,665	-	165,194	-	(109,471)	-	(109,471)	-
Education	20,092,924	-	5,498,916	-	(14,594,008)	-	(14,594,008)	-
Debt service, interest	120,074	-	-	-	(120,074)	-	(120,074)	-
Total governmental activities	27,317,439	888,038	6,358,273	57,986	(20,013,142)	-	(20,013,142)	-
<i>Business-Type Activities:</i>								
Water supply	34,481	32,429	-	-	-	(2,052)	(2,052)	-
Total business-type activities	34,481	32,429	-	-	-	(2,052)	(2,052)	-
Total primary government	\$ 27,351,920	\$ 920,467	\$ 6,358,273	\$ 57,986	(20,013,142)	(2,052)	(20,015,194)	-
Component Unit:								
Land trust	\$ 40,218	\$ -	\$ 21,710	\$ 81,758	-	-	-	63,250
General Revenues:								
Property taxes					19,632,197	-	19,632,197	-
State aid and grants not restricted for a specific purpose					380,682	-	380,682	-
Investment earnings					5,416	3	5,419	419
Miscellaneous					6,699	-	6,699	-
Total general revenues					20,024,994	3	20,024,997	419
Change in net position					11,852	(2,049)	9,803	63,669
Net position - beginning of year					9,610,288	290,661	9,900,949	5,217,242
Net position - end of year					\$ 9,622,140	\$ 288,612	\$ 9,910,752	\$ 5,280,911

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

TOWN OF HOPKINTON, RHODE ISLAND
Balance Sheet
Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Cash	\$ 5,902,662	\$ 1,216,572	\$ 1,112,566	\$ 8,231,800
Receivables:				
Property taxes, net of allowance for doubtful accounts of \$333,221	704,485	-	-	704,485
Due from federal and state government	98,695	-	61,667	160,362
Other	106,738	-	115,262	222,000
Due from other funds	5,198,302	500,000	3,793,517	9,491,819
Due from component unit	64,261	-	-	64,261
Prepaid expenditures	61,005	-	-	61,005
Total assets	<u>\$ 12,136,148</u>	<u>\$ 1,716,572</u>	<u>\$ 5,083,012</u>	<u>\$ 18,935,732</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable and accrued expenditures	\$ 213,531	\$ -	\$ -	\$ 213,531
Due to other funds	4,889,982	84,879	4,500,526	9,475,387
Performance bonds payable	927,745	-	-	927,745
Other liabilities	-	-	9,500	9,500
Total liabilities	<u>6,031,258</u>	<u>84,879</u>	<u>4,510,026</u>	<u>10,626,163</u>
Deferred Inflows of Resources				
Deferred property taxes	398,063	-	-	398,063
Other deferred revenues	2,195	-	106,699	108,894
Total deferred inflows of resources	<u>400,258</u>	<u>-</u>	<u>106,699</u>	<u>506,957</u>
Fund balances				
Nonspendable:				
Prepaid expenditures	61,005	-	-	61,005
Permanent fund principal	-	-	7,560	7,560
Restricted for:				
Community development	-	-	14,351	14,351
Historical records preservation	-	-	66,311	66,311
Public safety programs	1,558	-	62,486	64,044
Capital projects	-	-	39,338	39,338
Cemetery perpetual care	-	-	6,767	6,767
Other programs	4,100	-	-	4,100
Committed for:				
Employee relations costs	20,779	-	-	20,779
Property revaluation	1,545	-	-	1,545
Public works	42,947	-	-	42,947
Planning and zoning	2,161	-	-	2,161
Tree removal	-	-	32,875	32,875
Educational capital facilities expansion	-	-	43,647	43,647
Capital projects	11,357	1,631,693	192,952	1,836,002
Assigned for 2022 budget	165	-	-	165
Unassigned	5,559,015	-	-	5,559,015
Total fund balances	<u>5,704,632</u>	<u>1,631,693</u>	<u>466,287</u>	<u>7,802,612</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,136,148</u>	<u>\$ 1,716,572</u>	<u>\$ 5,083,012</u>	<u>\$ 18,935,732</u>

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

TOWN OF HOPKINTON, RHODE ISLAND
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2021

Total Fund Balances - Total Governmental Funds	\$ 7,802,612
 Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet. See Note 5 to the financial statements.	8,218,239
Property taxes are recognized as revenue in the period for which levied in the Government-Wide Financial Statements, but are reported as deferred inflows of resources in Governmental Fund Financial Statements.	398,063
Other accounts receivable and revenues are not available to pay for current period expenditures and, therefore, are deferred inflows of resources in the Governmental Funds Financial Statements.	106,699
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in Governmental Funds Balance Sheet.	(29,429)
Long-term liabilities (including bonds and loans, leases, compensated absences, line of credit, and net pension liability) are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet. See Note 6 to the financial statements.	(7,444,038)
Net pension assets are not current financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.	490,008
Deferred outflows and inflows related to pensions are not current financial resources or require the use of current financial resources and, therefore are not reported in the Governmental Funds Balance Sheet.	
Deferred outflows related to pensions	985,522
Deferred inflows related to pensions	<u>(905,536)</u>
Net Position - Governmental Activities	<u><u>\$ 9,622,140</u></u>

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

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 19,576,978	\$ -	\$ -	\$ 19,576,978
Federal and state grants and aid	6,571,157	-	169,772	6,740,929
Charges for services and fees	932,042	-	29,955	961,997
Interest on investments	2,717	2,083	616	5,416
Other revenues	12,887	-	10,413	23,300
Total revenues	<u>27,095,781</u>	<u>2,083</u>	<u>210,756</u>	<u>27,308,620</u>
Expenditures:				
Current:				
General government	2,056,283	-	26,952	2,083,235
Public safety	2,744,772	-	18,329	2,763,101
Public works	1,076,952	-	39,875	1,116,827
Recreation	178,873	-	-	178,873
Public and social services	146,322	-	128,343	274,665
Education - payment to school district	20,092,924	-	-	20,092,924
Capital outlay	204,286	-	66,345	270,631
Debt service:				
Principal	409,000	-	119,904	528,904
Interest and other charges	132,568	-	6,723	139,291
Total expenditures	<u>27,041,980</u>	<u>-</u>	<u>406,471</u>	<u>27,448,451</u>
Excess (deficiency) of revenues over (under) expenditures before other financing sources (uses)	<u>53,801</u>	<u>2,083</u>	<u>(195,715)</u>	<u>(139,831)</u>
Other financing sources (uses):				
Debt issued	-	-	13,500	13,500
Capital lease issued	204,286	-	-	204,286
Transfers from other funds	137,328	-	138,781	276,109
Transfers to other funds	(132,374)	-	(143,735)	(276,109)
Total other financing sources (uses)	<u>209,240</u>	<u>-</u>	<u>8,546</u>	<u>217,786</u>
Net change in fund balances	263,041	2,083	(187,169)	77,955
Fund balances - beginning of year	<u>5,441,591</u>	<u>1,629,610</u>	<u>653,456</u>	<u>7,724,657</u>
Fund balances - end of year	<u>\$ 5,704,632</u>	<u>\$ 1,631,693</u>	<u>\$ 466,287</u>	<u>\$ 7,802,612</u>

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

TOWN OF HOPKINTON, RHODE ISLAND
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in the Fund Balances to Government-Wide Statement of Activities
For the Year Ended June 30, 2021

Net Changes in Fund Balances - Total Governmental Funds	\$ 77,955
 <i>Amounts reported for Governmental Activities in the Statement of Activities are different because:</i>	
Governmental Fund Financial Statements report capital outlays as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	
This is the amount of capital assets recorded in the current period.	310,995
Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the Governmental Fund Financial Statements.	
	(580,227)
Long-term compensated absences and line of credit are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources. Therefore, compensated absences and line of credit are not reported as expenditures in Governmental Fund Financial Statements.	
The following amount represents the change in long-term compensated absences from the prior year.	(33,010)
The following amount represents the repayment of long-term line of credit in the current year.	1,981
Repayment of bond, loan and lease principal is an expenditure in the Governmental Fund Financial Statements, but the payments reduce long-term liabilities in the Government-Wide Statement of Net Position.	
	526,923
Accrued interest expense on long-term debt is reported in the Government-Wide Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest expense is not reported as an expenditure in the Governmental Fund Financial Statements. The following amount represents the change in accrued interest expense from the prior year.	
	1,109
Proceeds from the issuance of debt and leases are other financing sources in the Governmental Fund Financial Statements, but the issuance of debt and leases increases long-term liabilities in the Government-Wide Statement of Net Position.	
This amount represents debt issued during the current period.	(13,500)
This amount represents a capital lease issued during the current period.	(204,286)
Debt issued at a premium provide current financial resources to Governmental Funds, but are deferred and amortized in the Government-Wide Financial Statements.	
This amount represents the amortization of bond premium during the current period.	18,108
Long-term net pension liabilities and assets are reported in the Government-Wide Statement of Activities, but do not require the use of current financial resources or are not available to pay for current period expenditures. Therefore, long-term net pension liabilities and assets are not reported as expenditures in Governmental Funds financial statements.	
This is the amount of the change in long-term net pension liabilities and assets and related deferred pension amounts in the current period.	(84,353)
New loans are reported as an increase in accounts receivable in the Government-Wide Statement of Net Position, but are reported as expenditures in the Governmental Fund Financial Statements.	
	13,500
Revenues reported in prior periods in the Statement of Activities that are not reported in Governmental Funds until the revenues are measurable and available.	
	<u>(23,343)</u>
Change in Net Position - Governmental Activities	<u>\$ 11,852</u>

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

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Net Position
Proprietary Funds
June 30, 2021

	<u><i>Enterprise Fund</i></u> <u><i>Water Supply</i></u>
Assets	
<i>Current assets</i>	
Cash and cash equivalents	\$ 17,271
Accounts receivable, user fees - net	12,343
Due from other funds	398
Total current assets	30,012
 <i>Noncurrent assets</i>	
Depreciable capital assets - net	276,808
Total noncurrent assets	276,808
Total assets	306,820
 Liabilities	
<i>Current liabilities</i>	
Accounts payable and accrued expenses	1,378
Due to other funds	16,830
Total current liabilities	18,208
Total liabilities	18,208
 Net position	
Net investment in capital assets	276,808
Unrestricted	11,804
Total net position	\$ 288,612

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

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<u><i>Enterprise Fund</i></u> <u><i>Water Supply</i></u>
<i>Operating revenues</i>	
User fees	\$ 32,429
<i>Total operating revenues</i>	<u>32,429</u>
<i>Operating expenses</i>	
Water purchases	16,230
Contract services	6,925
Depreciation	11,326
<i>Total operating expenses</i>	<u>34,481</u>
<i>Operating loss</i>	<u>(2,052)</u>
 <i>Nonoperating revenues</i>	
Interest income	<u>3</u>
<i>Total nonoperating revenues</i>	<u>3</u>
<i>Change in net position</i>	(2,049)
<i>Total net position - beginning of year</i>	<u>290,661</u>
<i>Total net position - end of year</i>	<u><u>\$ 288,612</u></u>

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

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<u><i>Enterprise Fund</i></u> <u><i>Water Supply</i></u>
<i>Cash flows from operating activities</i>	
Cash received from customers for user fees	\$ 26,586
Cash paid to suppliers	<u>(28,723)</u>
<i>Net cash used for operating activities</i>	<u>(2,137)</u>
 <i>Cash flows from non-capital financing activities</i>	
Interfund transactions	4,752
<i>Net cash provided by non-capital financing activities</i>	<u>4,752</u>
 <i>Cash flows from investing activities</i>	
Interest received	<u>3</u>
<i>Net cash provided by investing activities</i>	<u>3</u>
 <i>Net increase in cash and cash equivalents</i>	
	2,618
 <i>Cash and cash equivalents - beginning of year</i>	
	<u>14,653</u>
 <i>Cash and cash equivalents - end of year</i>	
	<u><u>\$ 17,271</u></u>

(Continued)

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

TOWN OF HOPKINTON, RHODE ISLAND
Statement of Cash Flows (Continued)
Proprietary Funds
For the Fiscal Year Ended June 30, 2021

	<u>Enterprise Fund</u> <u>Water Supply</u>
<i>Reconciliation of operating loss to net cash used for operating activities:</i>	
Operating loss	\$ (2,052)
<i>Adjustments to reconcile operating loss to net cash used for operating activities:</i>	
Depreciation	11,326
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable, user fees	(5,843)
Increase (decrease) in accounts payable and accrued expenses	<u>(5,568)</u>
 <i>Net cash used for operating activities</i>	 <u><u>\$ (2,137)</u></u>

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

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

The Town of Hopkinton was incorporated in 1757 and operates under a Home Rule Charter adopted in November 2002. The Charter provides for a Town Council-Town Manager form of government. All legislative powers of the Town, except such powers as reserved by State Law or vested in the Financial Town Referendum by the Charter and by-laws enacted by the Town Council, are vested in the Town Council, including the ordering of any tax, making of appropriations, and transacting any other business pertaining to the financial affairs of the Town.

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

The Trust was established in fiscal year 2000 by the Hopkinton Town Council pursuant to special State legislation enacted by the General Assembly in the same year. The Trust was established as a body politic and corporate and a public instrumentality. It has the authority to acquire, hold and manage real property and interests therein, including development rights situated in the Town of Hopkinton, with the exception of property acquired for public historical preservation purposes. The Trust may hold property or development rights solely as open space or for agricultural uses, water purposes, public access or prevention of accelerated residential or commercial development. Trustees are appointed by the Town Council and the Trust can impose a financial burden upon the Town in the form of financial support and financing of operating deficits. The Trust holds economic resources (land and land rights) entirely for the direct benefit of the Town. The Trust does not issue separate financial statements.

B. BASIS OF PRESENTATION AND ACCOUNTING

Government-Wide Financial Statements

The Town’s Government-Wide Financial Statements include a Statement of Net Position and a

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Statement of Activities. These statements report information about the reporting entity as a whole. Fiduciary activities of the Town are not included in these statements. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through property taxes, intergovernmental revenue, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods and services rendered.

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

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

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total column.

Fund Financial Statements

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

Governmental Fund Financial Statements

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

All governmental funds are accounted for on a spending or "*current financial resources*"

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

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

Major Governmental Funds:

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

Capital Project Fund – The Capital Project Fund is used to account for funds committed for capital projects by the Financial Town Referendum.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, and a Statement of Cash Flows.

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

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

For the year ended June 30, 2021, the Town had one proprietary fund, the Water Supply Fund, which is a major fund:

Water Supply Fund - The Water Supply Fund accounts for the purchase of water from the Town of Richmond, which it sells to Town users.

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
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Fiduciary Funds

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as a custodian for individuals, private organizations or other governments, and, therefore, cannot be used to support the Town's own programs. Fiduciary Funds are accounted for on a spending or "*economic resources*" measurement focus and the accrual basis of accounting. For the fiscal year ended June 30, 2021, the Town had no Fiduciary Funds.

C. RECENTLY ISSUED ACCOUNTING STANDARDS

The Town has implemented the following new accounting pronouncements:

- GASB Statement No. 84 – *Fiduciary Activities*, effective for the Town's fiscal year ending June 30, 2021.
- GASB Statement No. 90 – *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for the Town's fiscal year ending June 30, 2021.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, effective for the Town's fiscal year ending June 30, 2021, except for paragraphs 11b, 13 and 14 which are effective for the Town's fiscal year ending June 30, 2022.

As discussed in Note 18, the adoption of GASB Statement Number 84 resulted in reclassifications in the financial statements related to an agency fund that does not meet the definition of a custodial fund. The adoption of GASB Statement Number 90 and the portion of GASB Statement Number 93 applicable in fiscal year 2021 did not have an impact on the Town's financial position or results of operations.

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

- GASB Statement No. 87 – *Leases*, effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 89 – *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 91 – *Conduit Debt Obligations*, effective for the Town's fiscal year ending June 30, 2023.
- GASB Statement No. 92 – *Omnibus 2020*, effective for the Town's fiscal year ending June 30, 2022, except for the requirements related to the effective date of Statement 87 and Implementation Guide 2019-3 which are effective upon issuance.
- GASB Statement No. 93 – *Replacement of Interbank Offered Rates*, paragraphs 11b, 13 and 14 which are effective for the Town's fiscal year ending June 30, 2022.
- GASB Statement No. 94 – *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, effective for the Town's fiscal year ending June 30, 2023.

TOWN OF HOPKINTON, RHODE ISLAND
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- GASB Statement No. 96 – *Subscription-Based Information Technology Arrangements*, effective for the Town’s fiscal year ending June 30, 2023.
- GASB Statement No. 97 – *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a suppression of GASB Statement No. 32*, effective for the Town’s fiscal year ending June 30, 2022, except for paragraphs 4 and 5 which are effective upon issuance.
- GASB Statement No. 98 – *The Annual Comprehensive Financial Report*, effective for the Town’s fiscal year ending June 30, 2022.

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

D. CASH EQUIVALENTS

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

E. INVESTMENTS

The Town reports investments at fair value.

F. ACCOUNTS RECEIVABLE AND TAXES RECEIVABLE

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

Property taxes which were levied on June 23, 2020 for the current year and other delinquent balances are recorded as receivables.

G. UNBILLED SERVICES RECEIVABLE

Water revenue is recorded when earned. Customers are billed quarterly. The estimated value of services provided, but unbilled at year-end has been included in the accompanying financial statements.

H. CAPITAL ASSETS AND DEPRECIATION

Capital assets are reported in the Government-Wide Statement of Net Position.

In the Fund Financial Statements, capital assets used in governmental fund activities are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for in the same manner as in the Government-Wide Financial Statements.

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

TOWN OF HOPKINTON, RHODE ISLAND
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retroactively adjusted for infrastructure assets in fiscal year 2007.

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

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	10-50
Motor vehicles	5-10
Machinery and equipment	5-20
Office furniture and equipment	5-10
Infrastructure/roadways (principally roads)	10-50
Water system	50

I. DEBT PREMIUMS

In the Governmental Fund Financial Statements, debt premiums are reported as an “other financing source”. In the Government-Wide Statements, debt premiums are deferred and amortized over the term of the debt. Debt premiums are presented as an addition to the face amount of the debt payable.

J. DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES

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

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

K. PROPERTY TAXES

Property taxes are levied in June at (a) one hundred percent of the full and fair value of real and tangible personal property owned within the Town as of the previous December 31; and, (b) eighty percent of the value, as determined by the Rhode Island Vehicle Valuation Commission, of vehicles registered within the Town the previous calendar year, prorated for the actual number of days registered. Taxes levied in June are payable between August 1 and September 8 or in quarterly installments by September 8, December 8, March 8 and June 8. Failure to make payments will result in a lien on the taxpayer’s property.

TOWN OF HOPKINTON, RHODE ISLAND
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Rhode Island General Laws restrict the Town's ability to increase either its total tax levy or its tax rates more than 4% over those of the preceding year.

L. COMPENSATED ABSENCES

Under the terms of various contracts and agreements, Town employees are granted vacation and sick leave in varying amounts based on length of service. Vacation benefits are accrued as a liability based on the accumulated benefits earned at June 30. Sick leave benefits are based on the sick leave accumulated at June 30 by those employees who are currently eligible to receive termination payments and those employees for whom it is probable they will become eligible to receive termination benefits in the future. The liability is calculated at the rate of pay in effect at June 30, 2021.

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

M. ACCRUED LIABILITIES AND LONG-TERM DEBT

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

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

N. PENSIONS

For the 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 plans and the additions to/ deductions from the plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. LEGAL DEBT MARGIN

The Town’s legal debt margin as set forth by State Statute is limited to three percent of total taxable assessed value, which approximates \$32,007,259. As of June 30, 2021, the Town’s debt subject to the legal debt margin is \$3,242,104 and the Town is under the debt limit by \$28,765,155. The debt subject to the debt limitation is based on the type of debt that is issued.

NOTE 3 – CASH DEPOSITS

DEPOSITS – are in three financial institutions and are carried at cost. The carrying amount of deposits is separately displayed on the Balance Sheet and the Statement of Net Position as “Cash and Cash Equivalents”.

	<u>Carrying</u>
	<u>Amount</u>
Total Deposits	\$8,931,956
Add: Petty cash	1,050
Total Cash and Cash Equivalents	<u> </u>
Reported in the Financial Statements	<u><u>\$8,933,006</u></u>

CUSTODIAL CREDIT RISK – custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a formal deposit policy for custodial credit risk. As of June 30, 2021, \$7,919,440 of the Town’s bank balance of \$9,041,436 was exposed to custodial credit risk as follows:

	<u>Bank</u>
	<u>Balance</u>
Insured (Federal depository insurance funds)	\$1,121,996
Collateralized with securities held by pledging financial institution’s agent, but not in the Town’s name	4,106,315
Collateralized with securities held by pledging financial institution in the Town’s name	<u>3,813,125</u>
Total	<u><u>\$9,041,436</u></u>

Under Rhode Island general laws, depository institutions holding deposits of the State, its agencies or governmental subdivisions of the State, shall at a minimum, insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, which are time deposits with maturities

TOWN OF HOPKINTON, RHODE ISLAND
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greater than sixty (60) days. Any of these institutions which do not meet minimum capital standards prescribed by federal regulators shall insure or pledge eligible collateral equal to one hundred percent (100%) of the deposits, regardless of maturity. At June 30, 2021, the Town had no uncollateralized deposits with institutions.

NOTE 4 – INVESTMENTS

The Town had no investments as of June 30, 2021. The Finance Director has control over the type of investments made. The Town's General Fund investments are governed by Title 35, Chapter 10, Section 11 of the State's General Laws. This law generally allows for short-term investments, such as certificate of deposits, money market funds, obligations guaranteed by the U.S. Government, etc. with the goal of seeking responsible income while preserving capital. The Town does not have a formal investment policy or any other legally contracted agreement that limits the type of investments that may be made.

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

Credit Risk – The Town does not have a formal investment policy that limits its investment choices.

Concentration of Credit Risk – The Town places no limit on the amount the Town may invest in any one issuer.

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June, 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Nondepreciable assets:				
Land	\$ 349,470	\$ -	\$ -	\$ 349,470
Construction in progress	1,344,430	14,596	1,259,851	99,175
	<u>1,693,900</u>	<u>14,596</u>	<u>1,259,851</u>	<u>448,645</u>
Depreciable assets:				
Infrastructure	24,153,637	1,303,865	-	25,457,502
Buildings and improvements	3,926,783	-	-	3,926,783
Furniture and equipment	1,279,720	46,253	-	1,325,973
Motor vehicles	2,028,775	206,132	22,067	2,212,840
	<u>31,388,915</u>	<u>1,556,250</u>	<u>22,067</u>	<u>32,923,098</u>
Total Capital Assets	<u>33,082,815</u>	<u>1,570,846</u>	<u>1,281,918</u>	<u>33,371,743</u>
Less accumulated depreciation for:				
Infrastructure	19,991,484	288,361	-	20,279,845
Buildings and improvements	2,308,083	81,384	-	2,389,467
Furniture and equipment	790,902	78,563	-	869,465
Motor vehicles	1,504,875	131,919	22,067	1,614,727
Total Accumulated Depreciation	<u>24,595,344</u>	<u>580,227</u>	<u>22,067</u>	<u>25,153,504</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,487,471</u>	<u>\$ 990,619</u>	<u>\$ 1,259,851</u>	<u>\$ 8,218,239</u>
Business-Type Activities:				
Depreciable assets:				
Water lines	\$ 520,092	\$ -	\$ -	\$ 520,092
Equipment	46,292	-	-	46,292
Total Capital Assets	<u>566,384</u>	<u>-</u>	<u>-</u>	<u>566,384</u>
Less accumulated depreciation for:				
Water lines	275,626	10,401	-	286,027
Equipment	2,624	925	-	3,549
Total Accumulated Depreciation	<u>278,250</u>	<u>11,326</u>	<u>-</u>	<u>289,576</u>
Business-Type Activities Capital Assets, Net	<u>\$ 288,134</u>	<u>\$ (11,326)</u>	<u>\$ -</u>	<u>\$ 276,808</u>

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

Capital asset activity for the Land Trust for the year ended June 30, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable assets:				
Land and land rights	\$ 4,348,598	\$ -	\$ -	\$ 4,348,598
Construction in progress	-	84,404	-	84,404
	<u>4,348,598</u>	<u>84,404</u>	<u>-</u>	<u>4,433,002</u>
Depreciable assets:				
Bridges	149,652	-	-	149,652
Improvements other than buildings	72,863	-	-	72,863
	<u>222,515</u>	<u>-</u>	<u>-</u>	<u>222,515</u>
Total Capital Assets	<u>4,571,113</u>	<u>84,404</u>	<u>-</u>	<u>4,655,517</u>
Less accumulated depreciation for:				
Bridges	19,953	2,993	-	22,946
Improvements other than buildings	29,349	3,643	-	32,992
Total Accumulated Depreciation	<u>49,302</u>	<u>6,636</u>	<u>-</u>	<u>55,938</u>
Land Trust Capital Assets, Net	<u>\$ 4,521,811</u>	<u>\$ 77,768</u>	<u>\$ -</u>	<u>\$ 4,599,579</u>

Depreciation expense was charged as follows:

Governmental activities:	
General government	\$ 65,222
Public safety	107,316
Public works	320,168
Recreation	87,521
Total Depreciation Expense, Governmental Activities	<u>\$ 580,227</u>

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 6 – LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES:

Changes in long-term liabilities during the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds and loans payable:					
Bonds payable	\$ 2,405,000	\$ -	\$ 145,000	\$2,260,000	\$ 150,000
Bonds from direct placements	990,000	-	215,000	775,000	220,000
Loans from direct borrowings	256,104	-	49,000	207,104	49,000
Plus: amortized premium on bonds	251,172	-	18,108	233,064	-
Total bonds and loans	<u>3,902,276</u>	<u>-</u>	<u>427,108</u>	<u>3,475,168</u>	<u>419,000</u>
Other liabilities:					
Capital leases	96,289	204,286	117,923	182,652	114,590
Accrued compensated absences	144,310	40,644	7,634	177,320	149,232
Line of credit	20,053	13,500	1,981	31,572	-
Net pension liability	3,439,198	138,128	-	3,577,326	-
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 7,602,126</u>	<u>\$ 396,558</u>	<u>\$ 554,646</u>	<u>\$7,444,038</u>	<u>\$ 682,822</u>

All debt of the Government Activities is general obligation debt. The payments on the bonds and loans are paid from the General Fund. The capital leases are paid from an appropriation from the General Fund. The compensated absences and net pension liability are paid from the General Fund. The line of credit is paid from the Community Septic System Loan Fund.

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
 June 30, 2021

B. BONDS AND LOANS PAYABLE

Outstanding bonds and loans payable are as follows:

<u>Purpose</u>	<u>Date Issued</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Authorized and Issued</u>	<u>Outstanding June 30, 2020</u>	<u>New Issues</u>	<u>Maturities and Refundings During Year</u>	<u>Outstanding June 30, 2021</u>
Bonds payable:								
Open Space	7/21/2011	2.5-4.375%	8/15/2031	\$ 1,000,000	\$ 600,000	\$ -	\$ 50,000	\$ 550,000
Open Space	5/1/2019	3.0-5.0%	5/1/2034	1,805,000	1,805,000	-	95,000	1,710,000
Bonds from direct placements:								
Refunding and Roads	9/30/2015	2.22%	5/1/2025	1,960,000	990,000	-	215,000	775,000
Loans from direct borrowings:								
Roads	5/28/2015	.25-1.73%	9/1/2022	253,000	76,104	-	28,000	48,104
Streetlights	12/13/2017	1.216-2.352%	9/1/2027	221,000	180,000	-	21,000	159,000
Total governmental activities bonds and loans payable					\$ 3,651,104	\$ -	\$ 409,000	\$ 3,242,104

At June 30, 2021 annual debt service requirements to maturity for bonds and loans payable are as follows:

<u>Year ending June 30,</u>	<u>Governmental Activities</u> <u>Bonds Payable</u>			<u>Governmental Activities</u> <u>Bonds from Direct Placements</u>			<u>Governmental Activities</u> <u>Loans from Direct Borrowings</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 150,000	\$ 97,219	\$ 247,219	\$ 220,000	\$ 17,205	\$ 237,205	\$ 49,000	\$ 4,499	\$ 53,499
2023	150,000	90,281	240,281	220,000	12,321	232,321	42,104	3,544	45,648
2024	160,000	83,094	243,094	165,000	7,437	172,437	22,000	2,814	24,814
2025	165,000	75,406	240,406	170,000	3,774	173,774	23,000	2,250	25,250
2026	170,000	67,469	237,469	-	-	-	23,000	1,651	24,651
2027-2031	935,000	210,731	1,145,731	-	-	-	48,000	1,358	49,358
2032-2034	530,000	31,744	561,744	-	-	-	-	-	-
	<u>\$ 2,260,000</u>	<u>\$ 655,944</u>	<u>\$ 2,915,944</u>	<u>\$ 775,000</u>	<u>\$ 40,737</u>	<u>\$ 815,737</u>	<u>\$ 207,104</u>	<u>\$ 16,116</u>	<u>\$ 223,220</u>

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
 June 30, 2021

C. CAPITAL LEASE OBLIGATIONS

The Town has financed the acquisition of certain equipment through lease-purchase agreements.

Capital lease obligations currently outstanding are as follows:

<i>Purpose</i>	<i>Date Issued</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Authorized and Issued</i>	<i>Outstanding June 30, 2020</i>	<i>New Issues</i>	<i>Retirements During Year</i>	<i>Outstanding June 30, 2021</i>
Truck, police cars	10/11/2019	3.89%	10/11/2021	\$ 147,260	\$ 96,289	\$ -	\$ 47,226	\$ 49,063
Truck, police car	11/25/2020	3.87%	12/23/2022	204,286	-	204,286	70,697	133,589
Total governmental activities capital leases					\$ 96,289	\$ 204,286	\$ 117,923	\$ 182,652

Obligations of governmental activities under capital leases at June 30, 2021 were as follows:

<i>Fiscal Year Ended June 30,</i>	<i>Lease Payment Requirements</i>
2022	\$ 121,668
2023	70,697
Total minimum lease payments	192,365
Less: Amount representing interest cost	(9,713)
Present value of minimum lease payments	<u>\$ 182,652</u>

Vehicles are reported in the Statement of Net Position at a cost of \$351,546. Amortization of assets acquired under capital leases is included in depreciation expense for the year ended June 30, 2021.

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

D. LINE OF CREDIT

On March 23, 2016, the Town entered into a loan agreement with the RI Infrastructure Bank for a non-restoring line of credit up to \$300,000 to be used for the Community Septic System Loan Program (CSSLP). The loan bears interest and fees of 1% and discharge of the loan is the later of the date on which all loans made by the Town under the CSSLP have been paid back or April 1, 2026. The balance of the line of credit as of June 30, 2021 is \$31,572 and the credit limit available as of June 30, 2021 is \$247,844.

NOTE 7 – INTERFUND BALANCES

The Town reports interfund balances between many of its funds. Interfund balances at June 30, 2021 were as follows:

	<i>Due From:</i>				<i>Total</i>
	<i>General Fund</i>	<i>Capital Project Fund</i>	<i>Nonmajor Governmental Funds</i>	<i>Water Fund</i>	
<i>Due To:</i>					
General Fund	\$ 596,067	\$ 84,879	\$ 4,500,526	\$ 16,830	\$ 5,198,302
Capital Project Fund	500,000	-	-	-	500,000
Nonmajor Governmental Funds	3,793,517	-	-	-	3,793,517
Water Fund	398	-	-	-	398
Total	\$ 4,889,982	\$ 84,879	\$ 4,500,526	\$ 16,830	\$ 9,492,217

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

NOTE 8 – INTERFUND TRANSFERS

	<i>Transfer From:</i>		<i>Total</i>
	<i>General Fund</i>	<i>Nonmajor Governmental Funds</i>	
<i>Transfer To:</i>			
General Fund	-	\$ 137,328	\$ 137,328
Nonmajor Governmental Funds	132,374	6,407	138,781
Total	\$ 132,374	\$ 143,735	\$ 276,109

Transfers are used to move revenues from the fund that the budget requires to collect them, to the funds that the budget requires to expend them.

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Financial Statements
June 30, 2021

NOTE 9 – DISAGGREGATION OF RECEIVABLE AND PAYABLE BALANCES

A. ACCOUNTS RECEIVABLE

The Town disaggregates significant components of receivables in the financial statements. Receivable balances determined immaterial are included as other receivables. The Town expects to receive all receivables within the subsequent year, except for microloans and community septic system loans which are due in accordance with individual loan amortization schedules. The real estate and personal property taxes include an allowance for doubtful accounts of \$333,221. The accounts receivable-user fees include an allowance for doubtful accounts of \$1,000.

B. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at June 30, 2021.

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund	\$ 68,331	\$ 129,445	\$ 15,755	\$ 213,531
Total Governmental Activities	<u>\$ 68,331</u>	<u>\$ 129,445</u>	<u>\$ 15,755</u>	<u>\$ 213,531</u>
Business-Type Activities:				
Water Supply	\$ 1,378	\$ -	\$ -	\$ 1,378
Total Business-Type Activities	<u>\$ 1,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,378</u>

NOTE 10 – FUND EQUITY

Government-Wide Financial Statements:

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

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

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

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

Fund Statements:

Governmental fund equity is classified as fund balance. In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based primarily on the extent to

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which the Town is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

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

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

Committed Fund Balance – This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Town’s highest level of decision-making authority.

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

Unassigned Fund Balance – This classification is the residual fund balance for the General Fund. This classification represents fund balance that has not been assigned to another fund and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

Committed fund balances are established, modified or rescinded by the Town Financial Referendum or an ordinance adopted by the Town Council. Assigned fund balances are authorized by the Finance Director. The Town considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The Town considers unrestricted fund balance classifications to be used in the following order when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used: 1) committed; 2) assigned; and 3) unassigned.

NOTE 11 – CHARIHO REGIONAL SCHOOL DISTRICT

The Chariho Regional School District (Regional School) was created to include a regional school for the Towns of Charlestown, Richmond and Hopkinton (the Towns), which encompasses grades K-12. The Regional School is a separate legal entity from the Town. The voters of the participating Towns elect the Regional School Committee. The Regional School cannot assess and levy property taxes. Revenues are derived principally from the participating Towns of the Regional School, which contribute funds according to a financial formula based upon each Town’s enrollment, and from State aid to education. Financial statements for the Regional School District are issued separately and may be obtained from the Chariho Regional School District, 455A Switch Road, Wood River Junction, Rhode Island 02894.

TOWN OF HOPKINTON, RHODE ISLAND
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NOTE 12 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters. As a result, the Town participates in a nonprofit, public entity risk pool (Rhode Island Interlocal Risk Management Trust, Inc.) (the Trust) which provides coverage for property/liability and workers’ compensation claims. Upon joining the Trust, the Town signed a participation agreement which outlines the rights and responsibilities of both the Trust and the Town. The agreement states that for premiums paid by the Town, the Trust will assume financial responsibility for the Town’s losses up to the maximum amount of insurance purchased, minus the Town’s deductible amounts. The Trust provides this insurance coverage through a pooled, self-insurance mechanism which includes reinsurance purchased by the Trust to protect against large, catastrophic claims above the losses the Trust retains internally for payment from the pooled contributions of its members. Settled claims resulting from these risks have not exceeded the Trust coverage in any of the past three fiscal years. There have been no significant reductions in insurance coverage during the year ended June 30, 2021.

NOTE 13 – LITIGATION AND CONTINGENCIES

Litigation:

The Town is a party to various claims, legal actions and complaints. The potential liability to the Town, if any, or an evaluation of the outcome of these matters cannot be made at the present time.

Other Contingencies:

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

NOTE 14 – OPERATING LEASES

The Town leases one-half of the Thayer House to the U.S. Postal Service under an operating lease. A five-year operating lease effective October 11, 2015 was executed during fiscal year 2015 and extended for five additional years during fiscal year 2021. Future minimum lease payments to be received by the Town are as follows:

<u><i>Year Ending June 30,</i></u>	
2022	\$14,280
2023	14,280
2024	14,280
2025	14,280
2026	3,570
	<u>\$60,690</u>

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NOTE 15 – PENSION PLANS

A. MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM PLANS

Defined Benefit Plans

General Information about the Pension Plan

Plan Description - The Municipal Employees' Retirement System (MERS) – an agent multiple-employer defined benefit pension plan - provides certain retirement, disability and death benefits to plan members and beneficiaries. MERS was established under Rhode Island General Law and placed under the management of the 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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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). The Town of Hopkinton has elected the optional cost-of-living provision (COLA C) for general employees and police officers.

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

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

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

Special Provisions Applying to Specific Units – Prior to July 1, 2012, some units had specific provisions that apply only to that unit. Per section 45-21.2-5 benefits for members eligible to retire prior to June 30, 2012 are preserved for the calculation of the retirement benefits. For service accrued after July 1, 2012, retirement benefits will be calculated in accordance with section 45-21.2-2 and adjustments to benefits will be provided as set forth in 45-21-52. The following summarizes those provisions:

Hopkinton Police Department – Rhode Island General Law § 45-21.2-5 (9)

Under these special provisions, the final compensation for benefit computation is based on the members' highest year of earnings. In addition, the members shall receive a three (3%) escalation of their pension payment compounded each year on January 1st following the year of retirement and continuing on an annual basis on that date. Compensation for benefit purposes include base, longevity, and holiday pay.

Employees Covered by Benefit Terms - At the June 30, 2019 valuation date, the following employees were covered by the benefit terms:

	General Employees Plan	Police Officers Plan
Retirees and Beneficiaries	17	14
Inactive, Nonretired Members	17	2
Active Members	36	15
Total	70	31

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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 2.00% of their salaries. General employees with more than 20 years of service as of June 30, 2012 are required to contribute 9.25%. Police officers are required to contribute 10.00% of their salaries. The Town of Hopkinton contributes at a rate of covered employee payroll as determined by an independent actuary on an annual basis. The General Assembly can amend the amount of these contribution requirements. The Town of Hopkinton contributed the following amounts in the year ended June 30, 2021: general employees plan - \$68,966 and police officers plan - \$354,856. The Town’s contributions represented the following percentages of annual covered payroll: general employees plan – 3.73%; and police officers plan – 32.84%.

Net Pension Liability (Asset) - The total pension liability was determined by actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, 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, 2020 Measurement Date (June 30, 2019 valuation rolled forward to June 30, 2020)	
Actuarial Cost Method	Entry Age Normal - The Individual Entry Age Actuarial Cost methodology is used.
Amortization Method	Level Percent of Payroll – Closed
Actuarial Assumptions:	
Investment Rate of Return	7.0%
Projected Salary Increases	General Employees - 3.25% to 7.25% ; Police Officers - 4.00% to 14.00%
Inflation	2.5%
Mortality	Variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
Cost of Living Adjustments	A 2.1% COLA is assumed for all MERS units with the COLA provision.

The following actuarial assumptions have been changed since the prior measurement date:

- The general employees projected salary increases assumption was changed from 3.50% to 7.50% to 3.25% to 7.25%.
- The mortality tables were changed from variants of the RP-2014 Tables, updated to the ultimate rates of the MP-2016 projection scale to variants of the PUB (10) Tables for Healthy and Disabled Retirees, projected with Scale Ultimate MP16.
- The cost of living adjustments assumption was changed from 2.0% to 2.1%.

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

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method. The actuary started by calculating best-estimate future expected real rates of return (expected returns net of pension plan investment expense and inflation) for each major asset class, based on a collective summary of capital market expectations from 39 sources. The June 30, 2020 expected arithmetic returns over the long-term (20-years) by asset class are summarized in the following table:

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Asset Class	Long-Term Target Asset Allocation	Long-Term Expected Arithmetic Real Rate of Return
GROWTH		
Global Equity		
US Equity	23.00%	6.31%
International Developed Equity	12.10%	6.71%
Emerging Markets Equity	4.90%	8.69%
Sub-total	40.00%	
Private Growth		
Private Equity	11.25%	9.71%
Non-Core Real Estate	2.25%	5.66%
Opportunistic Private Credit	1.50%	9.71%
Sub-total	15.00%	
INCOME		
High Yield Infrastructure	1.00%	3.88%
REITS	1.00%	5.66%
Equity Options	2.00%	6.04%
EMD (50/50 Blend)	2.00%	2.28%
Liquid Credit	2.80%	3.88%
Private Credit	3.20%	3.88%
Sub-total	12.00%	
STABILITY		
Crisis Protection Class		
Treasury Duration	5.00%	0.10%
Systematic Trend	5.00%	3.84%
Sub-total	10.00%	
Inflation Protection		
Core Real Estate	3.60%	5.66%
Private Infrastructure	2.40%	6.06%
TIPs	2.00%	0.74%
Sub-total	8.00%	
Volatility Protection		
IG Corp Credit	3.25%	1.54%
Securitized Credit	3.25%	1.54%
Absolute Return	6.50%	3.84%
Cash	2.00%	0.10%
Sub-total	15.00%	
Total	100.00%	

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

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

General Employees Plan
Changes in the Net Pension Liability (Asset)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset)
Balances as of June 30, 2019	\$5,558,977	\$6,037,307	\$(478,330)
Changes for the Year:			
Service cost	157,261	-	157,261
Interest on the total pension liability	384,857	-	384,857
Changes in benefits	-	-	-
Difference between expected and actual experience	(175,118)	-	(175,118)
Changes in assumptions	(58,966)	-	(58,966)
Employer contributions	-	63,740	(63,740)
Employee contributions	-	40,200	(40,200)
Net investment income	-	221,884	(221,884)
Benefit payments, including employee refunds	(279,313)	(279,313)	-
Administrative expense	-	(6,113)	6,113
Other changes	-	1	(1)
Net changes	28,721	40,399	(11,678)
Balances as of June 30, 2020	\$5,587,698	\$6,077,706	\$(490,008)

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Police Officers Plan
Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balances as of June 30, 2019	\$9,258,505	\$5,819,307	\$3,439,198
Changes for the Year:			
Service cost	217,468	-	217,468
Interest on the total pension liability	639,043	-	639,043
Changes in benefits	-	-	-
Difference between expected and actual experience	(122,771)	-	(122,771)
Changes in assumptions	(20,193)	-	(20,193)
Employer contributions	-	279,542	(279,542)
Employee contributions	-	85,753	(85,753)
Net investment income	-	216,076	(216,076)
Benefit payments, including employee refunds	(476,114)	(476,114)	-
Administrative expense	-	(5,953)	5,953
Other changes	-	1	(1)
Net changes	237,433	99,305	138,128
Balances as of June 30, 2020	\$9,495,938	\$5,918,612	\$3,577,326

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

Plan	1.00% Decrease (6.0%)	Current Discount Rate (7.0%)	1.00% Increase (8.0%)
General Employees	\$10,345	\$(490,008)	\$(1,093,772)
Police Officers	\$4,427,482	\$3,577,326	\$2,551,348

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

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

For the year ended June 30, 2021, the Town recognized pension expense as follows: general employees plan - \$138,569; and police officers plan - \$368,707. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

TOWN OF HOPKINTON, RHODE ISLAND
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	General Employees Plan	Police Officers Plan
Deferred Outflows of Resources:		
Contributions subsequent to the measurement date	\$68,966	\$354,856
Assumption changes	65,837	199,966
Differences between expected and actual experience	45,823	34,877
Net difference between projected and actual investment earnings	108,662	106,535
Total	\$289,288	\$696,234
Deferred Inflows of Resources:		
Assumption changes	\$48,725	\$17,169
Differences between expected and actual experience	202,034	637,608
Total	\$250,759	\$654,777

The deferred outflows of resources related to pensions resulting from the Town contributions in fiscal year 2021 subsequent to the measurement date that will be recognized as a reduction of (addition to) the net pension liability (asset) 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:

Year Ending June 30	Net Deferred Outflows/(Inflows) of Resources	
	General Employees Plan	Police Officers Plan
2022	\$(11,519)	\$(82,996)
2023	17,581	(49,915)
2024	374	(41,089)
2025	(6,054)	(54,946)
2026	(30,819)	(67,219)
Thereafter	-	(17,234)

Defined Contribution Plan

Plan Description

Certain general employees participating in the defined benefit plan, as described above, may also participate in a defined contribution plan as authorized by General Law Chapter 36-10.3. The defined contribution plan is established under IRS section 401(a) and is administered by TIAA-CREF. Employees may choose among various investment options available to plan participants.

TOWN OF HOPKINTON, RHODE ISLAND
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General employees with less than 20 years of service on June 30, 2012 contribute 5% of their annual covered salary and employers contribute, depending on years of service as of June 30, 2012, 1% to 1.5% of annual covered salary. Employee contributions are immediately vested while employer contributions and any investment earnings thereon are vested after three years of contributory service. Benefit terms and contributions required under the plan by both the employee and employer are established by the General Laws, which are subject to amendment by the General Assembly.

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

The Town of Hopkinton recognized pension expense of \$19,066 for the fiscal year ended June 30, 2021.

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

B. AGGREGATE PENSION AMOUNTS REPORTED IN THE FINANCIAL STATEMENTS

	Deferred Outflows of Resources – Pension Amounts	Deferred Inflows of Resources – Pension Amounts	Net Pension Asset	Net Pension Liability	Pension Expense
General Employees Plan	\$289,288	\$250,759	\$(490,008)	\$ -	\$138,569
Police Officers Plan	696,234	654,777	-	3,577,326	368,707
Total	\$985,522	\$905,536	\$(490,008)	\$3,577,326	\$507,276

NOTE 16 – TAX ABATEMENTS

The Town has established a tax stabilization program for industrial and commercial development pursuant to Section 44-3-9 of Rhode Island General Laws. The purpose of the program is to expand the industrial and commercial tax base and encourage construction and expansion of industrial and commercial facilities. Industrial, commercial and mixed use (commercial portion only) facilities are eligible if the estimated cost of new construction exceeds 25% of the assessed value of the property's existing improvements or \$200,000, whichever is less. Applications for stabilization of taxes must be approved by a majority vote of the Town Council. The abatement is the difference between the tax at full assessed value and the following:

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<u>Year</u>	<u>New Construction</u>	<u>Addition or Renovation</u>
1	Land Value	100% Existing Property Value and 25% of New Construction
2	Land Value and 25% of Construction	100% Existing Property Value and 50% of New Construction
3	Land Value and 50% of Construction	100% Existing Property Value and 75% of New Construction
4	Land Value and 75% of Construction	

The full assessed value is phased in over 5 years for new construction and 4 years for additions or renovations. The tax stabilization abatement will cease immediately if the taxpayer defaults on any quarterly tax or other payment due to the Town or the taxpayer vacates the property or the facility ceases operations. The Town had one taxpayer participating in the tax stabilization program at June 30, 2021. The total abatements granted under this program in fiscal year 2021 were \$19,423. The Town has not made any commitments as a part of the agreement other than to reduce taxes. The Town is not subject to any tax abatement agreements entered into by other governmental entities.

NOTE 17 – UNCERTAINTIES

The United States and State of Rhode Island declared a State of Emergency in March 2020 due to the global Coronavirus Disease (COVID-19) pandemic. In the weeks and months following the declaration, precautionary measures to slow the spread of the virus were ordered that have affected the Town’s operations in fiscal year 2021. The length of time these measures will be in place and the extent of any future financial impact to the Town are unknown at this time.

NOTE 18 – RECLASSIFICATIONS FROM PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Town implemented GASB Statement No.84, *Fiduciary Activities*, in fiscal year 2021. An agency fund’s transactions that did not meet the definition of a custodial fund have been reported in the General Fund in fiscal year 2021 resulting in an increase in the assets and liabilities in the General Fund and Governmental Activities financial statements in the amount of \$927,745.

TOWN OF HOPKINTON, RHODE ISLAND
Budgetary Comparison Schedule
For the Fiscal Year Ended June 30, 2021

	<u>Original/ Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Positive (Negative)</u>
Revenues			
Property taxes	\$ 19,533,246	\$ 19,576,978	\$ 43,732
Federal and state grants and aid	6,348,931	6,567,457	218,526
Charges for services	1,052,970	932,042	(120,928)
Interest on investments	9,500	2,588	(6,912)
Other revenue	1,500	11,252	9,752
Use of fund balance	127,740	-	(127,740)
Total revenues	<u>27,073,887</u>	<u>27,090,317</u>	<u>16,430</u>
Expenditures			
Current:			
General government	2,067,792	2,053,383	14,409
Public safety	2,737,613	2,743,922	(6,309)
Public works	1,186,473	1,076,952	109,521
Recreation	297,630	178,873	118,757
Public and social services	146,050	146,322	(272)
Education	20,092,924	20,092,924	-
Debt service	543,031	541,568	1,463
Total expenditures	<u>27,071,513</u>	<u>26,833,944</u>	<u>237,569</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>2,374</u>	<u>256,373</u>	<u>253,999</u>
Other financing sources (uses)			
Transfers from other funds	130,000	130,000	-
Transfers to other funds	(132,374)	(132,374)	-
Total other financing sources (uses)	<u>(2,374)</u>	<u>(2,374)</u>	<u>-</u>
Excess of revenues over expenditures and other financing uses, budgetary basis	<u>\$ -</u>	<u>\$ 253,999</u>	<u>\$ 253,999</u>

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:							
Service cost	\$ 157,261	\$ 167,237	\$ 165,278	\$ 155,592	\$ 154,841	\$ 163,891	\$ 161,437
Interest	384,857	370,938	343,288	329,386	313,218	311,997	292,185
Changes of benefit terms	-	-	-	-	-	53,883	-
Differences between expected and actual experience	(175,118)	(79,596)	97,231	(14,426)	(45,450)	(291,941)	-
Changes of assumptions	(58,966)	-	-	233,253	-	-	6,099
Benefits payments, including refunds of member contributions	(279,313)	(230,196)	(193,352)	(199,336)	(215,502)	(218,532)	(175,064)
Net change in total pension liability	<u>28,721</u>	<u>228,383</u>	<u>412,445</u>	<u>504,469</u>	<u>207,107</u>	<u>19,298</u>	<u>284,657</u>
Total pension liability - beginning	<u>5,558,977</u>	<u>5,330,594</u>	<u>4,918,149</u>	<u>4,413,680</u>	<u>4,206,573</u>	<u>4,187,275</u>	<u>3,902,618</u>
Total pension liability - ending (a)	<u>\$ 5,587,698</u>	<u>\$ 5,558,977</u>	<u>\$ 5,330,594</u>	<u>\$ 4,918,149</u>	<u>\$ 4,413,680</u>	<u>\$ 4,206,573</u>	<u>\$ 4,187,275</u>
Plan fiduciary net position:							
Contributions - employer	\$ 63,740	\$ 39,871	\$ 40,365	\$ 62,646	\$ 82,243	\$ 101,363	\$ 106,729
Contributions - employee	40,200	40,941	44,017	42,551	41,743	34,358	33,423
Net investment income	221,884	373,825	435,996	585,374	(1,761)	121,193	684,310
Benefits payments, including refunds of member contributions	(279,313)	(230,196)	(193,352)	(199,336)	(215,502)	(218,532)	(175,064)
Administrative expense	(6,113)	(5,898)	(5,804)	(5,530)	(4,737)	(4,862)	(4,285)
Other	1	(7,882)	(6,750)	(46,930)	1	1	-
Net change in plan fiduciary net position	<u>40,399</u>	<u>210,661</u>	<u>314,472</u>	<u>438,775</u>	<u>(98,013)</u>	<u>33,521</u>	<u>645,113</u>
Plan fiduciary net position - beginning	<u>6,037,307</u>	<u>5,826,646</u>	<u>5,512,174</u>	<u>5,073,399</u>	<u>5,171,412</u>	<u>5,137,891</u>	<u>4,492,778</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,077,706</u>	<u>\$ 6,037,307</u>	<u>\$ 5,826,646</u>	<u>\$ 5,512,174</u>	<u>\$ 5,073,399</u>	<u>\$ 5,171,412</u>	<u>\$ 5,137,891</u>
Town's net pension liability (asset) - ending (a) - (b)	<u>\$ (490,008)</u>	<u>\$ (478,330)</u>	<u>\$ (496,052)</u>	<u>\$ (594,025)</u>	<u>\$ (659,719)</u>	<u>\$ (964,839)</u>	<u>\$ (950,616)</u>
Plan fiduciary net position as a percentage of the total pension liability							
	108.77%	108.60%	109.31%	112.08%	114.95%	122.94%	122.70%
Covered payroll	\$ 1,876,618	\$ 1,845,888	\$ 1,818,237	\$ 1,764,083	\$ 1,714,745	\$ 1,717,934	\$ 1,671,191
Net pension liability (asset) as a percentage of covered payroll	-26.11%	-25.91%	-27.28%	-33.67%	-38.47%	-56.16%	-56.88%

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total pension liability:							
Service cost	\$ 217,468	\$ 231,196	\$ 220,090	\$ 185,453	\$ 179,188	\$ 154,963	\$ 149,013
Interest	639,043	628,968	626,966	633,113	618,024	564,306	549,806
Changes of benefit terms	-	-	-	-	-	303,629	-
Differences between expected and actual experience	(122,771)	(233,266)	(348,105)	(273,327)	(115,694)	158,915	-
Changes of assumptions	(20,193)	-	-	430,634	-	-	(41,160)
Benefits payments, including refunds of member contributions	(476,114)	(476,114)	(475,690)	(480,395)	(486,520)	(468,843)	(465,771)
Net change in total pension liability	<u>237,433</u>	<u>150,784</u>	<u>23,261</u>	<u>495,478</u>	<u>194,998</u>	<u>712,970</u>	<u>191,888</u>
Total pension liability - beginning	<u>9,258,505</u>	<u>9,107,721</u>	<u>9,084,460</u>	<u>8,588,982</u>	<u>8,393,984</u>	<u>7,681,014</u>	<u>7,489,126</u>
Total pension liability - ending (a)	<u>\$ 9,495,938</u>	<u>\$ 9,258,505</u>	<u>\$ 9,107,721</u>	<u>\$ 9,084,460</u>	<u>\$ 8,588,982</u>	<u>\$ 8,393,984</u>	<u>\$ 7,681,014</u>
Plan fiduciary net position:							
Contributions - employer	\$ 279,542	\$ 331,873	\$ 329,233	\$ 308,068	\$ 282,019	\$ 219,198	\$ 98,125
Contributions - employee	85,753	112,614	115,844	99,089	95,159	72,583	70,497
Net investment income	216,076	360,326	411,277	574,883	(1,811)	125,021	718,132
Benefits payments, including refunds of member contributions	(476,114)	(476,114)	(475,690)	(480,395)	(486,520)	(468,843)	(465,771)
Administrative expense	(5,953)	(5,685)	(5,475)	(5,431)	(4,873)	(5,016)	(4,497)
Other	1	1	(292,283)	(301,578)	3	-	-
Net change in plan fiduciary net position	<u>99,305</u>	<u>323,015</u>	<u>82,906</u>	<u>194,636</u>	<u>(116,023)</u>	<u>(57,057)</u>	<u>416,486</u>
Plan fiduciary net position - beginning	<u>5,819,307</u>	<u>5,496,292</u>	<u>5,413,386</u>	<u>5,218,750</u>	<u>5,334,773</u>	<u>5,391,830</u>	<u>4,975,344</u>
Plan fiduciary net position - ending (b)	<u>\$ 5,918,612</u>	<u>\$ 5,819,307</u>	<u>\$ 5,496,292</u>	<u>\$ 5,413,386</u>	<u>\$ 5,218,750</u>	<u>\$ 5,334,773</u>	<u>\$ 5,391,830</u>
Town's net pension liability - ending (a) - (b)	<u>\$ 3,577,326</u>	<u>\$ 3,439,198</u>	<u>\$ 3,611,429</u>	<u>\$ 3,671,074</u>	<u>\$ 3,370,232</u>	<u>\$ 3,059,211</u>	<u>\$ 2,289,184</u>
Plan fiduciary net position as a percentage of the total pension liability	62.33%	62.85%	60.35%	59.59%	60.76%	63.55%	70.20%
Covered payroll	\$ 1,051,585	\$ 1,126,138	\$ 1,061,700	\$ 991,195	\$ 959,248	\$ 907,279	\$ 881,211
Net pension liability as a percentage of covered payroll	340.18%	305.40%	340.16%	370.37%	351.34%	337.19%	259.78%

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

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

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

<i>Fiscal Year</i>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>General Employees Plan</u>							
Actuarially determined contribution	\$ 68,966	\$ 63,740	\$ 39,871	\$ 40,365	\$ 62,646	\$ 82,243	\$ 101,363
Contributions in relation to the actuarially determined contribution	68,966	63,740	39,871	40,365	62,646	82,243	101,363
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,848,891	\$ 1,876,618	\$ 1,845,888	\$ 1,818,237	\$ 1,764,083	\$ 1,714,745	\$ 1,717,934
Contributions as a percentage of covered payroll	3.73%	3.40%	2.16%	2.22%	3.55%	4.80%	5.90%
<u>Police Officers Plan</u>							
Actuarially determined contribution	\$ 354,856	\$ 279,542	\$ 331,873	\$ 329,233	\$ 308,068	\$ 282,019	\$ 219,198
Contributions in relation to the actuarially determined contribution	354,856	279,542	331,873	329,233	308,068	282,019	219,198
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,080,560	\$ 1,051,585	\$ 1,126,138	\$ 1,061,700	\$ 991,195	\$ 959,248	\$ 907,279
Contributions as a percentage of covered payroll	32.84%	26.58%	29.47%	31.01%	31.08%	29.40%	24.16%

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

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

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

NOTE 1 – PENSION PLANS

The net pension liability amounts presented as of the June 30, 2021 were determined as part of actuarial valuations performed as of June 30, 2019 and rolled forward to June 30, 2020, the measurement date. Additional information, including actuarial methods and assumptions, are presented in Note 15 to the financial statements.

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

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

June 30, 2020 measurement date –

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

June 30, 2017 measurement date –

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

June 30, 2015 measurement date –

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

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

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

- Members are eligible to retire upon the attainment of: age 65 with 30 years of service, 64 with 31 years of service, 63 with 32 years of service, or 62 with 33 years of service. Members may retire earlier if their RIRSA date is earlier or are eligible under a transition rule.
- MERS public safety employees may retire at age 50 with 25 years of service, or any age with 27 years of service. MERS public safety employees will contribute 9.00% (10.00% for units with a COLA provision).
- Employees with more than 10 but less than 20 years of service at July 1, 2012 will receive an increased employer contribution to the defined contribution plan. Also, members who earn less than \$35,000 per year will not be required to pay the administrative fees to the defined contribution plan.
- Members who retired from a COLA eligible plan before July 1, 2012 will received a one-time cost of living adjustment of 2% of the first \$25,000 paid as soon as administratively possible.
- Retirees as of June 30, 2015 will receive two \$500 stipends; the interim cost of living increases will occur at 4 year rather than 5 year intervals.
- The COLA formula was adjusted to: 50% of the COLA is calculated by taking the previous 5-year average investment return, less 5.5% (5-year return - 5.5%, with a max of 4%) and 50% calculated using previous year's CPI-U (max of 3%) for a total max COLA of 3.5%. This COLA is calculated on the first \$25,855, effective 01/01/16, and indexed as of that date as well. (The indexing formula is run annually regardless of funding level each year.)
- Minor adjustments were made to the actuarial reduction for employees choosing to retire early.

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

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

TOWN OF HOPKINTON, RHODE ISLAND
Notes to Required Supplementary Information
June 30, 2021

NOTE 2 – BUDGETARY DATA AND BUDGETARY COMPLIANCE

The Town has formally established budgetary accounting control for its General Fund. It is the responsibility of the Town Manager together with the Finance Director’s recommendation to submit to the Town Council and make available to the general public a proposed General Fund budget for the fiscal year. The Town Council may then revise and adopt a recommended General Fund budget. A public hearing is conducted on the recommended General Fund Budget and the final recommended budget is approved by the Town Financial Referendum. The General Fund operating budget is supported by revenue estimates and take into account the elimination of accumulated deficits and the re-appropriation of accumulated surpluses to the extent necessary. The budget approved and adopted by the Town Financial Referendum reports the amount budgeted for each department, including the Regional School District, therefore, the legal level of control for the General Fund is at the departmental level. Amendments that would change the total appropriation must be approved by a Town Financial Referendum. There were no supplemental budgetary appropriations in fiscal year 2021. Appropriations which are not expended or encumbered lapse at year end.

The General Fund budget is in conformity with the legally enacted budgetary basis, which is not in conformity with generally accepted accounting principles. The budget to actual presentation for the General Fund reported as required supplementary information is reflected on the budgetary basis. Differences between the budgetary basis and the generally accepted accounting principles basis are as follows:

<u>Revenues and Other Financing Sources</u>	<u>General Fund</u>
Revenues and other financing sources – budgetary basis	\$27,220,317
Unbudgeted revenues not included in budgetary revenues, but included for financial reporting purposes.	12,792
Capital lease issuance not budgeted.	204,286
<i>Total revenues and other financing sources as reported in the statement of revenues, expenditures and changes in fund balances – governmental funds – gaap basis</i>	<u><u>\$27,437,395</u></u>
<u>Expenditures and Other Financing Uses</u>	
Expenditures and other financing uses – budgetary basis	\$26,966,318
Unbudgeted expenditures not included in budgetary expenditures, but included for financial reporting purposes.	3,750
Capital lease issuance not budgeted.	204,286
<i>Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds – gaap basis</i>	<u><u>\$27,174,354</u></u>

TOWN OF HOPKINTON, RHODE ISLAND
Combining Balance Sheet
General Fund
June 30, 2021

	<i>Town General</i>	<i>Sick Time</i>	<i>Legal Fees</i>	<i>Juvenile Justice</i>	<i>Emergency Management</i>	<i>Grant Matching</i>	<i>Revaluation</i>
Assets							
Cash	\$ 4,760,886	\$ 62,619	\$ -	\$ 62	\$ 11,291	\$ 3,492	\$ 56,899
Property taxes receivable, net	704,485	-	-	-	-	-	-
Due from federal and state governments	98,695	-	-	-	-	-	-
Other receivables	90,369	-	-	-	-	-	-
Due from other funds	4,910,708	-	72,834	-	38,993	11,965	96,919
Due from component unit	64,261	-	-	-	-	-	-
Prepaid expenditures	61,005	-	-	-	-	-	-
Total assets	\$ 10,690,409	\$ 62,619	\$ 72,834	\$ 62	\$ 50,284	\$ 15,457	\$ 153,818
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued expenditures	\$ 213,531	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	4,456,346	41,840	79,673	-	43,596	-	152,273
Performance bonds payable	-	-	-	-	-	-	-
Total liabilities	4,669,877	41,840	79,673	-	43,596	-	152,273
Deferred Inflows of Resources:							
Deferred property taxes	398,063	-	-	-	-	-	-
Other deferred revenues	2,195	-	-	-	-	-	-
Total deferred inflows of resources	400,258	-	-	-	-	-	-
Fund Balances:							
Nonspendable:							
Prepaid expenditures	61,005	-	-	-	-	-	-
Restricted for:							
Public safety programs	-	-	-	-	-	-	-
Other programs	-	-	-	-	-	4,100	-
Committed for:							
Employee relations costs	-	20,779	-	-	-	-	-
Property revaluation	-	-	-	-	-	-	1,545
Public works	-	-	-	-	-	-	-
Planning and zoning	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	11,357	-
Assigned for 2022 budget	165	-	-	-	-	-	-
Unassigned	5,559,104	-	(6,839)	62	6,688	-	-
Total fund balances	5,620,274	20,779	(6,839)	62	6,688	15,457	1,545
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,690,409	\$ 62,619	\$ 72,834	\$ 62	\$ 50,284	\$ 15,457	\$ 153,818

(Continued)

TOWN OF HOPKINTON, RHODE ISLAND
Combining Balance Sheet (Continued)
General Fund
June 30, 2021

	<i>Engineering Services</i>	<i>Comprehensive Plan</i>	<i>Animal Donations</i>	<i>Public Works Emergency Winter Operations</i>	<i>Conservation Commission</i>	<i>Solar Decommissioning Bonds</i>	<i>Total General Fund</i>
Assets							
Cash	\$ 26,679	\$ 48,965	\$ 4,024	\$ -	\$ -	\$ 927,745	\$ 5,902,662
Property taxes receivable, net	-	-	-	-	-	-	704,485
Due from federal and state governments	-	-	-	-	-	-	98,695
Other receivables	16,369	-	-	-	-	-	106,738
Due from other funds	-	18,000	6,717	35,370	6,796	-	5,198,302
Due from component unit	-	-	-	-	-	-	64,261
Prepaid expenditures	-	-	-	-	-	-	61,005
Total assets	\$ 43,048	\$ 66,965	\$ 10,741	\$ 35,370	\$ 6,796	\$ 927,745	\$ 12,136,148
Liabilities, Deferred Inflows of Resources, and Fund Balances							
Liabilities:							
Accounts payable and accrued expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 213,531
Due to other funds	35,471	64,804	9,183	-	6,796	-	4,889,982
Performance bonds payable	-	-	-	-	-	927,745	927,745
Total liabilities	35,471	64,804	9,183	-	6,796	927,745	6,031,258
Deferred Inflows of Resources:							
Deferred property taxes	-	-	-	-	-	-	398,063
Other deferred revenues	-	-	-	-	-	-	2,195
Total deferred inflows of resources	-	-	-	-	-	-	400,258
Fund Balances:							
Nonspendable:							
Prepaid expenditures	-	-	-	-	-	-	61,005
Restricted for:							
Public safety programs	-	-	1,558	-	-	-	1,558
Other programs	-	-	-	-	-	-	4,100
Committed for:							
Employee relations costs	-	-	-	-	-	-	20,779
Property revaluation	-	-	-	-	-	-	1,545
Public works	7,577	-	-	35,370	-	-	42,947
Planning and zoning	-	2,161	-	-	-	-	2,161
Capital projects	-	-	-	-	-	-	11,357
Assigned for 2022 budget	-	-	-	-	-	-	165
Unassigned	-	-	-	-	-	-	5,559,015
Total fund balances	7,577	2,161	1,558	35,370	-	-	5,704,632
Total liabilities, deferred inflows of resources, and fund balances	\$ 43,048	\$ 66,965	\$ 10,741	\$ 35,370	\$ 6,796	\$ 927,745	\$ 12,136,148

TOWN OF HOPKINTON, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the Fiscal Year Ended June 30, 2021

	<i>Town General</i>	<i>Sick Time</i>	<i>Legal Fees</i>	<i>Juvenile Justice</i>	<i>Emergency Management</i>	<i>Grant Matching</i>	<i>Revaluation</i>
Revenues:							
Property taxes	\$ 19,576,978	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Federal and state grants and aid	6,560,129	-	-	-	4,028	7,000	-
Charges for services and fees	932,042	-	-	-	-	-	-
Interest on investments	2,588	40	-	-	-	3	36
Other revenues	11,252	-	-	-	-	-	-
Total revenues	27,082,989	40	-	-	4,028	7,003	36
Expenditures:							
<i>Current:</i>							
General government	2,053,383	-	-	-	-	2,900	-
Public safety	2,743,922	-	-	-	-	-	-
Public works	1,076,952	-	-	-	-	-	-
Recreation	178,873	-	-	-	-	-	-
Public and social services	146,322	-	-	-	-	-	-
Education - payment to school district	20,092,924	-	-	-	-	-	-
Capital outlay	204,286	-	-	-	-	-	-
Debt service:							
Principal	409,000	-	-	-	-	-	-
Interest and other charges	132,568	-	-	-	-	-	-
Total expenditures	27,038,230	-	-	-	-	2,900	-
Excess of revenues over expenditures before other financing sources (uses)	44,759	40	-	-	4,028	4,103	36
Other financing sources (uses):							
Capital lease issued	204,286	-	-	-	-	-	-
Transfers from other funds	137,328	-	-	-	-	-	-
Transfers to other funds	(132,374)	-	-	-	-	-	-
Total other financing sources (uses)	209,240	-	-	-	-	-	-
Net change in fund balances	253,999	40	-	-	4,028	4,103	36
Fund balances - beginning of year	5,366,275	20,739	(6,839)	62	2,660	11,354	1,509
Fund balances - end of year	\$ 5,620,274	\$ 20,779	\$ (6,839)	\$ 62	\$ 6,688	\$ 15,457	\$ 1,545

(Continued)

TOWN OF HOPKINTON, RHODE ISLAND
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances (Continued)
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Engineering Services</u>	<u>Comprehensive Plan</u>	<u>Animal Donations</u>	<u>Public Works Emergency Winter Operations</u>	<u>Conservation Commission</u>	<u>Solar Decommissioning Bonds</u>	<u>Eliminate Transfers Within General Fund</u>	<u>Total General Fund</u>
Revenues:								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,576,978
Federal and state grants and aid	-	-	-	-	-	-	-	6,571,157
Charges for services and fees	-	-	-	-	-	-	-	932,042
Interest on investments	16	31	3	-	-	-	-	2,717
Other revenues	-	-	1,635	-	-	-	-	12,887
Total revenues	<u>16</u>	<u>31</u>	<u>1,638</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,095,781</u>
Expenditures:								
<i>Current:</i>								
General government	-	-	-	-	-	-	-	2,056,283
Public safety	-	-	850	-	-	-	-	2,744,772
Public works	-	-	-	-	-	-	-	1,076,952
Recreation	-	-	-	-	-	-	-	178,873
Public and social services	-	-	-	-	-	-	-	146,322
Education - payment to school district	-	-	-	-	-	-	-	20,092,924
Capital outlay	-	-	-	-	-	-	-	204,286
Debt service:								
Principal	-	-	-	-	-	-	-	409,000
Interest and other charges	-	-	-	-	-	-	-	132,568
Total expenditures	<u>-</u>	<u>-</u>	<u>850</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,041,980</u>
Excess of revenues over expenditures before other financing sources (uses)	<u>16</u>	<u>31</u>	<u>788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,801</u>
Other financing sources (uses):								
Capital lease issued	-	-	-	-	-	-	-	204,286
Transfers from other funds	-	-	-	-	-	-	-	137,328
Transfers to other funds	-	-	-	-	-	-	-	(132,374)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,240</u>
Net change in fund balances	16	31	788	-	-	-	-	263,041
Fund balances - beginning of year	<u>7,561</u>	<u>2,130</u>	<u>770</u>	<u>35,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,441,591</u>
Fund balances - end of year	<u>\$ 7,577</u>	<u>\$ 2,161</u>	<u>\$ 1,558</u>	<u>\$ 35,370</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,704,632</u>

TOWN OF HOPKINTON, RHODE ISLAND
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021

	<i>Special Revenue Funds</i>	<i>Capital Project Funds</i>	<i>Permanent Funds</i>	<i>Total Nonmajor Governmental Funds</i>
ASSETS				
Cash	\$ 699,523	\$ 398,716	\$ 14,327	\$ 1,112,566
Due from federal and state government	59,167	2,500	-	61,667
Other receivables	106,699	8,563	-	115,262
Due from other funds	2,002,222	1,791,295	-	3,793,517
Total assets	\$ 2,867,611	\$ 2,201,074	\$ 14,327	\$ 5,083,012
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Due to other funds	\$ 2,541,242	\$ 1,959,284	\$ -	\$ 4,500,526
Other liabilities	-	9,500	-	9,500
Total liabilities	2,541,242	1,968,784	-	4,510,026
 Deferred Inflows of Resources				
Other deferred revenues	106,699	-	-	106,699
Total deferred inflows of resources	106,699	-	-	106,699
 Fund balances				
Nonspendable - permanent fund principal	-	-	7,560	7,560
Restricted	143,148	39,338	6,767	189,253
Committed	76,522	192,952	-	269,474
Total fund balances	219,670	232,290	14,327	466,287
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,867,611	\$ 2,201,074	\$ 14,327	\$ 5,083,012

TOWN OF HOPKINTON, RHODE ISLAND
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

	<i>Special Revenue Funds</i>	<i>Capital Project Funds</i>	<i>Permanent Funds</i>	<i>Total Nonmajor Governmental Funds</i>
Revenues				
Federal and state grants and aid	\$ 155,800	\$ 13,972	\$ -	\$ 169,772
Charges for services and fees	29,955	-	-	29,955
Interest on investments	361	250	5	616
Other revenues	4,788	5,625	-	10,413
Total revenues	<u>190,904</u>	<u>19,847</u>	<u>5</u>	<u>210,756</u>
Expenditures				
Current:				
General government	26,928	-	24	26,952
Public safety	18,329	-	-	18,329
Public works	39,875	-	-	39,875
Public and social services	128,343	-	-	128,343
Capital outlay	-	66,345	-	66,345
Debt service	2,168	124,459	-	126,627
Total expenditures	<u>215,643</u>	<u>190,804</u>	<u>24</u>	<u>406,471</u>
Deficiency of revenues under expenditures before other financing sources (uses)	<u>(24,739)</u>	<u>(170,957)</u>	<u>(19)</u>	<u>(195,715)</u>
Other financing sources (uses)				
Debt issued	13,500	-	-	13,500
Transfers from other funds	6,407	132,374	-	138,781
Transfers to other funds	(143,735)	-	-	(143,735)
Total other financing sources (uses)	<u>(123,828)</u>	<u>132,374</u>	<u>-</u>	<u>8,546</u>
Net change in fund balances	(148,567)	(38,583)	(19)	(187,169)
Fund balances - beginning of year	<u>368,237</u>	<u>270,873</u>	<u>14,346</u>	<u>653,456</u>
Fund balances - end of year	<u>\$ 219,670</u>	<u>\$ 232,290</u>	<u>\$ 14,327</u>	<u>\$ 466,287</u>

TOWN OF HOPKINTON, RHODE ISLAND
Tax Collector's Annual Report
For the Fiscal Year Ended June 30, 2021

Real Estate and Personal Property Taxes

<u>Tax Year</u>	<u>Balance June 30, 2020</u>	<u>Current Year Assessment</u>	<u>Additions</u>	<u>Abatements/ Adjustments</u>	<u>Amount to be Collected</u>	<u>Current Year Collections</u>	<u>Balance June 30, 2021</u>
2020	\$ -	\$ 19,624,355	\$ 18,447	\$ (41,817)	\$ 19,600,985	\$ 18,992,332	\$ 608,653
2019	555,184	-	-	(4,412)	550,772	497,960	52,812
2018	55,964	-	-	-	55,964	12,813	43,151
2017	52,536	-	-	-	52,536	5,767	46,769
2016	59,417	-	-	-	59,417	2,492	56,925
2015	48,345	-	-	-	48,345	1,153	47,192
2014	38,371	-	-	-	38,371	2,133	36,238
2013	35,028	-	-	-	35,028	1,652	33,376
2012	38,095	-	-	-	38,095	667	37,428
2011	37,246	-	-	-	37,246	271	36,975
2010	30,943	-	-	-	30,943	65	30,878
2009	18,066	-	-	(10,757)	7,309	-	7,309
2008	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-
2006	(4)	-	-	4	-	-	-
	<u>\$ 969,191</u>	<u>\$ 19,624,355</u>	<u>\$ 18,447</u>	<u>\$ (56,982)</u>	<u>\$ 20,555,011</u>	<u>\$ 19,517,305</u>	1,037,706

Allowance for Uncollectible Accounts (333,221)

Net Property Tax Receivable \$ 704,485

Schedule of Most Recent Net Assessed Property Value by Category

<u>Description of Property</u>	<u>Valuation</u>	<u>Levy</u>
Real property	\$ 999,316,800	\$ 18,267,511
Motor vehicles	67,172,977	1,422,724
Tangible personal property	40,652,020	743,119
Total	<u>1,107,141,797</u>	<u>20,433,354</u>
Exemptions and tax freeze	(40,233,171)	(808,999)
Net assessed value	<u>\$ 1,066,908,626</u>	<u>\$ 19,624,355</u>

Reconciliation of Current Year Property Tax Revenue

Current year collections	\$ 19,517,305
Add: Revenue collected 60 days subsequent to fiscal year ending June 30, 2021	306,570
Less: Revenue collected 60 days subsequent to fiscal year ending June 30, 2020	<u>(246,897)</u>
Current year property tax revenue	<u>\$ 19,576,978</u>

(Continued)

TOWN OF HOPKINTON, RHODE ISLAND

Tax Collector's Annual Report (Continued)

For the Fiscal Year Ended June 30, 2021

Fiscal Year 2021 Cash Collection Summary

<u>Tax Year</u>	<i>July - August 2020 Collections Subject to 60 day FY 20 Accrual</i>	<i>September 2020 - June 2021 Collections</i>	<i>Total FY 2021 Cash Collections</i>	<i>July - August 2021 Collections Subject to 60 day FY 21 Accrual</i>
2020	\$ -	\$ 18,992,332	\$ 18,992,332	\$ 262,065
2019	226,820	271,140	497,960	3,254
2018	4,338	8,475	12,813	1,088
2017	1,594	4,173	5,767	981
2016	836	1,656	2,492	557
2015	761	392	1,153	408
2014	968	1,165	2,133	-
2013	401	1,251	1,652	-
2012	39	628	667	-
2011	33	238	271	-
2010	7	58	65	30,908
2009	11,104	(11,104)	-	7,309
2008	-	-	-	-
2007	-	-	-	-
2006	(4)	4	-	-
	<u>\$ 246,897</u>	<u>\$ 19,270,408</u>	<u>\$ 19,517,305</u>	<u>\$ 306,570</u>

OTHER SUPPLEMENTARY INFORMATION

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

Annual Supplemental Transparency Report (MTP2) - Revenue

Annual Supplemental Transparency Report (MTP2) – Expenditures

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

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

Town of Hopkinton
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

<u>REVENUE</u>	<u>Municipal</u>
Current Year Levy Tax Collection	\$ 19,254,397
Last Year's Levy Tax Collection	274,394
Prior Years Property Tax Collection	48,187
Interest & Penalty	73,959
PILOT & Tax Treaty (excluded from levy) Collection	-
Other Local Property Taxes	-
Licenses and Permits	434,043
Fines and Forfeitures	28,824
Investment Income	2,717
Departmental	160,623
Rescue Run Revenue	-
Police & Fire Detail	104,093
Other Local Non-Property Tax Revenues	10,364
Tuition	-
Impact Aid	-
Medicaid	-
Federal Stabilization Funds	-
Federal Food Service Reimbursement	-
CDBG	-
COPS Grants	-
SAFER Grants	-
Other Federal Aid Funds	-
COVID - ESSER	-
COVID - CRF	654,043
COVID - CDBG	-
COVID - FEMA	-
COVID - Other	-
COVID - ARPA	-
MV Excise Tax Reimbursement	72,384
State PILOT Program	-
Distressed Community Relief Fund	-
Library Resource Aid	36,851
Library Construction Aid	-
Public Service Corporation Tax	96,432
Meals & Beverage Tax / Hotel Tax	48,416
LEA Aid	-
Group Home	-
Housing Aid Capital Projects	-
Housing Aid Bonded Debt	-
State Food Service Revenue	-
Incentive Aid	-
Property Revaluation Reimbursement	-
Other State Revenue	5,499,580
Motor Vehicle Phase Out	163,450
Other Revenue	133,023
Local Appropriation for Education	-
Regional Appropriation for Education	-
Supplemental Appropriation for Education	-
Regional Supplemental Appropriation for Education	-
Other Education Appropriation	-
Rounding	-
Total Revenue	\$ 27,095,781
Financing Sources: Transfer from Capital Funds	\$ -
Financing Sources: Transfer from Other Funds	137,328
Financing Sources: Debt Proceeds	-
Financing Sources: Other	204,286
Rounding	-
Total Other Financing Sources	\$ 341,614

Town of Hopkinton
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

EXPENDITURES	General		Social	Centralized	Planning	Libraries	Public	Parks and	Police
	Government	Finance	Services	IT			Works	Rec	Department
Compensation- Group A	\$ 558,431	\$ 256,465	\$ -	\$ 65,753	\$ 116,240	\$ -	\$ 542,400	\$ 113,484	\$ 1,113,690
Compensation - Group B	-	-	-	-	-	-	-	-	276,337
Compensation - Group C	-	-	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-	-	-
Overtime- Group A	-	-	-	-	-	-	43,784	-	124,490
Overtime - Group B	-	-	-	-	-	-	-	-	36,773
Overtime - Group C	-	-	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	-	-	52,155
Active Medical Insurance - Group A	48,567	38,754	-	7,125	15,380	-	132,876	20,327	200,889
Active Medical Insurance- Group B	-	-	-	-	-	-	-	-	54,103
Active Medical Insurance- Group C	-	-	-	-	-	-	-	-	-
Active Dental insurance- Group A	4,737	896	-	234	466	-	5,085	742	8,124
Active Dental Insurance- Group B	-	-	-	-	-	-	-	-	3,000
Active Dental Insurance- Group C	-	-	-	-	-	-	-	-	-
Payroll Taxes	42,993	19,792	-	4,943	8,581	-	43,382	7,559	99,191
Life Insurance	860	600	-	110	198	-	1,328	240	25,950
State Defined Contribution- Group A	5,653	2,588	-	651	1,324	-	5,451	995	447
State Defined Contribution - Group B	-	-	-	-	-	-	-	-	1,514
State Defined Contribution - Group C	-	-	-	-	-	-	-	-	-
Other Benefits- Group A	6,759	2,998	-	622	529	-	61,639	9,192	33,304
Other Benefits- Group B	-	-	-	-	-	-	-	-	3,577
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	18,846	9,506	-	2,440	4,337	-	19,211	3,180	365,794
State Defined Benefit Pension - Group B	-	-	-	-	-	-	-	-	7,422
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-	-	-
Purchased Services	365,980	50,617	-	-	275	-	4,078	5,389	12,462
Materials/Supplies	25,962	2,969	2,900	312	-	-	12,282	7,043	6,272
Software Licenses	-	-	-	53,077	-	-	-	-	-
Capital Outlays	-	-	-	-	-	-	163,170	-	41,116
Insurance	130,971	-	-	-	-	-	-	-	-
Maintenance	653	-	-	643	-	-	50,117	-	13,126
Vehicle Operations	-	-	-	-	-	-	63,984	-	41,712
Utilities	25,836	-	-	-	-	-	25,375	9,920	20,485
Contingency	-	-	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	26,851	-	-
Revaluation	-	-	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	49,961	-	-
Trash Removal & Recycling	-	-	-	-	-	-	-	-	-
Claims & Settlements	-	-	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-	-	-
Other Operation Expenditures	54,090	3,045	10,000	-	283	136,000	16,000	802	16,120
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	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 1,290,337	\$ 388,231	\$ 12,900	\$ 135,910	\$ 147,614	\$ 136,000	\$ 1,266,973	\$ 178,873	\$ 2,558,054

Town of Hopkinton
Annual Supplemental Transparency Report (MTP2)
Fiscal Year Ended June 30, 2021

EXPENDITURES	Fire Department	Centralized Dispatch	Public Safety Other	Education Appropriation	Debt	OPEB	Total Municipal
Compensation- Group A	\$ -	\$ -	\$ 77,097	\$ -	\$ -	\$ -	\$ 2,843,561
Compensation - Group B	-	-	-	-	-	-	276,337
Compensation - Group C	-	-	-	-	-	-	-
Compensation -Volunteer	-	-	-	-	-	-	-
Overtime- Group A	-	-	4,817	-	-	-	173,091
Overtime - Group B	-	-	-	-	-	-	36,773
Overtime - Group C	-	-	-	-	-	-	-
Police & Fire Detail	-	-	-	-	-	-	52,155
Active Medical Insurance - Group A	-	-	16,827	-	-	-	480,744
Active Medical Insurance- Group B	-	-	-	-	-	-	54,103
Active Medical Insurance- Group C	-	-	-	-	-	-	-
Active Dental insurance- Group A	-	-	742	-	-	-	21,027
Active Dental Insurance- Group B	-	-	-	-	-	-	3,000
Active Dental Insurance- Group C	-	-	-	-	-	-	-
Payroll Taxes	-	-	5,456	-	-	-	231,897
Life Insurance	-	-	120	-	-	-	29,406
State Defined Contribution- Group A	-	-	442	-	-	-	17,552
State Defined Contribution - Group B	-	-	-	-	-	-	1,514
State Defined Contribution - Group C	-	-	-	-	-	-	-
Other Benefits- Group A	-	-	1,885	-	-	-	116,928
Other Benefits- Group B	-	-	-	-	-	-	3,577
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	-	-	2,072	-	-	-	425,386
State Defined Benefit Pension - Group B	-	-	-	-	-	-	7,422
State Defined Benefit Pension - Group C	-	-	-	-	-	-	-
Other Defined Benefit / Contribution	-	-	-	-	-	-	-
Purchased Services	-	-	3,255	-	-	-	442,057
Materials/Supplies	-	-	3,915	-	-	-	61,654
Software Licenses	-	-	-	-	-	-	53,077
Capital Outlays	-	-	-	-	-	-	204,286
Insurance	-	-	-	-	-	-	130,971
Maintenance	-	-	-	-	-	-	64,539
Vehicle Operations	-	-	600	-	-	-	106,296
Utilities	-	-	3,414	-	-	-	85,029
Contingency	-	-	-	-	-	-	-
Street Lighting	-	-	-	-	-	-	26,851
Revaluation	-	-	-	-	-	-	-
Snow Removal-Raw Material & External Contracts	-	-	-	-	-	-	49,961
Trash Removal & Recycling	-	-	-	-	-	-	-
Claims & Settlements	-	-	-	-	-	-	-
Community Support	-	-	-	-	-	-	-
Other Operation Expenditures	104,000	-	3,514	-	-	-	343,854
Tipping Fees	-	-	-	-	-	-	-
Local Appropriation for Education	-	-	-	-	-	-	-
Regional Appropriation for Education	-	-	-	20,092,924	-	-	20,092,924
Supplemental Appropriation for Education	-	-	-	-	-	-	-
Regional Supplemental Appropriation for Education	-	-	-	-	-	-	-
Other Education Appropriation	-	-	-	-	-	-	-
Municipal Debt- Principal	-	-	-	-	409,000	-	409,000
Municipal Debt- Interest	-	-	-	-	131,721	-	131,721
School Debt- Principal	-	-	-	-	-	-	-
School Debt- Interest	-	-	-	-	-	-	-
Retiree Medical Insurance- Total	-	-	-	-	-	57,527	57,527
Retiree Dental Insurance- Total	-	-	-	-	-	7,760	7,760
OPEB Contribution- Total	-	-	-	-	-	-	-
Rounding	-	-	-	-	-	-	-
Total Expenditures	\$ 104,000	\$ -	\$ 124,155	\$ 20,092,924	\$ 540,721	\$ 65,287	\$ 27,041,980

Financing Uses: Transfer to Capital Funds	\$ 132,374
Financing Uses: Transfer to Other Funds	-
Financing Uses: Payment to Bond Escrow Agent	-
Financing Uses: Other	-
Total Other Financing Uses	\$ 132,374

Net Change in Fund Balance¹ 263,041

Fund Balance1- beginning of year \$5,441,591

Funds removed from Reportable Government Services (RGS)	-
Funds added to Reportable Government Services (RGS)	-
Prior period adjustments	-
Misc. Adjustment	-
Fund Balance¹ - beginning of year adjusted	5,441,591

Rounding
Fund Balance¹ - end of year **\$ 5,704,632**

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

Town of Hopkinton
Annual Supplemental Transparency Report (MTP2)
Combining Schedule of
Reportable Government Services with
Reconciliation to MTP2
Municipal
Fiscal Year Ended June 30, 2021

Per Audited Fund Financial Statements Fund Description	Total Revenue	Total Other Financing Sources	Total Expenditures	Total Other Financing Uses	Net Change in Fund Balance ¹	Beginning Fund Fund Balance ¹ (Deficit)	Prior Period Adjustment	Restated Beginning Fund Balance ¹ (Deficit)	Ending Fund Balance ¹ (Deficit)
Fund Balance¹ - per MTP-2 at June 30, 2020						\$ 5,441,591	-	\$ 5,441,591	
<i>No funds removed from RGS for fiscal 2020</i>						-	-	-	
<i>No funds added to RGS for Fiscal 2020</i>						-	-	-	
<i>No misc. adjustments made for fiscal 2020</i>						-	-	-	
Fund Balance¹ - per MTP-2 at June 30, 2021 adjusted						<u>\$ 5,441,591</u>	<u>-</u>	<u>\$ 5,441,591</u>	
General Fund	\$ 27,095,781	\$ 341,614	\$ 27,041,980	\$ 132,374	\$ 263,041	\$ 5,441,591	\$ -	\$ 5,441,591	\$ 5,704,632
Totals per audited financial statements	<u>\$ 27,095,781</u>	<u>\$ 341,614</u>	<u>\$ 27,041,980</u>	<u>\$ 132,374</u>	<u>\$ 263,041</u>	<u>\$ 5,441,591</u>	<u>\$ -</u>	<u>\$ 5,441,591</u>	<u>\$ 5,704,632</u>
<u>Reconciliation from financial statements to MTP2</u>									
Rounding	-	-	-	-	-	-	-	-	-
Totals Per MTP2	<u>\$ 27,095,781</u>	<u>\$ 341,614</u>	<u>\$ 27,041,980</u>	<u>\$ 132,374</u>	<u>\$ 263,041</u>	<u>\$ 5,441,591</u>	<u>\$ -</u>	<u>\$ 5,441,591</u>	<u>\$ 5,704,632</u>

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

TOWN OF HOPKINTON, RHODE ISLAND

Reportable Government Services with

MTP2 Notes

Fiscal Year Ended June 30, 2021

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

NOTE 1 - BASIS OF PRESENTATION

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

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

NOTE 2 - REPORTABLE GOVERNMENT SERVICES

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

NOTE 3 - ALLOCATIONS

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

NOTE 4 - EMPLOYEE GROUPS - COMPENSATION AND BENEFIT COSTS

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

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

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

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

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

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

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

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/>.

Town of Hopkinton

Changes in Fund Balances, General Fund

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting)

Unaudited

	(2) 2012	(2) 2013	(2) 2014	(2) 2015	(2) 2016	(2) 2017	(2) 2018	(2) 2019	(2) 2020	(2) 2021
Revenues										
Property taxes and interest	\$ 17,586,304	\$ 18,194,600	\$ 18,341,125	\$ 17,536,755	\$ 17,539,365	\$ 17,948,828	\$ 18,313,302	\$ 18,556,089	\$ 19,116,100	\$ 19,576,978
Federal and state grants and aid	6,031,011	6,022,837	5,828,062	5,874,941	5,807,978	5,830,941	5,780,937	5,858,484	5,785,151	6,560,129
Charges for services	793,615	848,755	864,816	786,182	898,024	875,069	1,146,245	1,291,592	1,082,454	932,042
Interest on investments	3,054	5,037	6,635	6,430	7,184	9,959	9,024	9,679	6,572	2,588
Other revenues	992	636	10,974	5,458	1,663	1,080	4,039	10,020	155,034	11,252
Total revenues	24,414,976	25,071,865	25,051,612	24,209,766	24,254,214	24,665,877	25,253,547	25,725,864	26,145,311	27,082,989
Expenditures										
Current:										
General government	1,734,835	1,695,379	1,726,244	1,731,112	1,821,304	1,777,207	1,765,186	1,911,498	2,012,288	2,053,383
Public safety	2,329,439	2,256,951	2,206,878	2,258,023	2,448,279	2,465,303	2,686,401	2,661,219	2,660,080	2,743,922
Public works	1,013,227	1,069,660	1,156,310	1,189,679	1,132,839	1,110,483	1,172,548	1,119,763	1,112,605	1,076,952
Recreation	248,048	254,973	262,177	264,394	265,687	264,393	268,810	300,851	280,457	178,873
Public and social services	127,115	125,250	127,500	137,750	140,001	140,000	142,000	142,000	142,500	146,322
Education	18,042,864	18,489,003	18,524,639	18,271,091	17,761,469	18,155,239	18,340,317	18,759,809	19,337,865	20,092,924
Capital improvements (1)	-	-	-	-	-	-	232,842	-	147,260	204,286
Debt service:										
Principal	107,903	160,071	162,055	161,937	668,178	272,000	282,000	307,000	308,000	409,000
Interest	88,817	71,786	76,146	69,141	79,887	75,958	71,376	137,103	140,463	132,568
Total expenditures	23,692,248	24,123,073	24,241,949	24,083,127	24,317,644	24,260,583	24,961,480	25,339,243	26,141,518	27,038,230
Excess (deficiency) of revenues over expenditures before other financing sources (uses)	722,728	948,792	809,663	126,639	(63,430)	405,294	292,067	386,621	3,793	44,759
Other financing sources (uses):										
Proceeds from borrowing	-	-	-	-	455,150	-	232,842	1,805,000	147,260	204,286
Premium on debt issued	-	-	-	-	-	-	-	259,911	-	-
Transfers from other funds	-	-	90,000	6,334	112,365	7,310	7,310	7,328	7,328	137,328
Transfers to other funds	(407,200)	(443,275)	(342,647)	(462,285)	(557,009)	(69,392)	(152,035)	(464,277)	(318,602)	(132,374)
Total other financing sources (uses)	(407,200)	(443,275)	(252,647)	(455,951)	10,506	(62,082)	88,117	1,607,962	(164,014)	209,240
Special item - contribution to land trust	-	-	-	-	-	-	-	(2,009,141)	-	-
Net change in fund balances	\$ 315,528	\$ 505,517	\$ 557,016	\$ (329,312)	\$ (52,924)	\$ 343,212	\$ 380,184	\$ (14,558)	\$ (160,221)	\$ 253,999
Debt Service as a percentage of noncapital expenditures	0.83%	0.96%	0.98%	0.96%	3.08%	1.43%	1.43%	1.75%	1.73%	2.02%

(1) Capital improvements in departmental general fund expenses not reflected only nonmajor governmental funds.

(2) Includes only General Fund and not funds combined with General Fund for financial reporting purposes in accordance with GASB 54.

Town of Hopkinton

Assessed Values and Actual Values of Taxable Property

Last Ten Fiscal Years

Unaudited

<u>Fiscal Year</u>		<u>Residential</u>	<u>Commercial*</u>	<u>Tangible</u>		<u>Less</u>	<u>Total</u>		<u>Total</u>	
<u>Ending</u>		<u>Property</u>	<u>Property</u>	<u>Personal</u>		<u>Tax Exempt</u>	<u>Taxable</u>	<u>RP & Tang.</u>	<u>Direct</u>	<u>Tax</u>
<u>June 30</u>				<u>Property</u>	<u>Vehicles</u>	<u>Property</u>	<u>Assessed</u>	<u>Rate</u>	<u>Rate</u>	<u>Levy</u>
	\$		\$		\$			\$	\$	\$
2012	\$	762,201,500	\$ 73,392,100	\$ 20,486,870	\$ 74,713,855	\$ 25,171,601	\$ 905,622,724	\$ 19.34	\$ 19.47	\$ 17,630,987
2013		763,335,600	77,944,400	19,857,930	77,319,949	26,424,789	912,033,090	19.98	20.07	18,300,511
2014		766,263,800	81,502,500	20,358,200	77,640,807	28,400,729	917,364,578	19.77	19.87	18,228,200
2015		707,098,400	72,021,770	18,677,560	78,711,307	23,834,331	852,674,706	20.64	20.68	17,634,724
2016		706,976,400	75,458,960	19,674,690	80,478,327	23,847,252	858,741,125	20.38	20.44	17,555,096
2017		711,733,500	76,483,260	20,530,510	84,893,161	25,223,011	868,417,420	20.64	20.68	17,961,897
2018		758,980,300	81,237,870	21,932,700	86,553,273	26,289,519	922,414,624	20.07	20.16	18,594,281
2019		765,662,900	80,414,970	35,693,810	72,268,551	29,385,729	924,654,502	20.07	20.14	18,619,963
2020		769,877,600	82,698,010	37,706,900	70,935,054	34,420,542	926,797,022	20.68	20.71	19,190,941
2021		896,737,600	102,579,200	40,652,020	67,172,977	40,233,171	1,066,908,626	18.28	18.39	19,624,355

Notes:

The State of Rhode Island has enacted legislation limiting the cap on property tax levy growth for cities and towns.

The cap was set at 5.5% in FY 2007-2008 reducing by .25% until FY 2012-13 when a 4% cap will be reached. FY 2019-20 tax cap was 4.0%.

Revaluation of real property is required by State law every 9 years. Hopkinton had a full revaluation in FY 2014-2015.

Statistical revaluations are required every 3 years. Hopkinton had a statistical revaluations in FY 2017-18 as

Hopkinton, Richmond, and Charlestown were to all be on the same revaluation cycle with a full revaluation in FY 2011-12.

Property is assessed at actual market value.

Inventory taxes were phased out in 2008 under RI General Law 44-3-29.1

Total Direct Tax Rate is the weighted average of all individual rates applied by the Town. The Motor Vehicle rate has been frozen since 2000 at \$21.18. In fiscal year 2020-2021 the property tax rate, excluding motor vehicles , was \$18.28.

Town of Hopkinton

Assessed Values and Actual Values of Taxable Property

Calculation of Total Direct Tax Rate for Fiscal Year ended June 30, 2021

Unaudited

<u>Category</u>		<u>Assessed</u> <u>Value</u>	<u>Direct rate</u> <u>per \$1000</u>	<u>Total</u> <u>Tax Levy</u>
Real Estate				
Residential	\$896,737,600			
Less Exemptions	12,975,030			
Net Residential		\$883,762,570	\$18.28	\$16,155,162
Commercial	\$102,579,200			
Less Exemptions	2,013,807			
Net Commercial		100,565,393	18.28	1,838,335
Tangible Property	\$40,652,020	40,652,020	18.28	743,055
Motor Vehicle	\$67,172,977			
Less Exemptions	25,244,334			
Net Motor Vehicle		41,928,643	21.18	887,803
Total		<u>1,066,908,626</u>		<u>19,624,355</u>
Total Tax Levy				19,624,355
Divided by Total Assessment				1,066,908,626
times 1000				
Weighted Average/Total Direct Rate			\$	18.39

Town of Hopkinton

Principal Property Taxpayers
Current year and ten years ago
Unaudited

			<u>Percentage of Total Taxable Assessed</u>		<u>Percentage of Total Taxable Assessed</u>	
	<u>FY 2021</u>		<u>Value</u>	<u>FY 2012</u>		<u>Value</u>
Narragansett Electric	\$ 20,765,240	1	1.95%	\$ 6,906,720	1	0.76%
Hopkinton Industrial Park LLC	12,885,200	2	1.21%	6,317,100	2	0.70%
New Canonchet Cliffs	5,978,200	3	0.56%	5,023,400	3	0.55%
L-3 Chesapeake Science Corp.	3,408,390	4	0.32%			
Fenner Hill Country Club	2,919,100	5	0.27%	2,998,300	7	0.33%
46 Norwich Westerly Exchange LLC	2,346,000	6	0.22%			
Hopkinton Realty LLC	2,197,000	7	0.21%			
Saugatucket Springs	2,117,195	8	0.19%	3,007,600	6	0.33%
Classic Acres Inc.	2,067,900	9	0.20%	3,148,400	8	0.35%
May Holdings LLC	1,962,500	10	0.18%			
Mashantucket Pequot				3,408,500	4	0.38%
Cox Communication Inc.				3,128,400	5	0.35%
Shamrock Associates LLC				1,952,800	8	0.22%
LR6-A Owner LLC				1,716,900	9	0.19%
Canonchet Hills LP				1,662,700	10	0.18%
Total	\$ 56,646,725		5.31%	\$ 39,270,820		4.34%
Total Taxable Assessed Value	\$ 1,066,908,626			\$ 905,622,724		

data from FY21 is from 2020 tax book
data from FY12 is from 2011 tax book

Town of Hopkinton
Property Tax Levy and Collections
Last Ten Fiscal Years
Unaudited

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Actual</u> <u>Tax Rate</u>	<u>Gross</u> <u>Levy</u>	<u>Adjustments</u> <u>Addendums</u> <u>Additions</u>	<u>Net to be</u> <u>Collected</u>	<u>Uncollected at</u> <u>end of year levy</u>	<u>Uncollected</u> <u>% of</u> <u>Net Levy</u>	<u>Uncollected at</u> <u>June 30, 2021</u>
2012	\$ 19.34	\$ 17,630,987	\$ (44,628)	\$ 17,586,359	\$ 685,646	3.90%	\$ 36,975
2013	19.98	18,300,511	10,162	18,310,673	731,520	4.00%	37,428
2014	19.77	18,228,200	4,226	18,232,426	714,468	3.92%	33,376
2015	20.64	17,634,724	(21,768)	17,612,956	595,614	3.38%	36,238
2016	20.38	17,555,096	(6,066)	17,549,030	577,613	3.29%	47,192
2017	20.64	17,961,897	6,806	17,968,703	538,710	3.00%	56,925
2018	20.07	18,594,281	(214,557)	18,379,724	556,920	3.03%	46,769
2019	20.07	18,619,963	(19,464)	18,600,499	569,748	3.06%	43,151
2020	20.68	19,190,941	(26,035)	19,164,906	555,182	2.90%	52,812
2021	18.28	19,624,355	(23,370)	19,600,985	608,653	3.11%	608,653

Notes:

Actual Tax rate is for all residential and commercial property. Motor Vehicles tax rate which is frozen at \$21.18.
Inventory tax rates not noted.

After nine years the balance is written off as uncollectible.



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Town of Hopkinton, Rhode Island, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town of Hopkinton, Rhode Island's basic financial statements, and have issued our report thereon dated January 31, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hopkinton, 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 Hopkinton, Rhode Island's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Hopkinton, Rhode Island's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-001 to be a material weakness.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2021-002 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Hopkinton, 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*.

Town of Hopkinton, Rhode Island's Response to Findings

The Town of Hopkinton, Rhode Island's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Hopkinton, Rhode Island's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 31, 2022



CERTIFIED PUBLIC ACCOUNTANTS

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

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

We have audited the Town of Hopkinton, Rhode Island's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town of Hopkinton, Rhode Island's major federal programs for the year ended June 30, 2021. The Town of Hopkinton, Rhode Island's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Hopkinton, Rhode Island's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Hopkinton, Rhode Island's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Hopkinton, Rhode Island's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Hopkinton, Rhode Island complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of the Town of Hopkinton, Rhode Island is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Hopkinton, Rhode Island's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Hopkinton, Rhode Island's internal control over compliance.

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

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

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

Bacon & Company CPAs, LLC

Warwick, Rhode Island
January 31, 2022

TOWN OF HOPKINTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

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

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>CDFA Number</u>	<u>Name of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

- Auditee qualified as low-risk auditee? yes X no

TOWN OF HOPKINTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

SECTION II - FINANCIAL STATEMENT FINDINGS

MATERIAL WEAKNESS

2021-001 Segregation of Duties

Criteria: Segregation of duties is an element of internal control that is designed to prevent, detect and correct misstatements in a timely manner, whether due to fraud or error.

Condition: The Finance Director and the Assistant to the Finance Director have job responsibilities that result in a lack of segregation of duties and as a result a weakness in internal controls. The same individual should not have custody of assets and also be responsible for initiating and recording transactions.

The Finance Director has complete responsibility for the general ledger and all financial reporting and is also responsible for signing checks, preparing and posting certain journal entries, reconciling the cash accounts, authorizing certain payment vouchers and wiring cash between accounts.

The Finance Director was also appointed Interim Town Manager effective November 2, 2020 further increasing the lack of segregation of duties as the Town Manager is responsible for authorizing all departmental payment vouchers.

The Assistant to the Finance Director is responsible for preparing and posting journal entries, preparing the biweekly payroll, processing and preparing all vendor checks, and accepting, preparing and making departmental deposits.

Effect: Misstatements, whether due to fraud or error, could occur and not be prevented, detected and corrected in a timely manner.

Cause: There is a limited number of staff in the Finance Office.

Identification of a Repeat Finding: This is a repeat finding from previous audits 2020-001, 2019-001, 2018-001 and 2017-001.

Recommendation: We recommend that the Town review the current job responsibilities within the Finance Department and take the appropriate steps to segregate certain duties, to ensure that the same individual is not responsible for custody of assets, and initiating and recording receipts and disbursements. In addition, all journal entries prepared should be reviewed and approved by a responsible official independent from the person responsible for preparing the journal entry. We also recommend that the Town consider adding staff to the Finance Department to allow for the proper segregation of duties and to strengthen the internal controls. Alternatively, internal controls in the Finance Office could also be strengthened by the monthly review of financial reports and reconciliations by an independent responsible official with knowledge of Town operations and financial reporting and accounting.

TOWN OF HOPKINTON, RHODE ISLAND
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

Views of Responsible Officials and Planned Corrective Action: The Finance office acknowledges the need for additional staffing, but funding is not available in this economic environment. However, actions will be taken immediately to segregate duties in the best possible manner given the shortage of staffing.

SIGNIFICANT DEFICIENCY

2021-002 Segregation of Duties

Criteria: Segregation of duties is an element of internal control that is designed to prevent, detect and correct misstatements in a timely manner, whether due to fraud or error.

Condition: The Tax Collector has job responsibilities that result in a lack of segregation of duties and as a result a weakness in internal controls. Due to staff limitations, the Tax Collector is responsible for accepting and recording tax payments, reconciling the daily receipts, preparing bank deposits, posting abatements and monitoring delinquent accounts. The Tax Collector has custody of assets and is also responsible for initiating and recording transactions.

Effect: Misstatements, whether due to fraud or error, could occur and not be prevented, detected and corrected in a timely manner.

Cause: There is a limited number of staff in the Tax Collector's Office.

Identification of a Repeat Finding: This is a repeat finding from previous audits 2020-002, 2019-002, 2018-002 and 2017-002.

Recommendation: We recommend that the Town review the current job responsibilities of the Tax Collector to attempt to segregate certain responsibilities. We suggest that internal controls could be improved by having all daily reconciliation procedures completed by two individuals. We also recommend that delinquent accounts and adjustments to the subsidiary ledger be reviewed by another independent individual, in addition to the Tax Collector.

Views of Responsible Officials and Planned Corrective Action: The Tax Collection office acknowledges the need for additional staffing, but funding is not available in this economic environment. However, actions will be taken immediately to segregate duties in the best possible manner given the shortage of staffing.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

NONE REPORTED

TOWN OF HOPKINTON, RHODE ISLAND
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2021

<u>Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title</u>	<u>Federal Assistance Listing Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Passed Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Housing and Urban Development				
<i>Pass-through RI Executive Office of Commerce, Office of Housing and Community Development:</i>				
Community Development Block Grant State's Program	14.228	17/14/30	\$ -	\$ 20,170
Community Development Block Grant State's Program	14.228	18/14/31	-	39,006
Community Development Block Grant State's Program	14.228	19/14/32	-	29,167
			<u>-</u>	<u>88,343</u>
Total U.S. Department of Housing and Urban Development			<u>-</u>	<u>88,343</u>
U.S. Department of Interior				
<i>Pass-through RI Historical Preservation and Heritage Commission:</i>				
Historic Preservation Fund Grants-In-Aid	15.904	19-CLG-6	-	2,900
Total U.S. Department of Interior			<u>-</u>	<u>2,900</u>
U.S. Department of Transportation				
<i>Pass-through RI Department of Transportation: Highway Safety Cluster:</i>				
State and Community Highway Safety Grant	20.600	N/A	-	7,859
Total Highway Safety Cluster			<u>-</u>	<u>7,859</u>
Total U.S. Department of Transportation			<u>-</u>	<u>7,859</u>
U.S. Department of Health and Human Services				
<i>Pass-through RI Department of Health:</i>				
COVID-19 - Public Health Emergency Preparedness - MEDS	93.069	N/A	-	6,500
Public Health Emergency Preparedness - MEDS	93.069	N/A	-	828
			<u>-</u>	<u>7,328</u>
<i>Pass-through RI Department of Human Services: Aging Cluster:</i>				
COVID-19 - Grants for Supportive Services and Senior Centers	93.044	N/A	-	950
Total Aging Cluster			<u>-</u>	<u>950</u>
Total U.S. Department of Health and Human Services			<u>-</u>	<u>8,278</u>
U.S. Department of Treasury				
<i>Pass-through RI Department of Revenue:</i>				
COVID-19 - Coronavirus Relief Fund	21.019	N/A	-	654,043
<i>Pass-through RI Commerce Corporation:</i>				
COVID-19 - Coronavirus Relief Fund - Take It Outside	21.019	N/A	-	40,000
<i>Pass-through RI Office of Library and Information Services:</i>				
COVID-19 - Coronavirus Relief Fund - LORI Grant	21.019	LGC-20-26-ASH	1,000	1,000
			<u>1,000</u>	<u>695,043</u>
Total U.S. Department of Treasury			<u>1,000</u>	<u>695,043</u>
U.S. Department of Homeland Security				
<i>Pass-through RI Emergency Management Agency:</i>				
Emergency Management Performance Grants	97.042	16-04-2019; 16-04-2020	-	3,527
Total U.S. Department of Homeland Security			<u>-</u>	<u>3,527</u>
U.S. Department of Justice				
<i>Pass-through North Providence Police Department:</i>				
Equitable Sharing Program	16.922	N/A	-	8,816
Total U.S. Department of Justice			<u>-</u>	<u>8,816</u>
			<u>\$ 1,000</u>	<u>\$ 814,766</u>
Total Expenditures of Federal Awards			<u>\$ 1,000</u>	<u>\$ 814,766</u>

TOWN OF HOPKINTON, RHODE ISLAND

Notes to Schedule of Expenditures of Federal Awards

For the Fiscal Year Ended June 30, 2021

NOTE 1 – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Town of Hopkinton, Rhode Island under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Hopkinton, Rhode Island, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the Town of Hopkinton, Rhode Island.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 – INDIRECT COST RATE

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